



Office of the Washington State Auditor
Pat McCarthy

Financial Statements and Federal Single Audit Report

Snohomish County

For the period January 1, 2022 through December 31, 2022

Published September 28, 2023

Report No. 1033392



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**Office of the Washington State Auditor
Pat McCarthy**

September 28, 2023

County Council and Executive
Snohomish County
Everett, Washington

Report on Financial Statements and Federal Single Audit

Please find attached our report on Snohomish County's financial statements and compliance with federal laws and regulations.

We are issuing this report in order to provide information on the County's financial condition.

Sincerely,

Pat McCarthy, State Auditor
Olympia, WA

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SCHEDULE OF FINDINGS AND QUESTIONED COSTS

Snohomish County **January 1, 2022 through December 31, 2022**

SECTION I – SUMMARY OF AUDITOR’S RESULTS

The results of our audit of Snohomish County are summarized below in accordance with Title 2 U.S. Code of Federal Regulations (CFR) Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance).

Financial Statements

We issued an unmodified opinion on the fair presentation of the basic financial statements of the governmental activities, the business-type activities, the aggregate discretely presented component units, each major fund and remaining fund information in accordance with accounting principles generally accepted in the United States of America (GAAP).

Internal Control over Financial Reporting:

- *Significant Deficiencies:* We reported no deficiencies in the design or operation of internal control over financial reporting that we consider to be significant deficiencies.
- *Material Weaknesses:* We identified deficiencies that we consider to be material weaknesses.

We noted no instances of noncompliance that were material to the financial statements of the County.

Federal Awards

Internal Control over Major Programs:

- *Significant Deficiencies:* We reported no deficiencies in the design or operation of internal control over major federal programs that we consider to be significant deficiencies.
- *Material Weaknesses:* We identified deficiencies that we consider to be material weaknesses.

We issued an unmodified opinion on the County’s compliance with requirements applicable to each of its major federal programs.

We reported findings that are required to be disclosed in accordance with 2 CFR 200.516(a).

Identification of Major Federal Programs

The following programs were selected as major programs in our audit of compliance in accordance with the Uniform Guidance.

<u>ALN</u>	<u>Program or Cluster Title</u>
14.239	Home Investment Partnerships Program
14.239	COVID-19 – Home Investment Partnerships Program
14.267	Continuum of Care Program
20.106	Airport Improvement Program, COVID-19 Airports Programs, and
20.106	Infrastructure Investment and Jobs Act Programs
	COVID-19 – Airport Improvement Program, COVID-19 Airports
	Programs, and Infrastructure Investment and Jobs Act Programs
21.023	COVID-19 – Emergency Rental Assistance Program
21.027	COVID-19 – Coronavirus State and Local Fiscal Recovery Funds
93.563	Child Support Enforcement
93.566	Refugee and Entrant Assistance State/Replacement Designee
	Administered Programs

The dollar threshold used to distinguish between Type A and Type B programs, as prescribed by the Uniform Guidance, was \$3,000,000.

The County did not qualify as a low-risk auditee under the Uniform Guidance.

SECTION II – FINANCIAL STATEMENT FINDINGS

See Finding 2022-001.

SECTION III – FEDERAL AWARD FINDINGS AND QUESTIONED COSTS

See Findings 2022-002 and 2022-003.

SCHEDULE OF AUDIT FINDINGS AND RESPONSES

Snohomish County January 1, 2022 through December 31, 2022

2022-001 The County's internal controls were inadequate for ensuring major funds were properly presented in its financial statements.

Background

State and federal agencies, County commissioners, and the public rely on the information included in the financial statements and reports to make decisions. County management is responsible for designing and maintaining internal controls that provide reasonable assurance regarding the reliability of financial reporting, as well as ensure financial statements are fairly presented in accordance with generally accepted accounting principles (GAAP).

Our audit identified material weaknesses in internal controls over financial reporting that resulted in errors in the County's financial statements. *Government Auditing Standards* requires that our Office communicate material weaknesses in internal controls as a finding.

Description of Condition

Governmental Accounting Standards Board Statement No. 34 outlines the criteria for reporting a major fund on the financial statements. Major funds are presented individually, and nonmajor funds are reported in the aggregate. These accounting standards provide quantitative thresholds for identifying which funds must be reported as major funds.

During the audit period, the County prepared a worksheet to identify major funds. However, due to an error in the worksheet, the County did not report the Emergency Communications System & Facilities fund as a major fund even though it met the quantitative threshold. We consider this internal control deficiency to be a material weakness.

Cause of Condition

While County staff are knowledgeable about major fund reporting requirements, those responsible for preparing and reviewing the major fund identification worksheet had heavy workloads throughout the year, which limited the amount of

time available to prepare and review the worksheet. Because of this, staff did not detect the error in the worksheet.

Effect of Condition

The County did not report the Emergency Communications System & Facilities fund as a major fund, but subsequently corrected this error.

Recommendation

We recommend the County strengthen internal controls over its calculation and review to ensure major funds are properly identified and reported in accordance with GAAP.

County's Response

The County confirms that the Emergency Communications Systems & Facilities Fund should have been reported as a major fund in the 2022 financial statements. The County originally presented it in the "Other Governmental Funds" column on the Governmental Fund Statement, rather than a separate major fund column. The financial statement classification was corrected immediately and is reflected accurately in the financial statements. County staff reviewed the calculation in depth, however the formula error was not caught in our new ACFR reporting software. This has now been corrected in our new system.

Auditor's Remarks

We appreciate the County's commitment to resolve this finding and thank the County for its cooperation and assistance during the audit. We will review the corrective action taken during our next regular audit.

Applicable Laws and Regulations

Government Auditing Standards, July 2018 Revision, paragraphs 6.40 and 6.41 establish reporting requirements related to significant deficiencies or material weaknesses in internal control, instances of fraud, and noncompliance with provisions of laws, regulations, contracts, or grant agreements.

The American Institute of Certified Public Accountants defines significant deficiencies and material weaknesses in its *Codification of Statements on Auditing Standards*, section 935, Compliance Audits, paragraph 11.

GASB Statement No. 34, *Basic Financial Statements—and Management's Discussion and Analysis—for State and Local Governments*, Paragraph 76.

GASB Statement No. 37, *Basic Financial Statements—and Management's Discussion and Analysis—for State and Local Governments: Omnibus*, Paragraph 15.

SCHEDULE OF FEDERAL AWARD FINDINGS AND QUESTIONED COSTS

Snohomish County January 1, 2022 through December 31, 2022

2022-002 The County had inadequate internal controls for ensuring compliance with the Housing Quality Standards inspection requirements of its Home Investment Partnerships Program.

Assistance Listing Number and Title:	14.239 – Home Investment Partnerships Program
Federal Grantor Name:	U.S. Department of Housing and Urban Development
Federal Award/Contract Number:	M18-DC530201, M19-DC530201, M20-DC530201, M21-DC530201, M21-DP530201, M22-DC530201
Pass-through Entity Name:	N/A
Pass-through Award/Contract Number:	N/A
Known Questioned Cost Amount:	\$0
Prior Year Audit Finding:	N/A

Description of Condition

During fiscal year 2022, the County spent \$3,010,680 under the Home Investment Partnerships Program (HOME Program). The objectives of the HOME Program include:

- (1) Expanding the supply of decent and affordable housing, particularly housing for people with low-and very low-incomes
- (2) Strengthening the abilities of state and local governments to design and implement strategies for achieving adequate supplies of decent, affordable housing
- (3) Providing financial and technical assistance to participating jurisdictions, including the development of model programs for affordable low-income housing

- (4) Extending and strengthening partnerships among all levels of government and the private sector, including for-profit and nonprofit organizations, in the production and operation of affordable housing

Federal regulations require recipients to establish and maintain internal controls that ensure compliance with program requirements. These controls include understanding grant requirements and monitoring the effectiveness of established controls.

During the period of affordability (i.e., the period for which the nonfederal entity must maintain subsidized housing) for HOME-assisted rental housing, the participating jurisdiction must perform on-site inspections to determine compliance with property standards and verify the information submitted by the owners. These inspections must be completed no less than:

- Every three years for projects containing one to four units
- Every two years for projects containing five to 25 units
- Every year for projects containing 26 or more units

However, in response to the COVID-19 pandemic, the U.S. Department of Housing and Urban Development (HUD) issued a waiver of Housing Quality Standards (HQS) inspections. The waiver period spanned from April 10, 2020, to December 31, 2021, and required on-site inspections to resume within 180 days of the end of the waiver period.

Our audit found the County did not have adequate internal controls for ensuring compliance with the HOME Program's HQS requirement to resume on-site inspections when the HUD waiver expired.

We consider this internal control deficiency to be a material weakness, which led to material noncompliance.

Cause of Condition

The County was operating under COVID-19 pandemic protocols during the audit period. The state and County rescinded the emergency order on October 31, 2022, and the federal government rescinded the emergency declaration on May 11, 2023. Therefore, during the period under audit, grant administrators were operating with limited in-person contact, and they determined that HQS inspections should be delayed until fiscal year 2023 when all levels of emergency orders were lifted.

Effect of Condition

The County did not conduct any HQS inspections during fiscal year 2022. As such, the County could not demonstrate that the HOME Program properties it was managing met HQS inspection requirements and were being maintained in a decent, safe and sanitary manner.

Recommendation

We recommend the County strengthen internal controls to ensure its HOME Program properties meet HQS compliance requirements. Specifically, the County should ensure it performs HQS inspections within the prescribed timeframe.

County's Response

The County disagrees that there were inadequate controls. The County has had and does have procedures for conducting physical inspections in conformance with statutory and regulatory guidance and maintains a database for tracking inspections due and completed. Those procedures were suspended as a direct result of the COVID-19 pandemic and associated federal, state, and local directives and guidance. The County has been fully aware of the institution of U.S. Department of Housing and Urban Development (HUD) waiver of the requirement to conduct physical inspections of HOME units as well as their notification that inspections should be resumed. The County communicated with HUD regarding the suspension of HOME inspections during the public health emergency and continuing COVID-19 protocols that impacted the timing for resuming inspections. The County planned for the resumption of inspections and updated those plans based on the COVID-19 emergency and protocols at the federal, state, and local levels which did not align with the end of the HUD waiver nationally. The County and state COVID-19 health emergency did not end until October 31, 2022 and the federal COVID-19 National Public Health emergency did not end until May 11, 2023. The County planned for safely resuming physical inspections at the end of the federal emergency declaration taking into consideration the risk for County staff, agency staff, and tenants to best address the regulatory requirements during this global pandemic. The County communicated with the HUD Seattle Field Office on the planned resumption of HOME unit inspections. In addition to communications with HUD, the information was included in the HUD Consolidated Annual Performance and Evaluation Report (CAPER). The CAPER provides annual reporting on performance, including the HOME Program. HUD approved the 2021 (July 2021 – June 2022) CAPER which indicated the County did not perform inspections during this timeframe due to the COVID 19 pandemic.

The 2022 CAPER (July 2022 -June 2023) is currently in the public comment phase to be submitted in September 2023. It includes an update on inspections consistent with the information provided to HUD that the County was still under COVID 19 protocols during almost all of that timeframe and planned to resume inspections in 2023 as was to be included in the 2022 CAPER in conformance with HUD guidance. The County resumed HOME inspections in June 2023 utilizing our standard protocols and controls.

Auditor's Remarks

We appreciate the County's assistance throughout our audit and its planned corrective action to resolving this matter.

We performed our audit in accordance with requirements from the Federal agency, the U.S. Department of Housing and Urban Development, which required physical inspections to resume 180 days after December 31, 2021. We reaffirm our finding and will review the condition during our next audit.

Applicable Laws and Regulations

Title 2 U.S. Code of Federal Regulations (CFR) Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance), section 516, Audit findings, establishes reporting requirements for audit findings.

Title 2 CFR Part 200, Uniform Guidance, section 303, Internal controls, describes the requirements for auditees to maintain internal controls over federal programs and comply with federal program requirements.

The American Institute of Certified Public Accountants defines significant deficiencies and material weaknesses in its *Codification of Statements on Auditing Standards*, section 935, Compliance Audits, paragraph 11.

Memorandum from the U.S. Department of Housing and Urban Development, Additional Revision, and Extension of December 2020 and April 2020 Memorandum – Availability of Waivers and Suspensions of the HOME Program Requirements in Response to COVID-19 Pandemic.

Title 24 CFR Part 92, *Home Investment Partnerships Program*, section 92.504(d)(1)(iii), Annual inspections, describes the tenant-based rental assistance program requirements for annual inspections.

Title 24 CFR Part 92, *Home Investment Partnerships Program*, sections 92.209(i), 92.251(f), and 92.504(d), Housing Quality Inspection requirements, describe the program specific requirements for performing on-site inspections and determining compliance with quality standards.

SCHEDULE OF FEDERAL AWARD FINDINGS AND QUESTIONED COSTS

Snohomish County January 1, 2022 through December 31, 2022

2022-003 **The County did not have adequate internal controls for ensuring federal match contributions from subrecipients were adequately supported.**

Assistance Listing Number and Title:	14.267 – Continuum of Care Program
Federal Grantor Name:	U.S. Department of Housing and Urban Development
Federal Award/Contract Number:	WA0000U0T042006
Pass-through Entity Name:	N/A
Pass-through Award/Contract Number:	N/A
Known Questioned Cost Amount:	\$0
Prior Year Audit Finding:	N/A

Background

The Continuum of Care (CoC) program is designed to promote community-wide commitment to the goal of ending homelessness. The program provides funding to quickly rehouse homeless people and families while minimizing the trauma and dislocation homelessness causes, promote access to and effective use of mainstream programs by homeless people and families, and optimize self-sufficiency among people and families experiencing homelessness.

Federal regulations require recipients to establish and follow internal controls that ensure compliance with program requirements. These controls include understanding grant requirements and monitoring the effectiveness of established internal controls. Federal regulations also require that match contributions be adequately documented and come from allowable expenditures meeting federal cost principles.

The CoC program requires recipients and subrecipients to provide nonfederal matching funds of 25 percent of their total federal expenditures. The County provided this match through its own funds and funds provided by its subrecipients. For the program year ending on June 30, 2022, the County and its subrecipients were required to provide a total match of \$2,714,574. As the prime recipient, the County is responsible for monitoring the activities of the subrecipients to ensure they comply with federal regulations, including that subrecipient match contributions are adequately documented.

Description of Condition

The County's controls were inadequate for ensuring it reviewed and retained subrecipient match contribution documentation to gain assurance that match costs came from allowable sources. The County contractually requires subrecipients to provide documentation of match contributions monthly, but it only enforces this requirement for the first and last month of each program year. In addition, the County's subrecipient monitoring procedures state that it samples the remaining program months and reviews match documentation, but staff did not perform this process for fiscal year 2022.

We consider these deficiencies in internal controls to be a material weakness.

Cause of Condition

Employees responsible for administering the program determined the review of the first and last month of match documentation of each program year, along with the review performed as part of subrecipient monitoring, would be sufficient to ensure match amounts were adequately supported and came from allowable sources. However, in April 2022, the County experienced turnover in the position responsible for performing subrecipient monitoring reviews over documentation of match contributions, and this position remained vacant for more than a year. As a result, a key part of the process for reviewing a sample of match documentation throughout the year was not performed during the audit period.

Effect of Condition

During fiscal year 2022, the County provided a total match of \$4,432,463. Although this amount in total exceeded the required match of \$2,714,574, the County did not review and obtain adequate documentation of subrecipient match contributions totaling \$3,536,545, or 79.8 percent of total match contributions. Without adequate documentation to support subrecipient match contributions, the County is not in

compliance with the granting agency's recordkeeping requirements. Further, the County cannot assure federal grantors that matching contributions reported are accurate and valid. In addition, unsupported match contributions could result in a reduction of future federal awards.

During the audit, the County obtained additional documentation from subrecipients to support match contributions. This reduced the amount of unsupported subrecipient match contributions to \$896,966, or 20.2 percent of total match contributions. As the County initially provided match contributions that were more than the amount required, the remaining supported amount met the overall match requirements. As such, we are not questioning costs.

Recommendation

We recommend the County strengthen internal controls over federal match contributions from subrecipients to ensure it reviews and retains adequate documentation of the source and allowability of the match.

County's Response

The County does have established internal controls for matching requirements. These controls include remote review of Program Income and Match Reports (summary, GL for cash match, in-kind summary sheet), first and last month review of source documentation, additional requests for backup documentation if concerns are identified, monthly staff review of match report sheet breaking down reported match amounts by eligible category for each agency providing in-kind match, and onsite review of match source documentation for selected months other than first/last month. The County's contract language for agencies to provide the match documentation was further detailed in a memo to CoC agencies. The memo identified the types of documentation agencies are to submit, and that the agencies are not expected to provide all source documentation on months 2-11. The County wrote the contract language to generally require match documentation monthly and implemented its intent specifically through the memo.

CFR part 578.73 requires the recipient or subrecipient to document and maintain match documentation. The County as recipient and CoC subrecipients maintained source documentation. One of the agencies for which supporting documentation was requested during the audit, did not have adequate time to provide the documentation, as the agency had moved offices and most of the support documentation had not been unboxed. Another factor was some of the support documentation contains HIPAA-covered personal identifiable information (PII) that needs to be handled and maintain under strict confidential requirements. This

would require additional time to redact PII to maintain confidentiality. The agency was able to provide most but not all of the support documentation by the deadline under these statutory restrictions.

While we do have established internal controls, the County was unable to perform onsite match monitoring during 2022 due to staff turnover and Covid-19 restrictions. Labor market conditions during 2022 were extremely challenging, and as a result it took a considerable amount of time to fill the Housing and Community Services Financial Compliance Officer 1 (FCOI) position. The FCOI performs remote and onsite monitoring activities for cash and in-kind match and works closely with program staff and fiscal staff. The position was filled with onboarding and training occurring in the later part of 2022 and first part of 2023. Onsite and remote FCOI match monitoring resumed in 2023 and the FCOI will review current practices to recommend possible improvements for implementation.

Auditor's Remarks

We appreciate the County's commitment to resolve this finding and thank the County for its cooperation and assistance during the audit. We will review the corrective action taken during our next regular audit.

Applicable Laws and Regulations

Title 2 U.S. Code of Federal Regulations (CFR) Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance), section 516, Audit findings, establishes reporting requirements for audit findings.

Title 2 CFR Part 200, Uniform Guidance, section 303, Internal controls, describes the requirements for auditees to maintain internal controls over federal programs and comply with federal program requirements.

The American Institute of Certified Public Accountants defines significant deficiencies and material weaknesses in its *Codification of Statements on Auditing Standards*, section 935, Compliance Audits, paragraph 11.

Title 2 CFR Part 200, Uniform Guidance, section 306, Cost sharing or matching, describes the requirements for match contributions to be allowable under federal cost principles.

Title 2 CFR Part 200, Uniform Guidance, section 403, Factors affecting allowability of costs, describes the requirements for federal expenditures to be adequately documented.

Title 24 CFR Part 578, *Continuum of Care Program*, section 103, Recordkeeping requirements, describes the requirements for recipients to keep records of the source and use of match contributions.



Snohomish County
Finance Department

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Dave Somers
County Executive

SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS

Snohomish County **January 1, 2022 through December 31, 2022**

This schedule presents the status of findings reported in prior audit periods.

Audit Period: 2021	Report Reference No.: 1031231	Finding Ref. No.: 2021-001	ALN(s): 20.106
Federal Program Name and Granting Agency: U.S. Department of Transportation, Federal Aviation Administration		Pass-Through Agency Name: N/A	
Finding Caption: The County did not have adequate internal controls for ensuring compliance with federal reporting requirements.			
Background: The County did not submit the Financial Government Payment Report (FAA 5100-126) and the Operating and Financial Summary (FAA 5100-127) to the granting agency as required by Title 49 <i>U.S. Code of Federal Regulations</i> (CFR) §47107, <i>Project grant application approval conditioned on assurances about airport operations</i> . There were no questioned costs.			
Status of Corrective Action: (check one) <input checked="checked" type="checkbox"/> Fully Corrected <input type="checkbox"/> Partially Corrected <input type="checkbox"/> Not Corrected <input type="checkbox"/> Finding is considered no longer valid			

Corrective Action Taken:

FAA 5100-126, this was a new report due to the start of commercial passenger service at the airport under FAR (14CFR) Part 139. The County has updated the appropriate historical years. Appropriate controls have been put in place for the ongoing continued submission of this report.

FAA 5100-127, this was a new report due to the start of commercial passenger service at the airport under FAR (14CFR) Part 139. Adequate controls have been put in place as to ensure line items are consistently verified against unaudited and audited financial statements.

We have established a follow-up secondary compliance verification check to strengthen the accuracy of our internal controls for external reporting. This secondary follow-up verification will provide a second layer of compliance to verify our unaudited submission against final published audited financial statements

Audit Period: 2021	Report Reference No.: 1031231	Finding Ref. No.: 2021-002	ALN(s): 21.019
Federal Program Name and Granting Agency: U.S. Department of the Treasury		Pass-Through Agency Name: Washington State Department of Commerce, Administrative Office of the Courts	
Finding Caption: The County lacked adequate internal controls for ensuring compliance with federal subrecipient monitoring requirements.			
Background: <p>The County did not establish subaward agreements with three subrecipients, did not include all required elements in one subaward agreement, and did not perform monitoring activities for four subrecipients as required by Title 2 <i>U.S. Code of Federal Regulations</i> (CFR) §200.332, <i>Requirements for pass-through entities</i> (Uniform Guidance) to ensure subrecipients comply with the terms and conditions of the federal award. There were no questioned costs.</p>			
Status of Corrective Action: (check one) <div style="display: flex; justify-content: space-between;"> <div> <input checked="" type="checkbox"/> Fully Corrected </div> <div> <input type="checkbox"/> Partially Corrected </div> <div> <input type="checkbox"/> Not Corrected </div> <div> <input type="checkbox"/> Finding is considered no longer valid </div> </div>			
Corrective Action Taken: <p><i>The County's corrective action plan associated with this finding was to follow the internal controls and past practices that do comply with Uniform Guidance and 2 CFR 200. The decision not to follow past internal controls and past practices that resulted in the original finding was done conscientiously to address the issue of aiding ailing businesses while under the extreme administrative conditions the County found itself in. Since the original finding was reported, the County has been more judicious in its use of self-certification. The County has re-instated all past practices and internal controls by mid-year 2021 and continues to adhere to these practices.</i></p>			

INDEPENDENT AUDITOR'S REPORT

Report on Internal Control over Financial Reporting and on Compliance and Other Matters Based on an Audit of Financial Statements Performed in Accordance with *Government Auditing Standards*

Snohomish County January 1, 2022 through December 31, 2022

County Council and Executive
Snohomish County
Everett, Washington

We have audited, in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States, the financial statements of the governmental activities, the business-type activities, each major fund and the aggregately discretely presented component units and remaining fund information of Snohomish County, as of and for the year ended December 31, 2022, and the related notes to the financial statements, which collectively comprise the County's basic financial statements, and have issued our report thereon dated July 31, 2023.

REPORT ON INTERNAL CONTROL OVER FINANCIAL REPORTING

In planning and performing our audit of the financial statements, we considered the County's internal control over financial reporting (internal control) as a basis for designing audit procedures that are appropriate in the circumstances for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the County's internal control. Accordingly, we do not express an opinion on the effectiveness of the County's internal control.

A deficiency in internal control exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, misstatements on a timely basis. A *material weakness* is a deficiency, or a combination of deficiencies, in internal control such that there is a reasonable possibility that a material misstatement of the County's financial statements will not be prevented or detected and corrected on a timely basis. A *significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

Our consideration of internal control was for the limited purpose described above and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies and therefore, material weaknesses or significant deficiencies may exist that were not identified.

However, we identified certain deficiencies in internal control, as described in the accompanying Schedule of Audit Findings and Responses as Finding 2022-001 that we consider to be material weaknesses.

REPORT ON COMPLIANCE AND OTHER MATTERS

As part of obtaining reasonable assurance about whether the County's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements, noncompliance with which could have a direct and material effect on the financial statements. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion.

The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

COUNTY'S RESPONSE TO FINDINGS

Government Auditing Standards requires the auditor to perform limited procedures on the County's response to the findings identified in our audit and described in the accompanying Schedule of Audit Findings and Responses. The County's response was not subjected to the auditing procedures applied in the audit of the financial statements and, accordingly, we express no opinion on the response.

PURPOSE OF THIS REPORT

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the County's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the County's internal control and compliance. Accordingly, this communication is not suitable for any other purpose. However, this

report is a matter of public record and its distribution is not limited. It also serves to disseminate information to the public as a reporting tool to help citizens assess government operations.

A handwritten signature in black ink that reads "Pat McCarthy". The signature is written in a cursive style with a large, stylized "P" and "M".

Pat McCarthy, State Auditor

Olympia, WA

July 31, 2023, except as to the Schedule of Expenditures of Federal Awards, for which the date is September 25, 2023

INDEPENDENT AUDITOR'S REPORT

Report on Compliance for Each Major Federal Program and Report on Internal Control over Compliance in Accordance with the Uniform Guidance

Snohomish County January 1, 2022 through December 31, 2022

County Council and Executive
Snohomish County
Everett, Washington

REPORT ON COMPLIANCE FOR EACH MAJOR FEDERAL PROGRAM

Opinion on Each Major Federal Program

We have audited the compliance of Snohomish County, with the types of compliance requirements identified as subject to audit in the U.S. *Office of Management and Budget (OMB) Compliance Supplement* that could have a direct and material effect on each of the County's major federal programs for the year ended December 31, 2022. The County's major federal programs are identified in the auditor's results section of the accompanying Schedule of Findings and Questioned Costs.

In our opinion, the County complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on each of its major federal programs for the year ended December 31, 2022.

Basis for Opinion on Each Major Federal Program

We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America (GAAS); the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States; and the audit requirements of Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards (Uniform Guidance)* are further described in the Auditor's Responsibilities for the Audit of Compliance section of our report.

We are required to be independent of the County and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion on compliance for each major federal program. Our audit does not provide a legal determination on the County's compliance with the compliance requirements referred to above.

Responsibilities of Management for Compliance

Management is responsible for compliance with the requirements referred to above and for the design, implementation, and maintenance of effective internal control over compliance with the requirements of laws, statutes, regulations, rules and provisions of contracts or grant agreements applicable to the County's federal programs.

Auditor's Responsibilities for the Audit of Compliance

Our objectives are to obtain reasonable assurance about whether material noncompliance with the compliance requirements referred to above occurred, whether due to fraud or error, and express an opinion on the County's compliance based on our audit. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with GAAS, *Government Auditing Standards* and the Uniform Guidance will always detect a material noncompliance when it exists. The risk of not detecting a material noncompliance resulting from fraud is higher than for that resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Noncompliance with the compliance requirements referred to above is considered material, if there is a substantial likelihood that, individually or in the aggregate, it would influence the judgement made by a reasonable user of the report on compliance about the County's compliance with the requirements of each major federal program as a whole.

Performing an audit in accordance with GAAS, *Government Auditing Standards* and the Uniform Guidance includes the following responsibilities:

- Exercise professional judgment and maintain professional skepticism throughout the audit;
- Identify and assess the risks of material noncompliance, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the County's compliance with the compliance requirements referred to above and performing such other procedures as we considered necessary in the circumstances;
- Obtain an understanding of the County's internal control over compliance relevant to the audit in order to design audit procedures that are appropriate in the circumstances and to test and report on internal control over compliance in accordance with the Uniform Guidance, but not for the purpose of expressing an opinion on the effectiveness of the County's internal control over compliance. Accordingly, no such opinion is expressed; and

- We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and any significant deficiencies and material weaknesses in internal control over compliance that we identified during the audit.

Other Matters

The results of our auditing procedures disclosed an instance of noncompliance which is required to be reported in accordance with the Uniform Guidance and which is described in the accompanying Schedule of Federal Award Findings and Questioned Costs as Finding 2022-002. Our opinion on each major federal program is not modified with respect to these matters.

County's Response to Findings

Government Auditing Standards requires the auditor to perform limited procedures on the County's response to the noncompliance findings identified in our compliance audit described in the accompanying Schedule of Federal Award Findings and Questioned Costs. The County's response was not subjected to the other auditing procedures applied in the audit of compliance and, accordingly, we express no opinion on the response.

REPORT ON INTERNAL CONTROL OVER COMPLIANCE

A deficiency in internal control over compliance exists when the design or operation of a control over compliance does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, noncompliance with a type of compliance requirement of a federal program on a timely basis. *A material weakness in internal control over compliance* is a deficiency, or combination of deficiencies, in internal control over compliance, such that there is a reasonable possibility that material noncompliance with a type of compliance requirement of a federal program will not be prevented, or detected and corrected, on a timely basis. *A significant deficiency in internal control over compliance* is a deficiency, or a combination of deficiencies, in internal control over compliance with a type of compliance requirement of a federal program that is less severe than a material weakness in internal control over compliance, yet important enough to merit attention by those charged with governance.

Our audit was not designed for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, no such opinion is expressed. Our consideration of internal control over compliance was for the limited purpose described in the Auditor's Responsibilities for the Audit of Compliance section above and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies in internal control over compliance and therefore, material weaknesses or significant deficiencies may exist that were not identified.

However, we identified certain deficiencies in internal control over compliance, as described in the accompanying Schedule of Federal Award Findings and Questioned Costs as Findings 2022-002 and 2022-003 that we consider to be material weaknesses.

County's Response to Findings

Government Auditing Standards requires the auditor to perform limited procedures on the County's response to the internal control over compliance findings identified in our audit described in the accompanying Schedule of Federal Award Findings and Questioned Costs. The County's response was not subjected to the other auditing procedures applied in the audit of compliance and, accordingly, we express no opinion on the response.

Purpose of this Report

The purpose of this report on internal control over compliance is solely to describe the scope of our testing of internal control over compliance and the results of that testing based on the requirements of the Uniform Guidance. Accordingly, this report is not suitable for any other purpose. However, this report is a matter of public record and its distribution is not limited. It also serves to disseminate information to the public as a reporting tool to help citizens assess government operations.

A handwritten signature in black ink, reading "Pat McCarthy". The signature is fluid and cursive, with the first name "Pat" and last name "McCarthy" clearly distinguishable.

Pat McCarthy, State Auditor

Olympia, WA

September 25, 2023

INDEPENDENT AUDITOR'S REPORT

Report on the Audit of the Financial Statements

Snohomish County January 1, 2022 through December 31, 2022

County Council and Executive
Snohomish County
Everett, Washington

REPORT ON THE AUDIT OF THE FINANCIAL STATEMENTS

Opinions

We have audited the accompanying financial statements of the governmental activities, the business-type activities, each major fund and the aggregately discretely presented component units and remaining fund information of Snohomish County, as of and for the year ended December 31, 2022, and the related notes to the financial statements, which collectively comprise the County's basic financial statements as listed in the financial section of our report.

In our opinion, the accompanying 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 aggregately discretely presented component units and remaining fund information of Snohomish County, as of December 31, 2022, and the respective changes in financial position and, where applicable, cash flows thereof, and the respective budgetary comparison for the General, County Road, Human Services, Grant Control and Emergency Communications System & Facilities funds for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinions

We conducted our audit in accordance with auditing standards generally accepted in the United States of America (GAAS) and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of the County and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

Matters of Emphasis

As discussed in Note 1 to the financial statements, in 2022, the County adopted new accounting guidance, Governmental Accounting Standards Board Statement No. 87, *Leases* and Statement No. 97, *Accounting and Financial Reporting for 457 Deferred Compensation Plans*. Our opinion is not modified with respect to this matter.

As discussed in Note 10 to the financial statements, in 2022, the County adopted a change in accounting principle to recognize unrealized gains and losses on investments. Our opinion is not modified with respect to this matter.

As discussed in Note 10 to the financial statements, in 2022, the County adopted a change in the classification of loans issued to other local governments. Our opinion is not modified with respect to this matter.

As discussed in Note 11 to the financial statements, the County withdrew from the Snohomish Health District as of December 31, 2022 and established a county health department beginning January 1, 2023. Our opinion is not modified with respect to this matter.

Responsibilities of Management for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America, and for the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about the County's ability to continue as a going concern for twelve months beyond the financial statement date, including any currently known information that may raise substantial doubt shortly thereafter.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinions. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with GAAS and *Government Auditing Standards* will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial

likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

Performing an audit in accordance with GAAS and *Government Auditing Standards* includes the following responsibilities:

- Exercise professional judgment and maintain professional skepticism throughout the audit;
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements;
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the County's internal control. Accordingly, no such opinion is expressed;
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements;
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the County's ability to continue as a going concern for a reasonable period of time; and
- Communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control-related matters that we identified during the audit.

Required Supplementary Information


Accounting principles generally accepted in the United States of America require that the management's discussion and analysis and required supplementary information listed in the financial section of our report be presented to supplement the basic financial statements. Such information is the responsibility of management and, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Supplementary Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the County's basic financial statements. The accompanying Schedule of Expenditures of Federal Awards is presented for purposes of additional analysis as required by Title 2 *U.S. Code of Federal Regulations* (CFR) Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). This supplementary information is not a required part of the basic financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. The information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the information is fairly stated, in all material respects, in relation to the basic financial statements as a whole.

OTHER REPORTING REQUIRED BY GOVERNMENT AUDITING STANDARDS

In accordance with *Government Auditing Standards*, we have also issued our report dated July 31, 2023 on our consideration of the County's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the County's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the County's internal control over financial reporting and compliance.



Pat McCarthy, State Auditor

Olympia, WA

July 31, 2023, except as to the Schedule of Expenditures of Federal Awards, for which the date is September 25, 2023

FINANCIAL SECTION

Snohomish County **January 1, 2022 through December 31, 2022**

REQUIRED SUPPLEMENTARY INFORMATION

Management's Discussion and Analysis – 2022

BASIC FINANCIAL STATEMENTS

Statement of Net Position – 2022

Statement of Activities – 2022

Governmental Funds Balance Sheet – 2022

Reconciliation of Governmental Funds Balance Sheet to the Statement of Net Position –
2022

Statement of Revenues, Expenditures and Changes in Fund Balance – Governmental
Funds – 2022

Reconciliation of Governmental Funds Statement of Revenues, Expenditures and
Changes in Fund Balance to the Statement of Activities – 2022

Statement of Revenues, Expenditures and Changes in Fund Balance – Budget and Actual
– General Fund – 2022

Statement of Revenues, Expenditures and Changes in Fund Balance – Budget and Actual
– County Roads Fund – 2022

Statement of Revenues, Expenditures and Changes in Fund Balance – Budget and Actual
– Human Services Fund – 2022

Statement of Revenues, Expenditures and Changes in Fund Balance – Budget and Actual
– Grant Control Fund – 2022

Statement of Revenues, Expenditures and Changes in Fund Balance – Budget and Actual
– Emergency Communications System and Facilities – 2022

Statement of Net Position – Proprietary Funds – 2022

Statement of Revenues, Expenses and Changes in Fund Net Position – Proprietary Funds
– 2022

Statement of Cash Flows – Proprietary Funds – 2022

Statement of Fiduciary Net Position – Fiduciary Funds – 2022

Statement of Changes in Fiduciary Net Position – Fiduciary Funds – 2022

Notes to Financial Statements – 2022

REQUIRED SUPPLEMENTARY INFORMATION

Schedule of Proportionate Share of the Collective Net Pension Liability – PERS 1,
PERS 2/3, PSERS 2, LEOFF 1, LEOFF 2 – 2022
Schedule of Employer Contributions – PERS 1, PERS 2/3, PSERS 2, LEOFF 2 – 2022
Schedule of Changes in Total OPEB Liability and Related Ratios – 2022

SUPPLEMENTARY AND OTHER INFORMATION

Schedule of Expenditures of Federal Awards – 2022
Notes to the Schedule of Expenditures of Federal Awards – 2022

Our discussion and analysis of Snohomish County's financial performance provides an overview of the County's financial activities for the year ended December 31, 2022. Please read it in conjunction with the transmittal letter at the front of this report, the County's financial statements and the notes to the financial statements that follow.

FINANCIAL HIGHLIGHTS

- As of December 31, 2022, total assets plus deferred outflows of resources of the County less total liabilities plus deferred inflows of resources equaled \$2.1 billion (net position). \$1.4 billion, or 68.0%, of this amount is net investment in capital assets.
- In 2022, the County's total net position increased by 6.4% or \$124.2 million from the prior year, as restated. The governmental activities net position increased by 5.6% or \$91.1 million from the prior year, as restated. The business type activities net position increased 9.9% or \$33.1 million, from the prior year, as restated.
- As of December 31, 2022, the County's governmental funds reported combined ending fund balances of \$565.0 million. Approximately 11.1% or \$62.9 million is unassigned and available for spending at the government's discretion within the purposes specified for the County's funds.
- As of December 31, 2022, the County's business-type funds reported a combined net position of \$369.1 million. Of that amount, 26.7% or \$98.4 million is unrestricted.
- At the end of 2022, the general fund total nonspendable fund balance was \$580.0 thousand, assigned fund balance was \$29.3 million and the unassigned fund balance was \$67.4 million. The fund balance amounts to 36.2% of total general fund detail revenues for 2022. Total fund balance of the general fund increased by 1.6% or \$1.6 million from the prior year.
- During 2022, the County issued general obligation bonds of \$79.6 million to finance new projects.
- During 2022, the County received various federal awards to address the residual affects of the COVID-19 health emergency. The largest award was the Coronavirus State and Local Fiscal Recovery Funds under the American Rescue Plan Act (ARPA) and the Department of Treasury Emergency Rental Assistance Program. These awards were accounted for in the Grant Control Fund and Human Services Fund.

USING THIS ANNUAL REPORT

This annual report consists of a series of financial statements. The Basic Financial Statements include the Government-wide Financial Statements, Fund Financial Statements and Notes to the Financial Statements. Within the Government-wide Financial Statements, the Statement of Net Position and the Statement of Activities provide information about the activities of the County as a whole and present a longer-term view of the County's finances. Fund Financial Statements for governmental funds tell how these funds' services were financed in the short term as well as what remains for future spending. Fund Financial Statements also report the County's operations in more detail than the Government-wide Statements by providing information about the County's most significant funds. The remaining Basic Financial Statements provide financial information about activities for which the County acts solely as a trustee or agent for the benefit of those outside of the primary government.

The Annual Comprehensive Financial Report (ACFR) also includes a Supplemental Schedules section that provides more detailed information about the County.

Reporting the County as a Whole - Countywide Financial Statements

The Countywide financial statements are designed to provide readers with a broad overview of the County's finances, in a manner similar to a private-sector business.

Statement of Net Position and Statement of Activities

The **Statement of Net Position** presents information on all of the County's assets plus deferred outflows of resources, liabilities plus deferred inflows of resources, and the difference reported as net position. The **Statement of Activities** presents information showing how the County's net position changed during the current year. These statements are prepared using the accrual basis of accounting similar to the accounting method used by private sector companies. This basis of accounting takes into consideration all of the current year's revenues and expenses, regardless of when the cash is received or paid.

These two statements report the County's net position and changes in net position. Over time, increases or decreases in the County's net position may be one indicator of whether its financial health is improving or deteriorating. Readers of these statements should also consider other non-financial factors, such as changes in the County's property tax base and the condition of the County's roads, to assess the overall health of the County.

Within the Statement of Net Position and the Statement of Activities, the County's financial information is divided into three types of activities:

Governmental Activities:

Most of the County's functions are reported here, including general government, judicial, public safety, physical environment, transportation, health and human services, economic environment, and culture and recreation. Governmental activities are primarily supported by property taxes, charges for services, sales taxes, federal and state grants, and state shared revenues.

Business-Type Activities:

These functions are intended to recover all, or a significant portion of, their costs through user fees and charges to external users of goods and services. User fees are charged for surface water management, solid waste disposal, and the Paine Field Airport.

Discretely Presented Component Units:

The County's financial statements include financial information of the Pilchuck Development Corporation (PDC) and the Snohomish County Public Facilities District (PFD). These component units are described in the notes to the financial statements. The component units are separate legal entities that may buy, sell, lease, and mortgage property in their own name and can sue or be sued in their own name.

Reporting the County's Most Significant Funds

Fund Financial Statements:

The fund financial statements provide detailed information about the most significant funds. Some funds are required to be established by state law or by bond covenants. The County Council establishes funds to help it control and manage money for particular purposes (an example would be the Snohomish County Road Fund) or to show that it is meeting legal responsibilities for using certain taxes, grants, and other funding sources (an example would be grants received from the federal government for various services provided by the Human Services Department). The County's governmental and proprietary funds use different accounting methods, which are described in the following sections.

Governmental funds:

Most of the County's basic services are reported in governmental funds, which focus on how money flows into and out of the funds and the balances left at year-end that are available for spending. These funds are reported using an accounting method called modified accrual accounting, which measures cash and all other financial assets that can be readily converted to cash. The governmental fund statements provide a detailed short-term view of the County's general government operations and the basic services it provides. Governmental fund information assists in determining if fewer financial resources can be spent in the near future to finance the County's programs. Because the focus of governmental funds is narrower than that of the government-wide financial statements, it is useful to compare the information presented for governmental funds with similar information presented for governmental activities in the government-wide financial statements. By doing so, readers may better understand the long-term impact of the government's near-term financing decisions. Reconciliation Statements are provided to describe the relationship (or differences) between governmental activities (reported in the Statement of Net Position and the Statement of Activities) and governmental funds. The County's major governmental funds are General Fund, County Road Fund, Human Services Fund, Grant Control Fund, and Emergency Communications System & Facilities Fund. Individual fund data for each of the non-major funds is provided in the form of combining statements in the supplemental schedules section.

Proprietary funds:

Proprietary funds are generally used to account for services for which the County charges customers a fee. Proprietary funds are reported using the accrual method of accounting, which is the same method used for reporting the Statement of Net Position and the Statement of Activities. The proprietary fund statements provide additional types of information as compared to the governmental fund statements, such as cash flow information.

Reporting the County's Fiduciary Responsibilities:

The County is the trustee, or fiduciary, for several entities such as cities, school districts, fire districts, hospitals and ports among others, which are considered Custodial Funds. The County also reports an Investment Trust Fund. All of the County's fiduciary activities are reported in a separate Statement of Fiduciary Net Position and Statement of Changes in Fiduciary Net Position. There are combining statements that report the separate components of the Custodial funds and Investment Trust fund in the supplemental schedules section. Fiduciary activities are excluded from the County's other financial statements because the County cannot use the assets of those separate entities to finance its operations.

Notes to the Financial Statements

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

Other Information – Combining Statements

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

FINANCIAL ANALYSIS

As noted earlier, the County's net position, when reviewed over time, may serve as a useful indicator of the County's long-term financial health. The following schedule provides a summary of the assets, deferred outflows of resources, liabilities, deferred inflows of resources and net position of the County.

	Net Position					
	Governmental Activities		Business-Type Activities		Total	
	2022	2021	2022	2021	2022	2021
Assets						
Current	\$ 787,938,942	\$ 666,345,134	\$ 132,122,872	\$ 100,414,189	\$ 920,061,814	\$ 766,759,323
Noncurrent	166,543,504	218,989,015	375,353,611	22,013,672	541,897,115	241,002,687
Capital Assets	1,444,080,556	1,427,990,237	321,406,530	318,432,552	1,765,487,086	1,746,422,789
Total Assets	2,398,563,002	2,313,324,386	828,883,013	440,860,413	3,227,446,015	2,754,184,799
Deferred Outflow of Resources	62,069,808	20,155,594	8,250,259	2,812,256	70,320,067	22,967,850
Liabilities						
Current Liabilities	243,122,770	192,365,694	17,298,207	16,835,011	260,420,977	209,200,705
Noncurrent Liabilities	440,124,565	355,802,928	66,480,710	69,171,576	506,605,275	424,974,504
Total Liabilities	683,247,335	548,168,622	83,778,917	86,006,587	767,026,252	634,175,209
Deferred Inflow of Resources	66,618,284	165,692,583	384,248,652	21,658,465	450,866,936	187,351,048
Net Position						
Net Investment in Capital Assets	1,153,137,346	1,177,690,702	261,525,068	251,772,825	1,414,662,414	1,429,463,527
Restricted	442,255,918	320,741,902	9,177,513	5,226,847	451,433,431	325,968,749
Unrestricted	115,373,927	121,186,171	98,403,122	79,007,945	213,777,049	200,194,116
Total Net Position	\$ 1,710,767,191	\$ 1,619,618,775	\$ 369,105,703	\$ 336,007,617	\$ 2,079,872,894	\$ 1,955,626,392

2021 figures have been restated to reflect a change in accounting principle. See Note 10 Accounting and Reporting Changes.

Snohomish County's overall financial position improved from 2021 to 2022. For the year ended December 31, 2022, net position changed as follows:

Total Net Position of the County increased by \$124.2 million or 6.4% from the prior year, as restated. Governmental Activities' Total Net Position increased by \$91.1 million or 5.6% from the prior year, as restated. The Governmental Activities' increase was due in part to a loan to SNO911, an additional Affordable Housing sales tax, and developer contributions. Business-Type Activities' Total Net Position increased by \$33.1 million or 9.9% from the prior year, as restated. The increase was due to charges for services, the sale of property, and Federal Aviation Administration (FAA) contributions.

Total assets plus deferred outflows of resources of the County exceeded total liabilities plus deferred inflows of resources by \$2.1 billion (net position). The increase in net position in 2022 reflects the County's ability, on an annual basis, to meet its current obligations in those activities including debt service requirements. The unrestricted net position for governmental activities was \$115.4 million and for business-type activities was \$98.4 million. Governmental activities restricted net position was \$442.3 million. The restricted net position of business-type activities was \$9.2 million. Amounts reported in restricted net position are subject to external legal or contractual restrictions, such as those imposed by the Revised Code of Washington or by contractual agreements with parties outside the County.

The County's total assets were \$3.2 billion as of December 31, 2022. Capital assets represent \$1.8 billion of this amount. As required by GASB Statement No. 34, the County reports its infrastructure assets as a component of total capital assets; infrastructure assets amounted to \$847.8 million, net of depreciation, at December 31, 2022. The County's current assets consist of \$779.8 million of cash and investments, \$137.6 million of receivables, net of allowance for uncollectible accounts, and miscellaneous other current assets of \$2.7 million. Other non-current, non-capital assets include \$3.6 million for the County's equity interest in the Snohomish County 911 joint venture, \$85.8 million of notes/contracts receivable and \$82.8 million of net pension assets. Additionally, GASB 87 introduces a long-term lease receivable of \$369.7 million with an offsetting deferred inflow of \$379.6 million. The difference between the lease receivables and the deferred inflows is due to the amortization of the net present value.

The largest portion of the County's net position, \$1.4 billion, or 68.0%, reflects its investment in capital assets (e.g., land and improvements, buildings and building improvements, improvements other than buildings, machinery and equipment, vehicles, and infrastructure) less any related debt used to acquire those assets that is still outstanding. The County uses these capital assets for operations and to provide services to citizens; consequently, these assets are not available for future spending. Although the County's investment in its capital assets is reported net of related debt, it should be noted that the resources needed to repay this debt must be provided from other sources since the capital assets themselves cannot be used to liquidate these liabilities.

At December 31, 2022, the County had total outstanding liabilities of \$767.0 million. General obligation bonds and other loans payable were \$441.1 million, of which \$26.9 million was due within one year. Other current liabilities consist of accounts payable of \$51.6 million, due to other governments in the amount of \$1.5 million, unearned revenues of \$139.1 million, accrued liabilities of \$20.5 million and current portion of landfill closure costs of \$225.0 thousand. A liability of \$25.8 million is recorded for general liability and workers' compensation claims, of which \$5.4 million was due within one year. Other significant non-current liabilities include net pension liability of \$34.4 million, employee benefits payable of \$27.3 million, other post-employment benefits of \$3.2 million and future landfill closure costs of \$5.7 million. The following schedule provides a summary of the changes in net position:

	Changes in Net Position					
	Governmental Activities		Business-Type Activities		Total	
	2022	2021	2022	2021	2022	2021
Revenues						
Program Revenues						
Charges for Services	\$ 142,332,699	\$ 175,356,538	\$ 140,642,097	\$ 130,243,557	\$ 282,974,796	\$ 305,600,095
Operating Grants and Contributions	191,551,627	190,400,762	3,364,677	3,024,147	194,916,304	193,424,909
Capital Grants and Contributions	62,232,036	89,879,698	11,676,058	8,146,412	73,908,094	98,026,110
Total Program Revenues	396,116,362	455,636,998	155,682,832	141,414,116	551,799,194	597,051,114
General Revenues						
Property Taxes	172,872,064	167,750,955	—	—	172,872,064	167,750,955
Sales/Use Taxes	153,388,939	127,411,999	—	—	153,388,939	127,411,999
Real Estate Excise Tax	30,464,654	35,561,435	—	—	30,464,654	35,561,435
Business and Other Taxes	16,511,521	15,220,209	—	—	16,511,521	15,220,209
Intergovernmental Revenues	6,133,309	6,044,012	—	—	6,133,309	6,044,012
Interest and Investment Earnings	(6,051,491)	8,651,676	(1,286,991)	541,880	(7,338,482)	9,193,556
Disposition of Capital Assets	—	—	8,143,270	—	8,143,270	—
Miscellaneous Revenues	—	1,109,486	—	3,860	—	1,113,346
Total General Revenues	373,318,996	361,749,772	6,856,279	545,740	380,175,275	362,295,512
Total Revenues	769,435,358	817,386,770	162,539,111	141,959,856	931,974,469	959,346,626
Expenses						
General Government	74,743,435	47,326,836	—	—	74,743,435	47,326,836
Judicial	42,973,653	42,455,581	—	—	42,973,653	42,455,581
Public Safety	258,128,474	241,186,811	—	—	258,128,474	241,186,811
Physical Environment	2,192,149	2,159,875	—	—	2,192,149	2,159,875
Transportation	130,136,664	109,944,938	—	—	130,136,664	109,944,938
Health and Human Services	119,870,237	100,168,128	—	—	119,870,237	100,168,128
Economic Environment	21,305,862	19,378,365	—	—	21,305,862	19,378,365
Culture and Recreation	19,339,125	17,854,235	—	—	19,339,125	17,854,235
Interest on Long-Term Debt	7,320,684	10,839,229	—	—	7,320,684	10,839,229
Airport	—	—	31,832,331	26,080,785	31,832,331	26,080,785
Solid Waste	—	—	71,692,704	65,636,105	71,692,704	65,636,105
Surface Water	—	—	28,192,649	24,281,676	28,192,649	24,281,676
Total Expenses	676,010,283	591,313,998	131,717,684	115,998,566	807,727,967	707,312,564
Excess (Deficiency) Before Transfers	93,425,075	226,072,772	30,821,427	25,961,290	124,246,502	252,034,062
Transfers In (Out)	(2,276,659)	(6,528,179)	2,276,659	6,528,179	—	—
Change in Net Position	91,148,416	219,544,593	33,098,086	32,489,469	124,246,502	252,034,062
Net Position, Beginning of Year	1,619,618,775	1,400,074,182	336,007,617	303,518,148	1,955,626,392	1,703,592,330
Net Position, End of Year	\$ 1,710,767,191	\$ 1,619,618,775	\$ 369,105,703	\$ 336,007,617	\$ 2,079,872,894	\$ 1,955,626,392

2021 figures have been restated to reflect a change in accounting principle. See Note 10 Accounting and Reporting Changes.

The Total Change in Net Position was an increase of 6.4% or \$124.2 million from the prior year, as restated. Total program revenue for Governmental Activities had an overall decrease when compared to 2021. Charges for services included notable new Department of Children, Youth, and Families funding in Human Services. Operating grants and contributions remained steady, although funding shifted from a public safety focus to health and human services as the County transitioned to economic and community recovery. Capital grants and contributions decreased due to the high comparative amounts in the prior year due to SNO911 radio contributions and developer contributions.

In May of 2022, an Affordable Housing and Behavioral Health Facilities local sales tax began. The initial, partial year collected \$17 million. Lodging tax revenues were stronger due to the return of travelers, however a portion of the revenue gains were offset by significant unrealized losses on investments. See Note 3.A Deposits and Investments.

Governmental Activities' expense increased from the prior year by 14.3%, resulting in an Excess Before Transfers of \$93.4 million. The county continued to expend ARPA funds in 2022. Personnel costs rose due to Sheriff and Corrections contract retros and increased pension expenses.

The majority of revenues for governmental activities were derived from property taxes, charges for services, capital grants and contributions, sales/use taxes and operating grants and contributions. Together those revenue sources accounted for 93.9% of total governmental activity revenues. Property taxes provided 22.5% or \$172.9 million, charges for services provided 18.5% or \$142.3 million, capital grants and contributions provided 8.1% or \$62.2 million, sales/use taxes provided 19.9% or \$153.4 million, and operating grants and contributions provided 24.9% or \$191.6 million of total governmental activity revenues. Most of the governmental activities' resources were spent for Public Safety, 38.2%, Transportation, 19.3%, Health and Human Services, 17.7%, General Government, 11.1%, and Judicial, 6.4%, services. Interest on long-term debt and amortization of debt related items totaled \$7.3 million, which was 1.1% of governmental activities expenses for 2022.

In total, governmental activities' change in net position reflects an increase of \$91.1 million or 5.6% from the prior year's net position, as restated. Business-type Activities' change in net position reflects an increase of \$33.1 million or 9.9% from the prior year's net position, as restated, primarily due to additional services provided by Airport and Solid Waste, and a significant property sale. Expenses remained stable.

Total 2022 revenues for the County were \$932.0 million, a decrease of \$27.4 million or 2.9% from the prior year, as restated. Of the total County revenues, governmental activities provided 82.6%, or \$769.4 million, while business-type activities provided 17.4%, or \$162.5 million.

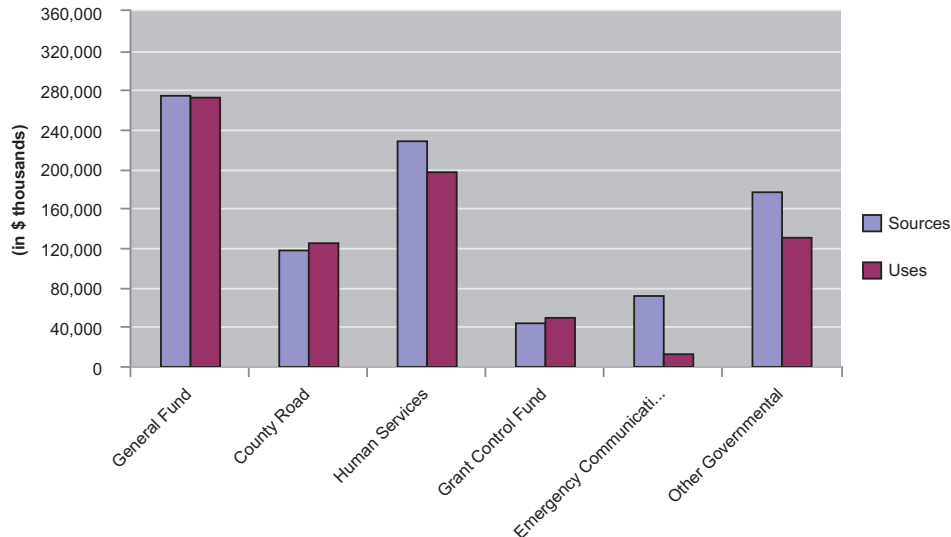
Revenues for business-type activities consisted primarily of charges for services of \$140.6 million, which were 86.5% of total business-type activities revenues. Operating expenses for Solid Waste Management represented 54.4% of total expenses for business-type activities, Airport expenses were 24.2% and Surface Water Management expenses were 21.4%.

FUND FINANCIAL INFORMATION

Governmental Funds

The General Fund, County Road Fund, Human Services Fund, Grant Control Fund and Emergency Communications System & Facilities Fund are the County's 2022 major funds. These funds account for 68.5% of total governmental fund assets and 59.9% of total governmental fund balances. Governmental funds' total assets amounted to \$755.6 million and total liabilities were \$185.5 million. The governmental funds' sources of funds exceeded the uses of funds, resulting in a net increase in fund balance of \$126.9 million. This was largely due to a variety of revenue and expenditure changes within most funds. The most significant changes being increases in sales/use taxes, charges for services and property taxes. Expenditures increased in health and human services and transportation. The decrease in principal debt payments was primarily the result of a prior year bond refunding. The total fund balance for all governmental funds at December 31, 2022 was \$565.0 million.

Sources and Uses of Funds - Governmental Funds



General Fund

The County's General Fund is the primary operating fund of the County used to account for all financial resources other than the resources that are required to be accounted for separately. As of December 31, 2022, total assets were \$119.4 million, total liabilities were \$20.2 million and deferred inflows of resources were \$2.0 million. The ending fund balance of \$97.3 million represents approximately 30.2% of the 2023 budgeted uses of funds.

The net change in fund balance for the general fund in 2022 was an increase of \$1.6 million or 1.6%. Significant impacts include a liability for retroactive wage payments and decrease in deferred inflows with higher property tax collections. Detail revenues increased \$4.7 million and detail expenditures increased \$24.7 million. Revenue increases were due to inflationary sales tax, and the full return of recreational activities in parks and the fairground, while unrealized losses on investments negated interest earnings. Public safety staffing costs fully returned to the general fund from the grant fund and includes costs of a contract settlement. The introduction of a new Department of Conservation and Natural resources impacted expenses related to Culture and Recreation. Renovations and security upgrades at Superior Court and District Court are reflected in the Capital Outlay changes.

General Fund Balance Sheet Changes:

Description	2022	2021	\$ Change	% Change
Total Assets	\$ 119,401,251	\$ 112,269,295	\$ 7,131,956	6.4%
Total Liabilities	\$ 20,158,071	\$ 14,096,428	\$ 6,061,643	43.0%
Total Deferred Inflows	\$ 1,951,545	\$ 2,437,273	\$ (485,728)	-19.9%
Fund Balance	\$ 97,291,635	\$ 95,735,594	\$ 1,556,041	1.6%

Significant General Fund Revenue Changes:

<u>Description</u>	<u>2022</u>	<u>2021</u>	<u>\$ Change</u>	<u>% Change</u>
Property Taxes	\$ 96,507,265	\$ 92,668,150	\$ 3,839,115	4.1%
Sales/Use Taxes	\$ 89,484,988	\$ 83,262,546	\$ 6,222,442	7.5%
Charges for Services	\$ 45,225,160	\$ 42,264,324	\$ 2,960,836	7.0%
Intergovernmental Revenues	\$ 18,959,460	\$ 21,346,900	\$ (2,387,440)	-11.2%
Interest and Investment Earnings	\$ 2,615,873	\$ 8,674,844	\$ (6,058,971)	-69.8%
Rents, Leases, and Concessions	\$ 5,972,880	\$ 4,554,982	\$ 1,417,898	31.1%

Significant General Fund Expenditure Changes:

<u>Description</u>	<u>2022</u>	<u>2021</u>	<u>\$ Change</u>	<u>% Change</u>
General Government	\$ 68,596,798	\$ 65,087,099	\$ 3,509,699	5.4%
Judicial	\$ 35,636,898	\$ 32,448,067	\$ 3,188,831	9.8%
Public Safety	\$ 136,879,501	\$ 122,800,209	\$ 14,079,292	11.5%
Culture and Recreation	\$ 12,715,008	\$ 10,955,066	\$ 1,759,942	16.1%
Capital Outlay	\$ 1,169,871	\$ 307,070	\$ 862,801	281.0%

County Road Fund

The County Road Fund accounts for the construction, maintenance and inspection of county streets, roads, and bridges and other countywide public works projects. The fund reported total assets of \$30.9 million, total liabilities of \$4.3 million and an ending fund balance of \$25.4 million, creating a notable decrease from the prior year, as restated. Unrealized losses and fewer outstanding receivables had a significant impact on assets.

Road Fund Balance Sheet Changes:

<u>Description</u>	<u>2022</u>	<u>2021</u>	<u>\$ Change</u>	<u>% Change</u>
Total Assets	\$ 30,850,321	\$ 37,719,414	\$ (6,869,093)	-18.2%
Total Liabilities	\$ 4,316,672	\$ 4,523,276	\$ (206,604)	-4.6%
Total Deferred Inflows	\$ 1,115,696	\$ 1,044,634	\$ 71,062	6.8%
Fund Balance	\$ 25,417,953	\$ 32,151,505	\$ (6,733,552)	-20.9%

2021 figures have been restated to reflect a change in accounting principle. See Note 10 Accounting and Reporting Changes.

Significant Road Fund Revenue Changes:

<u>Description</u>	<u>2022</u>	<u>2021</u>	<u>\$ Change</u>	<u>% Change</u>
Property Taxes	\$ 70,546,046	\$ 69,009,643	\$ 1,536,403	2.2%
Charges for Services	\$ 12,993,389	\$ 14,865,014	\$ (1,871,625)	-12.6%
Intergovernmental Revenues	\$ 24,682,229	\$ 34,541,538	\$ (9,859,309)	-28.5%

2021 figures have been restated to reflect a change in accounting principle. See Note 10 Accounting and Reporting Changes.

Detail revenues decreased by 8.9% or \$10.7 million and expenditures decreased by 3.1% or \$3.7 million during 2022. A decrease in the amount of reimbursable projects and a reduction in transportation grants were the most impactful elements of the changes. These one-time transportation grants from 2021 created an exaggerated comparison against 2022.

Significant Road Fund Expenditure Changes:

<u>Description</u>	<u>2022</u>	<u>2021</u>	<u>\$ Change</u>	<u>% Change</u>
General Government	\$ 4,854,111	\$ 6,244,923	\$ (1,390,812)	-22.3%
Public Safety	\$ 22,753	\$ 590,913	\$ (568,160)	-96.1%
Transportation	\$ 77,907,097	\$ 74,544,971	\$ 3,362,126	4.5%
Capital Outlay	\$ 33,103,140	\$ 38,307,373	\$ (5,204,233)	-13.6%

The reduction in expenditures is a result of operations returning to normal levels. General Government activities had a decrease in reimbursable work performed. Public Safety had program reductions as well, both ultimately attributable to the completion of COVID grants. Transportation had slight increases in wages and materials cost due to inflation, and capital costs were slightly below 2021 levels due to timing of projects.

The Human Services Fund

The Human Services Fund accounts for the administration, planning, development and provision of the following services: energy assistance; long term care and aging; developmental disabilities; mental health; alcohol and other drug treatments; community services; children and youth; veteran's relief; and other human services in Snohomish County. Total assets for this fund were \$144.8 million and total liabilities were \$22.2 million. The ending fund balance of \$121.5 million was an increase of \$31.0 million, or 34.3% from the prior year, as restated.

Human Services Fund Balance Sheet Changes:

<u>Description</u>	<u>2022</u>	<u>2021</u>	<u>\$ Change</u>	<u>% Change</u>
Total Assets	\$ 144,842,437	\$ 127,411,694	\$ 17,430,743	13.7%
Total Liabilities	\$ 22,196,278	\$ 35,929,780	\$ (13,733,502)	-38.2%
Total Deferred Inflows	\$ 1,190,986	\$ 1,037,251	\$ 153,735	14.8%
Fund Balance	\$ 121,455,173	\$ 90,444,663	\$ 31,010,510	34.3%

2021 figures have been restated to reflect a change in accounting principle. See Note 10 Accounting and Reporting Changes.

Changes in total assets resulted from state and federal grant sources for rental assistance as well as other aging programs. The change in liabilities was due to recognition of the Treasury Emergency Rental Assistance grant revenue which was previously in unearned revenue.

Significant Human Services Fund Revenue Changes:

<u>Description</u>	<u>2022</u>	<u>2021</u>	<u>\$ Change</u>	<u>% Change</u>
Sales/Use Taxes	\$ 40,923,951	\$ 22,756,339	\$ 18,167,612	79.8%
Charges for Services	\$ 50,367,858	\$ 40,305,525	\$ 10,062,333	25.0%
Intergovernmental Revenues	\$ 131,788,200	\$ 130,451,179	\$ 1,337,021	1.0%
Miscellaneous Revenues	\$ 12,793	\$ 2,074,442	\$ (2,061,649)	-99.4%

2021 figures have been restated to reflect a change in accounting principle. See Note 10 Accounting and Reporting Changes.

Sales Tax had a substantial increase related to the new Affordable Housing and Behavioral Health tax added in 2022. Other changes in total detail revenues include Charges for Services related to new funding.

Significant Human Services Fund Expenditure Changes:

<u>Description</u>	<u>2022</u>	<u>2021</u>	<u>\$ Change</u>	<u>% Change</u>
Public Safety	\$ 81,780,023	\$ 71,541,673	\$ 10,238,350	14.3%
Health and Human Services	\$ 105,989,884	\$ 100,414,195	\$ 5,575,689	5.6%
Economic Environment	\$ 2,220,945	\$ 3,541,148	\$ (1,320,203)	-37.3%

Detail expenditures increased \$14.7 million or 8.1%. This was primarily due to increases in public safety and human services expenditures associated with post COVID 19 grant funding sources.

The Grant Control Fund

The Grant Control Fund accounts for the majority of various federal and state awarded grants. During 2022, activity in the fund has transitioned from CARES to ARPA amounts as the county continues to address the post COVID 19 issues. The unrealized loss related to the pooled cash investments created negative fund balance. See Note 3.A for additional information.

Capital Outlay expenditures include the purchase of two hotels as an investment in addressing homelessness and affordable housing.

Grant Control Fund Balance Sheet Changes:

<u>Description</u>	<u>2022</u>	<u>2021</u>	<u>\$ Change</u>	<u>% Change</u>
Total Assets	\$ 125,055,238	\$ 80,247,513	\$ 44,807,725	55.8%
Total Liabilities	\$ 127,178,901	\$ 77,856,499	\$ 49,322,402	63.4%
Fund Balance	\$ (2,123,663)	\$ 2,391,016	\$ (4,514,679)	-188.8%

2021 figures have been restated to reflect a change in accounting principle. See Note 10 Accounting and Reporting Changes.

Significant Grant Control Fund Revenue Changes:

<u>Description</u>	<u>2022</u>	<u>2021</u>	<u>\$ Change</u>	<u>% Change</u>
Intergovernmental Revenues	\$ 44,772,967	\$ 42,408,488	\$ 2,364,479	5.6%
Interest and Investment Earnings	\$ (4,566,854)	\$ 12,761	\$ (4,579,615)	-35887.6%

2021 figures have been restated to reflect a change in accounting principle. See Note 10 Accounting and Reporting Changes.

Significant Grant Control Fund Expenditure Changes:

<u>Description</u>	<u>2022</u>	<u>2021</u>	<u>\$ Change</u>	<u>% Change</u>
General Government	\$ 7,658,337	\$ 5,107,481	\$ 2,550,856	49.9%
Public Safety	\$ 8,685,461	\$ 38,781,707	\$ (30,096,246)	-77.6%
Health and Human Services	\$ 12,605,134	\$ 2,286,673	\$ 10,318,461	451.2%
Capital Outlay	\$ 19,127,855	\$ 349,698	\$ 18,778,157	5369.8%

Emergency Communications System and Facilities Fund

The Emergency Communications System and Facilities Fund is used to account for monies received from the tax imposed by Snohomish County Code 4.30.010 to be used for the countywide emergency communication system.

Emergency Communications System & Facilities Fund Balance Sheet Changes:

<u>Description</u>	<u>2022</u>	<u>2021</u>	<u>\$ Change</u>	<u>% Change</u>
Total Assets	\$ 97,068,724	\$ 38,144,915	\$ 58,923,809	154.5%
Total Liabilities	\$ 523,971	\$ 766,087	\$ (242,116)	-31.6%
Fund Balance	\$ 96,544,753	\$ 37,378,828	\$ 59,165,925	158.3%

Changes in total assets resulted from a loan to the Snohomish County Regional Public Safety Communications Agency (SNO911) for the acquisition, design, construction, remodeling, furnishing and equipping a centralized building to house SNO911's facilities and equipment.

Significant Emergency Communications System & Facilities Revenue Changes:

Description	2022	2021	\$ Change	% Change
Sales/Use Taxes	\$ 22,630,000	\$ 21,043,114	\$ 1,586,886	7.5%
Interest and Investment Earnings	\$ 498,280	\$ 24,794	\$ 473,486	1909.7%

Revenue increases were due to inflationary sales tax increases.

Significant Emergency Communication System Expenditure Changes:

Description	2022	2021	\$ Change	% Change
Public Safety	\$ 10,169,277	\$ 4,414,442	\$ 5,754,835	130.4%

The main increase in expenditures was due to higher disbursements to SNO911 for their infrastructure costs.

Other Governmental Funds

The County has 24 other special revenue funds, one debt service fund and seven capital projects funds. These funds reported total assets of \$238.3 million, total liabilities of \$11.2 million and fund balances of \$226.4 million. \$183.7 million of the ending fund balance was restricted, and \$42.7 million was committed.

Proprietary Funds

The County reported three major enterprise funds that represent the business-type activities in the government-wide financial statements. Eight internal service funds account for the operation of services provided to the different departments of the County. The principal users of internal service fund services are the County's governmental activities; therefore, the internal service funds are consolidated into the governmental column in the Government-wide Financial Statements.

Net Position - Proprietary Funds										
	Solid Waste		Airport		Surface Water		Total Enterprise Funds		Internal Service Funds	
	2022	2021	2022	2021	2022	2021	2022	2021	2022	2021
Assets										
Current Assets	\$ 54,803,307	\$ 43,528,246	\$ 49,712,340	\$ 29,532,185	\$ 27,607,225	\$ 27,353,759	\$ 132,122,872	\$ 100,414,190	\$ 110,147,362	\$ 100,022,029
Noncurrent Assets	6,461,807	8,380,283	366,501,663	7,506,264	2,390,141	6,127,125	375,353,611	22,013,672	8,372,404	16,387,299
Capital Assets	51,860,796	55,394,157	179,508,951	178,971,340	90,036,783	84,067,053	321,406,530	318,432,550	57,688,624	59,239,454
Total Assets	113,125,910	107,302,686	595,722,954	216,009,789	120,034,149	117,547,937	828,883,013	440,860,412	176,208,390	175,648,782
Deferred Outflow of Resources	3,113,328	1,139,598	2,638,513	812,725	2,498,418	859,933	8,250,259	2,812,256	5,700,945	1,931,488
Liabilities										
Current Liabilities	4,930,823	7,056,062	10,005,601	7,675,616	2,361,783	2,103,331	17,298,207	16,835,009	31,303,899	26,892,780
Noncurrent Liabilities	13,682,589	13,699,614	50,199,669	53,817,468	2,598,452	1,654,494	66,480,710	69,171,576	31,453,601	28,621,369
Total Liabilities	18,613,412	20,755,676	60,205,270	61,493,084	4,960,235	3,757,825	83,778,917	86,006,585	62,757,500	55,514,149
Deferred Inflow of Resources	7,348,338	8,998,100	374,382,868	6,190,017	2,517,446	6,470,349	384,248,652	21,658,466	8,950,574	16,949,925
Net Position										
Net Investment in										
Capital Assets	45,786,916	46,764,988	126,753,874	121,654,488	88,984,278	83,353,349	261,525,068	251,772,825	55,319,678	57,101,418
Restricted	2,888,134	1,280,194	3,952,381	2,993,439	2,336,998	935,442	9,177,513	5,209,075	26,914,605	21,324,219
Unrestricted	41,602,438	30,643,326	33,067,074	24,491,486	23,733,610	23,890,905	98,403,122	79,025,717	27,966,978	26,690,559
Total Net Position	\$ 90,277,488	\$ 78,688,508	\$ 163,773,329	\$ 149,139,413	\$ 115,054,886	\$ 108,179,696	\$ 369,105,703	\$ 336,007,617	\$ 110,201,261	\$ 105,116,196

2021 figures have been restated to reflect a change in accounting principle. See Note 10 Accounting and Reporting Changes.

	Changes in Net Position - Proprietary Funds									
	Solid Waste		Airport		Surface Water		Total Enterprise Funds		Internal Service Funds	
	2022	2021	2022	2021	2022	2021	2022	2021	2022	2021
Operating Income (Loss)	\$ 3,562,810	\$ 6,326,703	\$ (1,339,274)	\$ 4,534,221	\$ 1,276,029	\$ 4,927,983	\$ 3,499,565	\$ 15,788,907	\$ 9,634,735	\$ 20,832,547
Non-Operating Revenues (Expenses)	8,585,442	821,321	5,845,892	(488,017)	1,214,470	1,692,667	15,645,804	2,025,971	(550,813)	2,076,706
Contributions and Transfers	(559,272)	(64,028)	10,127,298	7,439,038	4,384,691	7,299,580	13,952,717	14,674,591	(3,998,857)	8,592,225
Changes in Net Position	11,588,980	7,083,997	14,633,916	11,485,242	6,875,190	13,920,230	33,098,086	32,489,469	5,085,065	31,501,478

2021 figures have been restated to reflect a change in accounting principle. See Note 10 Accounting and Reporting Changes.

	Statement of Cash Flow – Proprietary Funds									
	Solid Waste		Airport		Surface Water		Total Enterprise Funds		Internal Service Funds	
	2022	2021	2022	2021	2022	2021	2022	2021	2022	2021
Cash Flow from Operating Activities	\$ 5,558,107	\$ 4,403,399	\$ 5,900,158	\$ 10,809,176	\$ 3,281,406	\$ 6,382,922	\$ 14,739,671	\$ 21,595,497	\$ 21,596,282	\$ 18,778,716
Cash Flow from Capital and Related Financing Activities	4,450,132	(4,918,464)	(4,719,942)	(249,373)	(7,117,502)	(6,896,844)	(7,387,312)	(12,064,681)	(4,501,358)	(4,594,444)
Cash Flow from Non-Capital Financing Activities	(242,693)	158,617	(1,799,253)	832,926	4,893,983	7,699,300	2,852,037	8,690,843	(5,419,587)	168,440
Cash Flow from Investing Activities	1,335,919	1,045,432	(6,583,781)	242,037	317,333	139,304	(4,930,529)	1,426,773	(321,743)	566,733
Net Increase (Decrease) in Cash and Cash Equivalents	11,101,465	688,984	(7,202,818)	11,634,766	1,375,220	7,324,682	5,273,867	19,648,432	11,353,594	14,919,445
Cash and Cash Equivalents, January 1	13,033,054	12,344,070	16,744,465	5,109,699	17,243,117	9,918,435	47,020,636	27,372,204	61,579,756	46,660,312
Cash and Cash Equivalents, December 31	\$ 24,134,519	\$ 13,033,054	\$ 9,541,647	\$ 16,744,465	\$ 18,618,337	\$ 17,243,117	\$ 52,294,503	\$ 47,020,636	\$ 72,933,350	\$ 61,579,757
Non-Cash Investing, Capital and Related Financing Activities	\$ —	\$ —	\$ —	\$ 397,600	\$ 50,475	\$ —	\$ 50,475	\$ 397,600	\$ 1,133,149	\$ 8,654,548

Solid Waste Management Fund

This fund accounts for solid waste disposal operations, capital improvements and debt service. Restricted investments of \$5.9 million represent funds set aside to finance long-term landfill post-closure care costs. Total assets as of December 31, 2022 were \$113.1 million, total liabilities were \$18.6 million, and net position was \$90.3 million. Net Position increased \$11.6 million or 14.7% from the prior year. Charges for services revenue increased, as well as a corresponding increase in contractual services. Personnel Services increased due to a notable change in pension expense. The sale of a portion of the Cathcart property created a one-time Disposition of Capital.

Airport Fund

This fund accounts for the operation, capital improvements and debt service of Paine Field, Snohomish County's Airport. Total assets were \$595.7 million, total liabilities were \$60.2 million, and net position was \$163.8 million. The increase in net position was \$14.6 million. Landing fee revenue and significant capital contribution by the FAA led to the substantive increase in net position.

Surface Water Management Fund

This fund accounts for the operations of the Surface Water Management Division. The purpose of this division is to protect and enhance water quality and aquatic habitats, and to minimize damage from flooding and erosion. Total assets as of December 31, 2022 were \$120.0 million, total liabilities were \$5.0 million, and net position was \$115.1 million. The 2022 increase in net position was largely due to grant funded property purchases.

Internal Service Funds

The County's internal service funds provide fleet management, information services, risk management, road surface materials (pits and quarries), employee benefits, facility services, employee training and security

services. Total assets as of December 31, 2022 were \$176.2 million, total liabilities were \$62.8 million and net position was \$110.2 million. Internal service funds' operating income of \$9.6 million was a decrease of \$11.2 million from the prior year's operating income. Higher personnel costs, contractual services, and supplies reduced anticipated gains from rate increases, which resulted in a nominal \$5.1 million increase in Net Position.

GENERAL FUND BUDGETARY HIGHLIGHTS

The 2022 General Fund budget was developed in 2021, where revenue forecasting was still uncertain due to predicting the effects of the COVID-19 pandemic, and the impacts of Federal ARPA spending. In aggregate 2022 revenues exceed budgeted levels by \$9.8 million predominantly due to the Federal Reserve action to rapidly increase the Federal Funds rate to combat high inflation rates. Additionally sales tax revenue grew by 7.7% in 2022, which was higher than the budgeted rate. One of the impacts of the unprecedented rise in the Federal Funds rate also required the County to recognize a non-cash accounting adjustment due to unrealized losses related to the County's investment pool assets. This adjustment lowered fund balance by approximately \$9.7 million. The County typically holds all investment pool assets to maturity, and does not anticipate realizing any of this impact. The positive revenue receipts, controlling general fund expenditures to 92.9% of budget levels, and combining the non-cash accounting adjustment resulted in marginal growth in the 2022 ending General fund balance from 2021 levels.

CAPITAL ASSETS AND DEBT ADMINISTRATION

The following schedule provides a summary of the County's capital assets activity. Snohomish County's total investment in capital assets, including construction in progress and intangibles, amounts to \$1.8 billion. Infrastructure assets, net of accumulated depreciation, represent \$847.8 million of capital assets. More detailed information on the County's capital assets can be found in Note 3.D and leases can be found in Note 4.C of this financial report.

	Capital Assets					
	Governmental Activities		Business-type Activities		Total	
	2022	2021	2022	2021	2022	2021
Capital Assets						
Land	\$ 316,309,379	\$ 302,191,330	\$ 52,568,032	\$ 51,169,204	\$ 368,877,411	\$ 353,360,534
Building and Structures, Net	186,911,835	183,469,425	86,701,316	90,158,934	273,613,151	273,628,359
Other Improvements, Net	68,564,445	74,628,085	23,938,045	26,770,445	92,502,490	101,398,530
Machinery and Equipment, Net	59,538,313	61,015,870	14,010,715	14,920,870	73,549,028	75,936,740
Infrastructure Assets, Net	718,817,699	725,930,262	128,966,746	124,853,344	847,784,445	850,783,606
Construction in Progress	87,561,861	74,787,139	14,883,765	10,447,397	102,445,626	85,234,536
Intangibles, Net	4,944,371	5,968,126	337,911	112,358	5,282,282	6,080,484
Lease Asset, Net	1,432,653	—	—	—	1,432,653	—
Total Capital Assets	\$ 1,444,080,556	\$ 1,427,990,237	\$ 321,406,530	\$ 318,432,552	\$ 1,765,487,086	\$ 1,746,422,789

Governmental Activities - Capital Assets

Governmental Activities reported an overall increase of \$16.1 million, or 1.1%, in capital assets primarily due to the improvements at Meadowdale Beach Park, the purchase of two hotels and roads developer contributions.

Business-Type Activities - Capital Assets

Business-type activities reported an overall increase in capital assets of \$3.0 million, or 0.9%, due to construction in progress, land purchases and infrastructure additions in Surface Water.

Governmental Activities – Debt

Principal payments made during 2022 for governmental activities' debt totaled \$15.9 million. Interest expense for 2022 was \$7.3 million. In 2022, Snohomish County issued \$79.6 million of tax-exempt general obligation bonds to finance a loan to the Snohomish County Regional Public Safety Communications Agency (SNO911) and to finance the redevelopment of the Arlington Public Works Operations Center.

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

Business-Type Activities – Debt

Total principal payments made during 2022 for business-type activities were \$6.7 million. Interest expense for 2022 was \$1.6 million.

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

ECONOMIC FACTORS AND NEXT YEAR'S BUDGETS AND RATES

The federal COVID-19 Public Health Emergency (PHE) ended on May 11, 2023. The COVID-19 pandemic and resulting social distancing and business shutdowns temporarily severely weakened the economy. In 2021 and 2022 economic growth recovered quickly with the help of fiscal and monetary policy. Strong economic demand fueled by federal policy responses, combined with ongoing economic supply issues, caused inflation to spike and remain elevated. The Federal Reserve is attempting to combat inflation by raising rates, although this threatens to slow economic growth. While interest rates are projected to remain high through 2023, it is anticipated this will slow economic growth, and the risks of entering into a recession are increased.

On October 27, 2022, S&P Global Ratings upgraded its rating on all of the outstanding Limited Tax General Obligation Bonds of the County to "AAA" from "AA+".

CONTACTING THE COUNTY'S FINANCIAL MANAGEMENT TEAM

This financial report is designed to provide our citizens, taxpayers, customers, and creditors with a general overview of the County's finances and to demonstrate the County's accountability for the money it receives. If you have questions about this report or need additional financial information, contact the Finance Department, at the following address: Snohomish County, 3000 Rockefeller, M/S 610, Everett, WA 98201 or by calling 425-388-3401 or by visiting our website: <http://snohomishcountywa.gov/>.

Snohomish County, WA
Statement of Net Position
December 31, 2022



	Primary Government			
	Governmental Activities	Business-type Activities	Total	Component Units
ASSETS				
Cash and Equivalents	\$ 526,226,604	\$ 51,847,038	\$ 578,073,642	\$ —
Cash and Equivalents, Restricted	57,210,775	447,465	57,658,240	2,317,379
Investments	90,960,655	47,120,779	138,081,434	—
Investments, Restricted	—	5,940,202	5,940,202	—
Lease Receivable	509,931	12,622,501	13,132,432	—
Taxes Receivables	3,492,234	—	3,492,234	—
Other Receivables, Net	12,533,331	8,738,038	21,271,369	—
Interest Receivable	7,564,684	1,028,659	8,593,343	—
Due from Other Governments	86,716,241	4,378,190	91,094,431	786,242
Inventories	2,724,487	—	2,724,487	—
Total Current Assets	787,938,942	132,122,872	920,061,814	3,103,621
Non-Current Assets				
Notes/Contracts Receivable	85,808,825	—	85,808,825	—
Lease Receivable	3,175,216	366,545,964	369,721,180	—
Investment in Joint Venture	3,560,916	—	3,560,916	—
Land	316,309,379	52,568,032	368,877,411	—
Buildings and Structures, Net	186,911,835	86,701,316	273,613,151	—
Other Improvements, Net	68,564,445	23,938,045	92,502,490	—
Machinery and Equipment, Net	59,538,313	14,010,715	73,549,028	—
Infrastructure Assets, Net	718,817,699	128,966,746	847,784,445	—
Construction in Progress	87,561,861	14,883,765	102,445,626	—
Intangible Assets, Net	4,944,371	337,911	5,282,282	—
Lease Asset, Net	1,432,653	—	1,432,653	—
Net Pension Asset	73,998,547	8,807,647	82,806,194	—
Total Non-Current Assets	1,610,624,060	696,760,141	2,307,384,201	—
Total Assets	2,398,563,002	828,883,013	3,227,446,015	3,103,621
DEFERRED OUTFLOWS OF RESOURCES				
Deferred Outflows Related to AROs	175,860	129,266	305,126	—
Deferred Outflows Related to Pensions	61,715,195	7,897,624	69,612,819	—
Deferred Loss on Refunding	178,753	223,369	402,122	—
Total Deferred Outflows of Resources	62,069,808	8,250,259	70,320,067	—
LIABILITIES				
Current Liabilities				
Accounts Payable	44,433,645	7,136,336	51,569,981	—
Lease Payable	528,374	—	528,374	—
Claims and Judgments Payable	5,409,325	—	5,409,325	—
Due to Other Governments	879,881	574,019	1,453,900	—
Accrued Liabilities	17,352,059	3,164,508	20,516,567	—
Unearned Revenue	137,680,757	1,402,157	139,082,914	—
Employee Benefits Payable	14,353,974	27,131	14,381,105	—
Total OPEB Liability	367,000	—	367,000	—
Bonds, Notes and Loans Payable	22,117,755	4,769,056	26,886,811	—
Landfill Closure Costs	—	225,000	225,000	—
Total Current Liabilities	243,122,770	17,298,207	260,420,977	—

The notes to the financial statements are an integral part of this statement.

Snohomish County, WA
Statement of Net Position
December 31, 2022



	Primary Government			Component Units
	Governmental Activities	Business-type Activities	Total	
Non-Current Liabilities				
Employee Benefits Payable	24,628,584	2,685,955	27,314,539	—
Total OPEB Liability	3,207,222	—	3,207,222	—
Bonds, Notes and Loans Payable	360,764,046	53,468,053	414,232,099	—
Asset Retirement Obligation	239,705	165,000	404,705	—
Claims and Judgments Payable	20,403,276	—	20,403,276	—
Landfill Closure Costs	—	5,717,585	5,717,585	—
Net Pension Liability	29,981,823	4,444,117	34,425,940	—
Lease Payable	899,909	—	899,909	—
Total Non-Current Liabilities	440,124,565	66,480,710	506,605,275	—
Total Liabilities	683,247,335	83,778,917	767,026,252	—
DEFERRED INFLOWS OF RESOURCES				
Deferred Service Concession Arrangement Receipts	406,622	—	406,622	—
Grants Received in Advance	31,086	—	31,086	—
Deferred Inflows Related to Pensions	61,619,200	8,124,872	69,744,072	—
Deferred Gain on Refunding	903,641	226,041	1,129,682	—
Deferred Inflows Leases	3,657,735	375,897,739	379,555,474	—
Total Deferred Inflows of Resources	66,618,284	384,248,652	450,866,936	—
NET POSITION				
Net Investment in Capital Assets	1,153,137,346	261,525,068	1,414,662,414	—
Restricted for:				
General Government	5,866,637	—	5,866,637	—
Judicial	2,197,919	—	2,197,919	—
Public Safety	11,897,590	—	11,897,590	—
Physical Environment	21,377,164	17,806	21,394,970	—
Transportation	11,761,910	—	11,761,910	—
Health and Human Services	115,285,077	—	115,285,077	—
Economic Environment	12,118,122	—	12,118,122	2,988,923
Culture and Recreation	2,436,675	—	2,436,675	114,698
Capital Purposes	183,714,004	356,070	184,070,074	—
Net Pension Asset	75,600,820	8,803,637	84,404,457	—
Total Restricted Net Position	442,255,918	9,177,513	451,433,431	3,103,621
Unrestricted	115,373,927	98,403,122	213,777,049	—
Total Net Position	\$ 1,710,767,191	\$ 369,105,703	\$ 2,079,872,894	\$ 3,103,621

The notes to the financial statements are an integral part of this statement.

Snohomish County, WA
Statement of Activities
For the Year Ended December 31, 2022



						Net (Expenses) Revenues and Changes in Net Position			
Program Revenues									
Functions/Programs	Expenses	Indirect Expense Allocation	Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Primary Government			Component Units
						Governmental Activities	Business-type Activities	Total	
Governmental activities:									
General Government	\$ 80,051,649	\$ (5,308,214)	\$ 24,568,374	\$ 11,226,037	\$ 313,041	\$ (38,635,983)	\$ —	\$ (38,635,983)	\$ —
Judicial	42,819,055	154,598	5,096,015	2,492,728	181,472	(35,203,438)	—	(35,203,438)	—
Public Safety	257,888,861	239,613	31,535,290	98,035,366	—	(128,557,818)	—	(128,557,818)	—
Physical Environment	2,170,356	21,793	2,042	—	—	(2,190,107)	—	(2,190,107)	—
Transportation	128,690,160	1,446,504	4,168,140	453,136	55,856,798	(69,658,590)	—	(69,658,590)	—
Health and Human Services	118,734,243	1,135,994	51,083,465	76,906,483	—	8,119,711	—	8,119,711	—
Economic Environment	21,030,715	275,147	16,872,895	2,088,382	1,590,188	(754,397)	—	(754,397)	—
Culture and Recreation	19,286,849	52,276	9,006,478	349,495	4,290,537	(5,692,615)	—	(5,692,615)	—
Interest on Long-Term Debt	7,320,684	—	—	—	—	(7,320,684)	—	(7,320,684)	—
Total governmental activities	677,992,572	(1,982,289)	142,332,699	191,551,627	62,232,036	(279,893,921)	—	(279,893,921)	—
Business-type activities:									
Airport	31,284,122	548,209	36,116,927	1,055,784	10,127,298	—	15,467,678	15,467,678	—
Solid Waste Management	70,910,666	782,038	75,250,903	900,013	—	—	4,458,212	4,458,212	—
Surface Water Management	27,540,607	652,042	29,274,267	1,408,880	1,548,760	—	4,039,258	4,039,258	—
Total business-type activities	129,735,395	1,982,289	140,642,097	3,364,677	11,676,058	—	23,965,148	23,965,148	—
Total primary government	\$ 807,727,967	\$ —	\$ 282,974,796	\$ 194,916,304	\$ 73,908,094	\$ (279,893,921)	\$ 23,965,148	\$ (255,928,773)	\$ —
Component units:									
Component Units	\$ 4,287,517	\$ —	\$ —	\$ —	\$ —	\$ —	\$ —	\$ —	\$ (4,287,517)
Total component units	\$ 4,287,517	\$ —	\$ —	\$ —	\$ —	\$ —	\$ —	\$ —	\$ (4,287,517)
General revenues:									
Property taxes						172,872,064	—	172,872,064	—
Sales/Use Tax						153,388,939	—	153,388,939	4,543,267
Real Estate Excise Tax						30,464,654	—	30,464,654	—
Business and Other Taxes						16,511,521	—	16,511,521	—
Intergovernmental Revenues						6,133,309	—	6,133,309	—
Interest and Investment Earnings						(6,051,491)	(1,286,991)	(7,338,482)	(22,312)
Disposition of Capital Assets						—	8,143,270	8,143,270	—
Total General Revenues						373,318,996	6,856,279	380,175,275	4,520,955
Transfers						(2,276,659)	2,276,659	—	—
Total General Revenue and Transfers						371,042,337	9,132,938	380,175,275	4,520,955
Change in net position						91,148,416	33,098,086	124,246,502	233,438
Net position - Beginning						1,600,014,999	335,989,845	1,936,004,844	2,870,183
Change in Accounting Principle						\$ 19,603,776	\$ 17,772	\$ 19,621,548	\$ —
Net position - Ending						\$1,710,767,191	\$ 369,105,703	\$2,079,872,894	\$ 3,103,621

The notes to the financial statements are an integral part of this statement.

Snohomish County, WA
Balance Sheet
Governmental Funds
December 31, 2022



	General Fund	County Road Fund	Human Services	Grant Control Fund	Emergency Communications System & Facilities	Other Governmental Funds	Total
ASSETS							
Cash and Cash Equivalents	\$ 90,636,029	\$ 18,571,318	\$ 53,889,409	\$ 119,539,964	\$ 44,088,551	\$ 126,753,141	\$ 453,478,412
Cash and Cash Equivalents, Restricted	—	—	—	430,542	—	56,595,076	57,025,618
Investments	—	1,881,455	8,755,762	—	—	46,498,787	57,136,004
Taxes Receivable	2,126,156	1,259,793	33,697	—	—	72,588	3,492,234
Other Receivables, Net	4,131,532	192,110	3,773,451	140,163	—	369,874	8,607,130
Interest Receivable	1,257,247	19,062	1,191,716	—	—	93,800	2,561,825
Due From Other Governments	20,578,029	7,340,664	42,189,527	4,944,569	3,980,173	7,313,292	86,346,254
Inventory	—	—	365,956	—	—	—	365,956
Lease Receivable	92,271	—	—	—	—	636,000	728,271
Notes / Contracts Receivable	579,987	1,585,919	34,642,919	—	49,000,000	—	85,808,825
Total Assets	\$ 119,401,251	\$ 30,850,321	\$ 144,842,437	\$ 125,055,238	\$ 97,068,724	\$ 238,332,558	\$ 755,550,529
LIABILITIES							
Accounts Payable	10,427,745	3,090,317	19,319,660	2,705,548	523,971	2,686,068	38,753,309
Due To Other Governments	21,394	—	668,860	—	—	189,627	879,881
Accrued Liabilities	9,590,657	1,226,355	572,978	194,407	—	1,127,856	12,712,253
Unearned Revenue	118,275	—	1,634,780	124,278,946	—	7,152,703	133,184,704
Total Liabilities	20,158,071	4,316,672	22,196,278	127,178,901	523,971	11,156,254	185,530,147
DEFERRED INFLOWS OF RESOURCES							
Deferred Service Concession Arrangement Receipts	406,622	—	—	—	—	—	406,622
Unavailable Revenue-Property Taxes	1,356,684	1,103,802	16,324	—	—	62,657	2,539,467
Unavailable Revenue	64,222	11,894	1,174,662	—	—	46,337	1,297,115
Grants Received in Advance	31,086	—	—	—	—	—	31,086
Leases	92,931	—	—	—	—	624,443	717,374
Total Deferred Inflows of Resources	1,951,545	1,115,696	1,190,986	—	—	733,437	4,991,664
FUND BALANCES							
Nonspendable	579,987	1,585,919	—	—	49,000,000	—	51,165,906
Restricted	—	—	114,218,365	1,130,717	46,297,283	183,697,763	345,344,128
Committed	—	23,832,034	7,236,808	1,252,043	1,247,470	42,745,104	76,313,459
Assigned	29,344,140	—	—	—	—	—	29,344,140
Unassigned	67,367,508	—	—	(4,506,423)	—	—	62,861,085
Total Fund Balance	97,291,635	25,417,953	121,455,173	(2,123,663)	96,544,753	226,442,867	565,028,718
Total Liabilities, Deferred Inflows of Resources, and Fund Balances	\$ 119,401,251	\$ 30,850,321	\$ 144,842,437	\$ 125,055,238	\$ 97,068,724	\$ 238,332,558	\$ 755,550,529

The notes to the financial statements are an integral part of this statement.

Reconciliation
Governmental Funds Balance
Sheet to the Statement of Net Position
December 31, 2022



Total fund balance as shown on the Governmental Funds Balance Sheet	\$ 565,028,718
Amounts reported for governmental activities in the statement of net position are different because:	
Capital Assets, including leases, used in governmental activities are not financial resources and are therefore not reported in the fund statement. This includes Investment in Joint Venture of \$3.6 million.	1,389,952,848
Long-term debt is not due and payable in the current period and is therefore not reported in the fund statement. This includes the current and non-current portion of the long-term debt, and accrued interest payable.	(386,121,851)
Internal service funds are used by the County to charge the costs of certain activities, like insurance and fleet services, to individual funds. The assets, deferred outflow of resources, liabilities, and deferred inflow of resources of these funds are included in governmental activities in the Statement of Net Position.	110,201,261
Full accrual adjustments to the governmental funds, such as to record compensated absences payable, to record allowance for doubtful accounts, and to reclassify unavailable revenues for property taxes.	<u>31,706,215</u>
Net Position of Governmental Activities as shown on the Statement of Net Position	<u><u>\$ 1,710,767,191</u></u>

The notes to the financial statements are an integral part of this statement.

Snohomish County, WA
Statement of Revenues, Expenditures
and Changes In Fund Balances
Governmental Funds
For the Year Ended December 31, 2022



	General Fund	County Road Fund	Human Services	Grant Control Fund	Emergency Communications System & Facilities	Other Governmental Funds	Total
Detailed Revenues							
Property Taxes	\$ 96,507,265	\$ 70,546,046	\$ 2,020,770	\$ —	\$ —	\$ 4,249,147	\$ 173,323,228
Sales/Use Taxes	89,484,988	—	40,923,951	—	22,630,000	350,000	153,388,939
Real Estate Excise Taxes	—	—	—	—	—	30,464,654	30,464,654
Business and Other Taxes	2,791,552	872,422	20,371	—	—	12,827,177	16,511,522
Licenses and Permits	3,396,690	—	—	—	—	10,173,675	13,570,365
Charges for Services	45,225,160	12,993,389	50,367,858	3,458,696	—	28,485,664	140,530,767
Operating Assessments	26,458	8,250	—	—	—	—	34,708
Intergovernmental Revenues	18,959,460	24,682,229	131,788,200	44,772,967	—	5,209,939	225,412,795
Fines and Forfeitures	2,980,541	—	50	—	—	609,320	3,589,911
Interest and Investment Earnings	2,615,873	(182,780)	(65,739)	(4,566,854)	498,280	(3,073,565)	(4,774,785)
Rents, Leases, and Concessions	5,972,880	115,216	871	5,918	—	2,793,141	8,888,026
Contributions and Donations	—	—	472,740	327,063	—	383,308	1,183,111
Miscellaneous Revenues	730,279	136,372	12,793	7,588	—	1,352,580	2,239,612
Total Detail Revenues	268,691,146	109,171,144	225,541,865	44,005,378	23,128,280	93,825,040	764,362,853
Detailed Expenditures							
<i>Current</i>							
General Government	68,596,798	4,854,111	3,633,685	7,658,337	—	5,228,826	89,971,757
Judicial	35,636,898	—	2,793,256	645,568	—	141,570	39,217,292
Public Safety	136,879,501	22,753	81,780,023	8,685,461	10,169,277	23,819,661	261,356,676
Physical Environment	1,602,144	—	—	—	—	645,591	2,247,735
Transportation	—	77,907,097	—	—	—	1,178	77,908,275
Health and Human Services	3,589,515	—	105,989,884	12,605,134	—	—	122,184,533
Economic Environment	4,129,002	—	2,220,945	458,714	—	16,385,522	23,194,183
Culture and Recreation	12,715,008	—	458,000	—	—	4,111,968	17,284,976
<i>Debt Service</i>							
Principal Payments	446,858	557,378	—	31,214	—	14,981,226	16,016,676
Interest and Other Charges	71,234	58,521	—	—	225,274	9,441,104	9,796,133
<i>Capital Outlay</i>							
	1,169,871	33,103,140	73,166	19,127,855	—	15,604,398	69,078,430
Total Detail Expenditures	264,836,829	116,503,000	196,948,959	49,212,283	10,394,551	90,361,044	728,256,666
Excess (deficiency) of revenues over (under) expenditures	3,854,317	(7,331,856)	28,592,906	(5,206,905)	12,733,729	3,463,996	36,106,187
Other Financial Sources (Uses)							
Disposition Of Capital Assets	345,645	611,196	9,598	—	—	55,951	1,022,390
Transfers In	6,397,477	8,244,924	2,555,610	738,296	—	44,927,771	62,864,078
Transfers Out	(9,041,398)	(8,279,616)	(147,604)	(46,068)	(2,794,800)	(40,258,516)	(60,568,002)
Leases	—	21,800	—	—	—	—	21,800
Issuance of Debt	—	—	—	—	44,180,000	35,370,000	79,550,000
Issuance Premium on Long Term Debt	—	—	—	—	5,046,996	2,812,976	7,859,972
Total Other Financial Sources (Uses)	(2,298,276)	598,304	2,417,604	692,228	46,432,196	42,908,182	90,750,238
Net Change in Fund Balance	1,556,041	(6,733,552)	31,010,510	(4,514,677)	59,165,925	46,372,178	126,856,425
Fund Balance - Beginning	95,735,594	30,461,074	57,076,004	1,879,361	37,378,828	180,070,689	402,601,550
Change in Accounting Principle	\$ —	\$ 1,690,431	\$ 33,368,659	\$ 511,653	\$ —	\$ —	\$ 35,570,743
Fund Balance - Ending	\$ 97,291,635	\$ 25,417,953	\$ 121,455,173	\$ (2,123,663)	\$ 96,544,753	\$ 226,442,867	\$ 565,028,718

The notes to the financial statements are an integral part of this statement.

Reconciliation
Governmental Funds Statement
Of Revenues, Expenditures, and
Changes in Fund Balances to the
Statement of Activities
For the Year Ended December 31, 2022



Net change in fund balances of Governmental Funds	\$ 126,856,425
Amounts reported for governmental activities in the statement of activities are different because:	
Governmental funds report capital outlay as expenditures. However, in the statement of activities the cost of these assets is allocated over their estimated useful lives and is reported as depreciation expense.	(2,052,836)
Capital contributions, donations, and equity adjustment to the investment in joint venture do not provide current financial resources and therefore are not reported as revenues in governmental funds.	16,170,719
Repayment of bond principal are reported as expenditures in the fund statements and as a reduction of long-term liabilities in the statement of net position.	16,016,676
Debt proceeds, including premiums and discounts are reported as current financial resources in the funds statement and as increases long-term liabilities in the statement of net position.	(87,431,772)
Accrued interest payable is not recorded on the fund statements.	2,459,248
Internal service funds are used by the County to charge the costs of certain activities, such as insurance and fleet management services, to individual funds. The net cost of the internal service funds are reported as governmental activities in the statement of activities.	5,085,065
Some expenses and revenues reported in the statement of activities do not require the use of current financial resources and therefore are not reported as expenditures and revenues in governmental funds.	14,044,891
Change in net position of governmental activities on the statement of activities	<u>\$ 91,148,416</u>

The notes to the financial statements are an integral part of this statement.

Snohomish County, WA
Statement of Revenues, Expenditures, and
Changes in Fund Balance - Budget and Actual
General Fund
For the Year Ended December 31, 2022



	Budgeted Amounts		Actual	Variance
	Original	Final		
Budgeted Fund Balance, January 1	\$ 13,391,658	\$ 19,110,818	\$ 95,735,594	\$ 76,624,776
Resources (inflows)				
Property Taxes	94,825,354	94,825,354	96,507,265	1,681,911
Sales/Use Taxes	85,775,706	85,775,706	89,484,988	3,709,282
Business and Other Taxes	2,465,711	2,465,711	2,791,552	325,841
License and Permits	4,255,870	4,255,870	3,396,690	(859,180)
Charges for Services	44,374,461	44,374,461	45,225,160	850,699
Operating Assessments	20,923	20,923	26,458	5,535
Intergovernmental Revenues	18,905,427	19,276,675	18,959,460	(317,215)
Fines and Forfeitures	4,625,254	4,625,254	2,980,541	(1,644,713)
Interest and Investment Earnings	7,415,012	7,415,012	2,615,873	(4,799,139)
Rents, Leases, and Concessions	5,461,786	5,461,786	5,972,880	511,094
Miscellaneous Revenues	965,368	965,368	730,279	(235,089)
Transfers In	6,399,813	6,399,813	6,397,477	(2,336)
Disposition of Capital Assets	—	—	345,645	345,645
Total Resources (inflows)	<u>275,490,685</u>	<u>275,861,933</u>	<u>275,434,268</u>	<u>(427,665)</u>
Amounts Available for Appropriation	288,882,343	294,972,751	371,169,862	76,197,111
Charges to Appropriations (outflows)				
Executive				
Administration	3,309,935	3,349,555	2,920,484	429,071
Legislative				
Legislative Svs.	4,775,346	4,828,066	4,546,141	281,925
Performance Auditing	65,041	65,041	55,101	9,940
Human Services				
Human Services Administration	1,324,898	1,391,382	1,348,859	42,523
Human Services Support	2,443,610	2,443,610	2,443,610	—
CASA	1,461,232	1,486,799	1,335,408	151,391
Planning and Development Services				
County Fire Marshal	658,098	669,410	664,414	4,996
Long Range Planning	3,438,137	3,490,099	2,858,439	631,660
Code Enforcement	1,062,446	1,087,510	1,086,553	957
Hearing Examiner				
Board Of Equalization	177,338	179,638	160,418	19,220
Hearing Examiner	675,143	685,903	578,517	107,386

The notes to the financial statements are an integral part of this statement.

Snohomish County, WA
Statement of Revenues, Expenditures, and
Changes in Fund Balance - Budget and Actual
General Fund
For the Year Ended December 31, 2022



	Budgeted Amounts		Actual	Variance
	Original	Final		
Conservation & Natural Resources				
Agriculture	305,732	311,966	296,361	15,605
Youth and Family	370,056	376,374	312,383	63,991
Natural Resources	159,802	160,219	139,859	20,360
Administration	298,690	303,245	297,452	5,793
Division Management	1,172,488	1,196,735	1,136,222	60,513
Parks Maintenance	2,186,666	2,222,931	2,214,216	8,715
Fair Administration General	3,092,785	3,110,173	2,906,280	203,893
Fairgrounds Maintenance	1,633,472	1,666,719	1,534,534	132,185
Fair Operations General	1,229,559	1,238,678	1,148,636	90,042
Routine Maint & Operation	3,512,830	3,577,212	3,459,810	117,402
Assessor				
Tax Assessments	8,715,300	8,934,520	8,371,036	563,484
Auditor				
Administration	910,553	902,514	759,278	143,236
Records Services	866,567	866,885	742,086	124,799
Licensing	1,399,318	1,403,269	1,136,700	266,569
Animal Services	1,767,434	1,750,982	1,602,144	148,838
Election Services	3,497,332	3,831,440	3,693,749	137,691
Voter Registration Service	1,015,587	1,035,970	963,640	72,330
Finance				
Budget And Systems Service	989,787	1,013,260	1,010,583	2,677
Finance Operations	3,026,141	3,091,870	3,038,544	53,326
Purchasing Services	948,859	968,857	929,524	39,333
Human Resources				
Administration	2,528,004	2,623,744	2,187,219	436,525
Equal Employ Opportunity	317,059	324,806	324,721	85
Nondepartmental				
Public Health	2,258,618	2,258,618	2,258,618	—
Public Advocate	274,315	277,964	272,123	5,841
Miscellaneous	20,251,083	18,926,315	9,469,113	9,457,202
Treasurer				
Administration	4,594,685	4,699,213	4,215,424	483,789
District Court				
District Court	9,972,166	10,421,595	10,365,530	56,065
Probation & Parole Services	2,399,229	2,309,351	2,051,006	258,345
Dispute Resolution Center	140,000	140,000	130,545	9,455

The notes to the financial statements are an integral part of this statement.

Snohomish County, WA
Statement of Revenues, Expenditures, and
Changes in Fund Balance - Budget and Actual
General Fund
For the Year Ended December 31, 2022



	Budgeted Amounts		Actual	Variance
	Original	Final		
Sheriff				
Administration	4,989,379	5,048,488	5,022,602	25,886
Administrative Services	2,781,567	2,790,689	2,681,497	109,192
Field Operations	6,127,066	6,131,365	6,032,983	98,382
Technical Operations	1,015,564	1,049,918	1,047,928	1,990
Investigation	5,692,268	5,902,539	5,864,425	38,114
Patrol	23,894,924	26,063,019	26,033,300	29,719
Narcotics Enforcement	1,244,864	1,244,864	1,234,211	10,653
Civil	432,715	432,715	331,451	101,264
Law Enforcement - Contract	4,047,995	4,047,995	4,039,329	8,666
Training	1,116,571	1,361,571	1,257,875	103,696
Traffic Policing	2,216,188	2,216,188	2,136,911	79,277
Technical Services	2,659,291	2,362,984	2,135,155	227,829
Evidence	717,241	792,241	783,087	9,154
Search And Rescue	983,113	1,011,284	982,793	28,491
Prosecuting Attorney				
Administration	1,406,745	1,420,021	944,527	475,494
Criminal	14,209,694	14,450,260	13,248,422	1,201,838
Civil	3,334,356	3,397,431	3,352,705	44,726
Op Transfers	370,528	370,528	276,521	94,007
Office of Public Defense				
Office of Public Defense	14,159,625	14,469,802	14,349,608	120,194
Medical Examiner				
Medical Examiner Services	3,576,032	3,636,255	3,559,808	76,447
Superior Court				
Juvenile Court Operations	8,514,743	8,694,226	8,137,898	556,328
Superior Court Operations	9,302,090	9,441,166	9,394,761	46,405
Administrative Services	6,470,748	6,577,231	6,554,908	22,323
Clerk				
Administration	2,146,834	2,416,661	2,279,382	137,279
Judicial Acctg/Judgmts	1,142,469	1,182,692	1,161,773	20,919
Case Management	1,324,071	1,371,159	1,306,334	64,825
Courtroom Operations	2,472,652	2,556,865	2,034,671	522,194
Customer Service	1,546,337	1,600,944	1,504,507	96,437

The notes to the financial statements are an integral part of this statement.

Snohomish County, WA
Statement of Revenues, Expenditures, and
Changes in Fund Balance - Budget and Actual
General Fund
For the Year Ended December 31, 2022



	Budgeted Amounts		Actual	Variance
	Original	Final		
Corrections				
Administration	12,682,240	12,695,100	12,656,808	38,292
Special Detention	1,011,683	1,191,683	711,275	480,408
Detention	38,694,106	37,959,792	37,294,834	664,958
Food Service	1,627,148	1,627,148	951,651	675,497
Medical Services	6,423,460	8,491,793	8,274,707	217,086
Department of Emergency Management				
DEM Operations	1,322,695	1,343,696	1,334,300	9,396
Amount Charged to Appropriations (outflows)	<u>288,882,343</u>	<u>294,972,751</u>	<u>273,878,227</u>	<u>21,094,524</u>
Budgeted Fund Balance, December 31	<u>\$ —</u>	<u>\$ —</u>	<u>\$ 97,291,635</u>	<u>\$ 97,291,635</u>

The notes to the financial statements are an integral part of this statement.

Snohomish County, WA
Statement of Revenues, Expenditures, and
Changes in Fund Balance - Budget and Actual
County Roads Fund
For the Year Ended December 31, 2022



	Budgeted Amounts		Actual	Variance
	Original	Final		
Budgeted Fund Balance, January 1	\$ 10,410,187	\$ 10,410,187	\$ 32,151,505	\$ 21,741,318
Resources (inflows)				
Property Taxes	71,338,000	71,338,000	70,546,046	(791,954)
Business and Other Taxes	950,000	950,000	872,422	(77,578)
Charges for Services	15,259,818	15,259,818	12,993,389	(2,266,429)
Operating Assessments	—	—	8,250	8,250
Intergovernmental Revenues	26,743,339	26,743,339	24,682,229	(2,061,110)
Interest and Investment Earnings	260,000	260,000	(182,780)	(442,780)
Rents, Leases, and Concessions	92,700	92,700	115,216	22,516
Miscellaneous Revenues	50,000	50,000	136,372	86,372
Transfers In	10,583,424	10,583,424	8,244,924	(2,338,500)
Disposition of Capital Assets	1,100,000	1,100,000	611,196	(488,804)
Leases	—	—	21,800	21,800
Total Resources (inflows)	<u>126,377,281</u>	<u>126,377,281</u>	<u>118,049,064</u>	<u>(8,328,217)</u>
Amounts Available for Appropriation	136,787,468	136,787,468	150,200,569	13,413,101
Charges to Appropriations (outflows)				
Public Works				
PWAF-Admin Operations	750,000	750,000	—	750,000
TES Operations	7,753,489	7,753,489	6,479,569	1,273,920
TES Maintenance	1,605,991	1,605,991	1,425,576	180,415
TES Capital	2,252,264	2,252,264	1,777,937	474,327
TES Reimbursables	754,520	754,520	248,449	506,071
RM Operations	3,132,312	1,257,312	705,180	552,132
RM Maintenance	34,114,057	35,114,057	35,059,770	54,287
RM Capital	1,292,000	1,117,000	648,345	468,655
RM Reimbursables	2,711,146	2,711,146	2,554,831	156,315
ES Operations	6,299,838	6,199,838	5,587,590	612,248
ES Maintenance	796,481	946,481	883,298	63,183
ES Capital	36,509,736	39,352,590	34,438,491	4,914,099
ES Reimbursables	3,309,147	3,259,147	2,050,832	1,208,315
Admin Operations	35,346,487	33,553,633	32,786,134	767,499
Admin Operations Capital	160,000	160,000	136,614	23,386
Amount Charged to Appropriations (outflows)	<u>136,787,468</u>	<u>136,787,468</u>	<u>124,782,616</u>	<u>12,004,852</u>
Budgeted Fund Balance, December 31	<u>\$ —</u>	<u>\$ —</u>	<u>\$ 25,417,953</u>	<u>\$ 25,417,953</u>

The notes to the financial statements are an integral part of this statement.

Snohomish County, WA
Statement of Revenues, Expenditures, and
Changes in Fund Balance - Budget and Actual
Human Services Fund
For the Year Ended December 31, 2022

	Budgeted Amounts		Actual	Variance
	Original	Final		
Budgeted Fund Balance, January 1	\$ 8,189,196	\$ 8,189,196	\$ 90,444,663	\$ 82,255,467
Resources (inflows)				
Property Taxes	1,954,300	1,954,300	2,020,770	66,470
Sales/Use Taxes	23,799,195	23,799,195	40,923,951	17,124,756
Business and Other Taxes	16,686	16,686	20,371	3,685
Charges for Services	24,462,408	24,462,408	50,367,858	25,905,450
Intergovernmental Revenues	113,397,988	167,395,394	131,788,200	(35,607,194)
Fines and Forfeitures	—	—	50	50
Interest and Investment Earnings	83,000	83,000	(65,739)	(148,739)
Rents, Leases, and Concessions	379	379	871	492
Contributions and Donations	233,165	233,165	472,740	239,575
Miscellaneous Revenues	6,162,201	6,116,553	12,793	(6,103,760)
Transfers In	2,555,610	2,555,610	2,555,610	—
Disposition of Capital Assets	8,877	8,877	9,598	721
Total Resources (inflows)	172,673,809	226,625,567	228,107,073	1,481,506
Amounts Available for Appropriation	180,863,005	234,814,763	318,551,736	83,736,973
Charges to Appropriations (outflows)				
Human Services				
Family Support Services	307,970	307,970	279,580	28,390
Community Information Line	19,600	19,600	19,600	—
PSTAA Educational Services	1,660,000	1,660,000	718,988	941,012
ECEAP Administration	612,940	612,940	583,061	29,879
ECEAP Operations	1,795,844	1,795,844	1,437,729	358,115
Early Head Start Admin	190,614	190,614	183,953	6,661
Early Head Start Ops	1,305,988	1,305,988	1,093,004	212,984
Energy Administration	327,574	327,574	292,812	34,762
Energy Program Support	1,443,797	1,443,797	735,760	708,037
Energy Consumer Education	501,927	501,927	235,701	266,226
Energy Dir Svcs-EAP/ECIP	6,752,317	6,752,317	5,079,037	1,673,280
Veterans Relief	1,095,052	1,095,052	992,591	102,461
Behavioral Health	4,158,187	4,158,187	876,786	3,281,401
Housing, Homeless, Comm Dev	8,339,356	10,598,392	9,889,576	708,816
Housing, Homeless Services	6,230,850	6,230,850	4,239,612	1,991,238
A&SH Sales Tax	1,796,457	1,796,457	—	1,796,457
Involuntary Treatment Admin	5,300,561	5,300,561	4,006,772	1,293,789
Resource Management	358,381	358,381	169,711	188,670
Aging Administration	2,472,696	2,472,696	2,371,963	100,733
Aging Services Programs	157,028	157,028	153,113	3,915

The notes to the financial statements are an integral part of this statement.

Snohomish County, WA
Statement of Revenues, Expenditures, and
Changes in Fund Balance - Budget and Actual
Human Services Fund
For the Year Ended December 31, 2022

	Budgeted Amounts		Actual	Variance
	Original	Final		
Transportation	110,000	110,000	110,000	—
Case Management	8,763,273	8,763,273	8,007,461	755,812
Senior Center Operations	458,000	458,000	458,000	—
CASA	234,937	284,585	271,319	13,266
Dev Dis Program Admin	2,306,165	2,306,165	1,201,762	1,104,403
Infant Toddler Early Intervent	937,387	937,387	773,363	164,024
Human Serv Ops CD/MH Enhan Svs	3,220,873	3,220,873	2,921,893	298,980
Contracted CD/MH Enhanced Svs	14,374,420	14,374,420	9,282,616	5,091,804
Pass-Through Grants	95,044,371	146,687,445	131,641,927	15,045,518
District Court				
MH/Community Court	369,702	369,702	317,191	52,511
Sheriff				
Training	34,600	34,600	26,597	8,003
Prosecuting Attorney				
Criminal	361,074	361,074	361,074	—
Civil	328,815	328,815	269,854	58,961
TAP	694,645	694,645	676,974	17,671
Office of Public Defense				
Office of Public Defense	2,328,649	2,328,649	2,325,783	2,866
Medical Examiner				
Medical Examiner Services	319,701	319,701	226,428	93,273
Superior Court				
Superior Court Operations	2,817,007	2,817,007	1,839,947	977,060
Clerk				
Courtroom Operations	646,072	646,072	553,642	92,430
Corrections				
Detention	2,498,856	2,498,856	2,357,169	141,687
Department of Emergency Management				
DEM Planning Assistance	187,319	187,319	114,214	73,105
Amount Charged to Appropriations (outflows)	<u>180,863,005</u>	<u>234,814,763</u>	<u>197,096,563</u>	<u>37,718,200</u>
Budgeted Fund Balance, December 31	<u>\$ —</u>	<u>\$ —</u>	<u>\$ 121,455,173</u>	<u>\$ 121,455,173</u>

The notes to the financial statements are an integral part of this statement.

Snohomish County, WA
Statement of Revenues, Expenditures, and
Changes in Fund Balance - Budget and Actual
Grant Control Fund
For the Year Ended December 31, 2022

	Budgeted Amounts		Actual	Variance
	Original	Final		
Budgeted Fund Balance, January 1	\$ 200,000	\$ 200,000	\$ 2,391,014	\$ 2,191,014
Resources (inflows)				
Charges for Services	1,936,882	1,936,882	3,458,696	1,521,814
Intergovernmental Revenues	88,055,811	92,628,266	44,772,967	(47,855,299)
Interest and Investment Earnings	1,400	1,400	(4,566,854)	(4,568,254)
Rent, Leases, and Concessions	35,000	35,000	5,918	(29,082)
Contributions and Donations	791,676	791,676	327,063	(464,613)
Miscellaneous Revenues	2,974,691	2,462,236	7,588	(2,454,648)
Transfers In	866,488	866,488	738,296	(128,192)
Total Resources (inflows)	94,661,948	98,721,948	44,743,674	(53,978,274)
Amounts Available for Appropriation	94,861,948	98,921,948	47,134,688	(51,787,260)
Charges to Appropriations (outflows)				
Executive				
Executive Grants Programs	621,548	621,548	447,204	174,344
Office of Recovery	1,230,070	1,230,070	1,021,145	208,925
Human Services				
ARPA Housing & Homeless Svcs	15,797,720	24,297,720	19,594,001	4,703,719
Human Svc and Housing Rev Repl	4,000,000	—	—	—
Conservation & Natural Resources				
Weatherization Administration	457,713	457,713	294,604	163,109
Weatherization Program Support	1,760,419	1,760,419	546,206	1,214,213
Weatherization Labor	2,182,654	2,182,654	1,587,040	595,614
EECBG ARRA Grant	150,000	150,000	11,510	138,490
Auditor				
HAVA 3	477,015	477,015	—	477,015
Nondepartmental				
Grant Administration	3,000,000	2,460,095	—	2,460,095
ARPA Premium Pay	4,800,000	100,000	86,622	13,378
ARPA Economic Stabilization	4,700,000	4,700,000	256,334	4,443,666
ARPA Essential Govt Svcs	12,927,464	12,927,464	3,728,623	9,198,841
ARPA Economic Stabilization RR	3,500,000	3,500,000	368,067	3,131,933
ARPA Essential Govt Svcs RR	7,650,000	7,850,000	247,149	7,602,851
ARPA Essential Govt Svcs IF	5,000,000	5,000,000	—	5,000,000
Miscellaneous	48,404	48,404	46,068	2,336

The notes to the financial statements are an integral part of this statement.

Snohomish County, WA
Statement of Revenues, Expenditures, and
Changes in Fund Balance - Budget and Actual
Grant Control Fund
For the Year Ended December 31, 2022

	Budgeted Amounts		Actual	Variance
	Original	Final		
Airport				
Operations	35,000	35,000	31,214	3,786
Sheriff				
Sheriff Grants	2,850,495	2,850,495	1,417,811	1,432,684
Prosecuting Attorney				
Stop Grant	163,940	163,940	151,864	12,076
Failure to Register Grant	127,075	127,075	109,821	17,254
Auto Theft Task Force	250,055	250,055	233,238	16,817
Prosecuting Attorney Grants	248,050	248,050	247,345	705
Family Support	4,069,263	4,069,263	3,435,377	633,886
Financial Fraud & ID Theft	220,208	220,208	187,351	32,857
LEAD	3,008,271	3,520,726	1,233,531	2,287,195
Superior Court				
Juvenile Court Operations	139,052	139,052	135,635	3,417
Community Corrections	1,588,114	1,588,114	1,588,114	—
Expansion Programs	622,058	622,058	458,974	163,084
Superior Court Operations	97,300	97,300	29,021	68,279
Unified Family Court	93,946	121,396	116,371	5,025
Department of Emergency Management				
DEM Operations	3,046,114	3,046,114	2,113,263	932,851
FEMA Public Assistance	—	4,060,000	1,747,131	2,312,869
Public Health & Medical Respond	10,000,000	10,000,000	7,787,717	2,212,283
Amount Charged to Appropriations (outflows)	<u>94,861,948</u>	<u>98,921,948</u>	<u>49,258,351</u>	<u>49,663,597</u>
Budgeted Fund Balance, December 31	<u>\$ —</u>	<u>\$ —</u>	<u>\$ (2,123,663)</u>	<u>\$ (2,123,663)</u>

The notes to the financial statements are an integral part of this statement.

Snohomish County, WA
Statement of Revenues, Expenditures, and
Changes in Fund Balance - Budget and Actual
Emergency Communications System and Facilities
For the Year Ended December 31, 2022



	Budgeted Amounts		Actual	Variance
	Original	Final		
Budgeted Fund Balance, January 1	\$ 5,871,812	\$ 5,871,812	\$ 37,378,828	\$ 31,507,016
Resources (inflows)				
Sales/Use Taxes	21,933,995	21,933,995	22,630,000	696,005
Interest and Investment Earnings	10,000	10,000	498,280	488,280
Bond Proceeds	—	53,000,000	49,226,996	(3,773,004)
Total Resources (inflows)	<u>21,943,995</u>	<u>74,943,995</u>	<u>72,355,276</u>	<u>(2,588,719)</u>
Amounts Available for Appropriation	27,815,807	80,815,807	109,734,104	28,918,297
Charges to Appropriations (outflows)				
Nondepartmental				
Emergency Systems	27,815,807	80,815,807	13,189,351	67,626,456
Amount Charged to Appropriations (outflows)	<u>27,815,807</u>	<u>80,815,807</u>	<u>13,189,351</u>	<u>67,626,456</u>
Budgeted Fund Balance, December 31	<u>\$ —</u>	<u>\$ —</u>	<u>\$ 96,544,753</u>	<u>\$ 96,544,753</u>

The notes to the financial statements are an integral part of this statement.

Snohomish County, WA
Statement of Net Position
Proprietary Funds
December 31, 2022



	Business Type Activities				Governmental Activities
	Solid Waste	Airport	Surface Water	Total Enterprise Funds	Internal Service Funds
ASSETS					
Current Assets					
Cash and Cash Equivalents	\$ 24,134,519	\$ 9,177,374	\$ 18,535,145	\$ 51,847,038	\$ 72,748,193
Cash and Cash Equivalents, Restricted	—	364,273	83,192	447,465	185,157
Investments	16,306,844	23,012,760	7,801,175	47,120,779	33,824,652
Investments, Restricted	5,940,202	—	—	5,940,202	—
Other Receivables, Net	6,784,657	1,405,699	547,682	8,738,038	241,154
Interest Receivable	47,946	965,518	15,195	1,028,659	68,046
Lease Receivable	828,592	11,793,909	—	12,622,501	351,644
Due From Other Governments	760,547	2,992,807	624,836	4,378,190	369,985
Inventories	—	—	—	—	2,358,531
Total Current Assets	54,803,307	49,712,340	27,607,225	132,122,872	110,147,362
Non-Current Assets					
Capital assets					
Land	15,902,776	22,108,409	14,556,847	52,568,032	392,203
Buildings and Structures, Net	13,952,283	72,749,033	—	86,701,316	6,964,517
Other Improvements, Net	12,019,146	—	11,918,899	23,938,045	1,258,632
Machinery and Equipment, Net	8,957,428	4,924,022	129,265	14,010,715	45,477,020
Infrastructure Assets, Net	291,856	73,732,365	54,942,525	128,966,746	—
Construction in Progress	400,601	5,993,917	8,489,247	14,883,765	3,334,527
Intangibles, Net	336,706	1,205	—	337,911	39,527
Lease Asset, Net	—	—	—	—	222,198
Lease Receivable	3,474,597	363,071,367	—	366,545,964	2,605,232
Net Pension Asset	2,987,210	3,430,296	2,390,141	8,807,647	5,767,172
Total Non-Current Assets	58,322,603	546,010,614	92,426,924	696,760,141	66,061,028
Total Assets	113,125,910	595,722,954	120,034,149	828,883,013	176,208,390
DEFERRED OUTFLOW OF RESOURCES					
Deferred Outflow Related to AROs	—	—	129,266	129,266	—
Deferred Loss on Refunding	152,350	71,019	—	223,369	36,465
Deferred Outflows Related to Pensions	2,960,978	2,567,494	2,369,152	7,897,624	5,664,480
Total Deferred Outflow of Resources	3,113,328	2,638,513	2,498,418	8,250,259	5,700,945

The notes to the financial statements are an integral part of this statement.

Snohomish County, WA
Statement of Net Position
Proprietary Funds
December 31, 2022

	Business Type Activities			Governmental Activities	
	Solid Waste	Airport	Surface Water	Total Enterprise Funds	Internal Service Funds
LIABILITIES					
Current Liabilities:					
Accounts Payable	3,316,686	2,335,656	1,483,994	7,136,336	5,680,331
Claims and Judgments Payable	—	—	—	—	5,409,325
Due to Other Governments	—	—	574,019	574,019	—
Accrued Liabilities	663,868	2,205,897	294,743	3,164,508	725,319
Unearned Revenue	—	1,402,157	—	1,402,157	4,496,053
Employee Benefits Payable	8,744	9,360	9,027	27,131	14,132,826
Total OPEB Liability	—	—	—	—	367,000
Bonds, Notes and Loans Payable	716,525	4,052,531	—	4,769,056	409,383
Landfill Closure Costs	225,000	—	—	225,000	—
Lease Payable	—	—	—	—	83,662
Total Current Liabilities	4,930,823	10,005,601	2,361,783	17,298,207	31,303,899
Non-Current Liabilities					
Employee Benefits Payable	865,623	926,625	893,707	2,685,955	2,734,959
Landfill Closure Costs	5,717,585	—	—	5,717,585	—
Total OPEB Liability	—	—	—	—	3,207,222
Bonds, Notes, and Loans Payable	5,175,000	48,293,053	—	53,468,053	1,339,565
Asset Retirement Obligation	—	—	165,000	165,000	—
Claims and Judgments Payable	—	—	—	—	20,403,276
Lease Payable	—	—	—	—	141,466
Net Pension Liability	1,924,381	979,991	1,539,745	4,444,117	3,627,113
Total Non-Current Liabilities	13,682,589	50,199,669	2,598,452	66,480,710	31,453,601
Total Liabilities	18,613,412	60,205,270	4,960,235	83,778,917	62,757,500
DEFERRED INFLOW OF RESOURCES					
Deferred Gain on Refunding	10,055	215,986	—	226,041	—
Deferred Inflows Related to Pensions	3,156,720	2,450,706	2,517,446	8,124,872	6,010,214
Deferred Inflow Leases	4,181,563	371,716,176	—	375,897,739	2,940,360
Total Deferred Inflow of Resources	7,348,338	374,382,868	2,517,446	384,248,652	8,950,574
NET POSITION					
Net Investment in Capital Assets	45,786,916	126,753,874	88,984,278	261,525,068	55,319,678
Restricted for:					
Capital Purposes	—	356,070	—	356,070	21,310,970
Physical Environment	—	—	17,806	17,806	—
Net Pension Asset	2,888,134	3,596,311	2,319,192	8,803,637	5,603,635
Total Restricted Net Position	2,888,134	3,952,381	2,336,998	9,177,513	26,914,605
Unrestricted	41,602,438	33,067,074	23,733,610	98,403,122	27,966,978
Total Net Position	\$ 90,277,488	\$ 163,773,329	\$ 115,054,886	\$ 369,105,703	\$ 110,201,261

The notes to the financial statements are an integral part of this statement.

Snohomish County, WA
Statement of Revenues, Expenses
and Changes in Net Position
Proprietary Funds
For the Year Ended December 31, 2022



	Business Type Activities			Governmental Activities	
	Solid Waste	Airport	Surface Water	Total Enterprise Funds	Internal Service Funds
Operating Revenues					
Charges for Services	\$ 74,366,400	\$ 11,216,581	\$ 29,533,556	\$ 115,116,537	\$ 129,480,238
Rents, Leases, and Concessions	855,524	18,591,802	—	19,447,326	14,142,015
Total Operating Revenues	75,221,924	29,808,383	29,533,556	134,563,863	143,622,253
Operating Expenses					
Personnel Services	14,144,909	10,579,972	9,740,066	34,464,947	27,138,999
Supplies	1,132,525	1,912,342	183,049	3,227,916	13,041,443
Interfund-Intergovernmental Payments for Service	8,674,844	3,974,919	12,132,036	24,781,799	7,569,763
Depreciation	3,919,225	8,448,921	2,537,077	14,905,223	5,959,145
Contractual Services	43,787,611	6,231,503	3,665,299	53,684,413	80,278,168
Total Operating Expenses	71,659,114	31,147,657	28,257,527	131,064,298	133,987,518
Operating Income (Loss)	3,562,810	(1,339,274)	1,276,029	3,499,565	9,634,735
Non-Operating Revenues (Expenses)					
Intergovernmental Revenues	900,013	1,055,784	1,408,880	3,364,677	6,555
Interest and Investment Earnings	(405,021)	6,252,023	(106,274)	5,740,728	(2,156,739)
Miscellaneous Revenues	2,716	114	1,962	4,792	1,476,180
Disposition of Capital Assets	8,062,812	125,112	(90,098)	8,097,826	171,864
Interest and Other Charges	24,922	(1,587,141)	—	(1,562,219)	(48,673)
Total Non-Operating Revenues (Expenses)	8,585,442	5,845,892	1,214,470	15,645,804	(550,813)
Income (Loss) Before Contributions and Transfers	12,148,252	4,506,618	2,490,499	19,145,369	9,083,922
Capital Contributions	—	10,127,298	1,548,760	11,676,058	313,041
Transfers In	—	—	3,049,640	3,049,640	1,530,282
Transfers Out	(559,272)	—	(213,709)	(772,981)	(5,842,180)
Change in Net Position	11,588,980	14,633,916	6,875,190	33,098,086	5,085,065
Net Position, Beginning	78,688,508	149,139,413	108,161,924	335,989,845	105,116,196
Change in Accounting Principle	\$ —	\$ —	\$ 17,772	\$ 17,772	\$ —
Net Position, Ending	\$ 90,277,488	\$ 163,773,329	\$ 115,054,886	\$ 369,105,703	\$ 110,201,261

The notes to the financial statements are an integral part of this statement.

Snohomish County, WA
Statement of Cash Flows
Proprietary Funds
For the Year Ended December 31, 2022

	Business Type Activities				Governmental Activities
	Solid Waste	Airport	Surface Water	Total	Internal Service Funds
Cash Flows from Operating Activities					
Receipts from Operations	\$ 75,154,264	\$ 28,082,612	\$ 29,582,531	\$132,819,407	\$ 143,406,331
Payments to Employees	(15,517,822)	(11,114,167)	(10,591,350)	(37,223,339)	(30,768,290)
Payments of Claims	(45,406,207)	(7,093,482)	(3,595,569)	(56,095,258)	(84,948,174)
Internal Activity - Payment to Other Funds	(8,674,844)	(3,974,919)	(12,116,168)	(24,765,931)	(7,569,763)
Miscellaneous Revenue	2,716	114	1,962	4,792	1,476,178
Total Cash Flows from Operating Activities	<u>5,558,107</u>	<u>5,900,158</u>	<u>3,281,406</u>	<u>14,739,671</u>	<u>21,596,282</u>
Cash Flows from Capital and Related Financing Activities					
Capital Acquisition and Construction	(1,037,444)	(8,986,533)	(8,615,787)	(18,639,764)	(4,706,186)
Capital Grants	—	9,074,014	1,498,285	10,572,299	—
Capital Contributions	—	1,053,284	—	1,053,284	260,173
Sale of Capital Assets	8,155,123	125,112	—	8,280,235	378,061
Principal Paid on Debt	(2,527,572)	(4,215,430)	—	(6,743,002)	(342,258)
Interest Paid on Debt	(139,975)	(1,770,389)	—	(1,910,364)	(91,148)
Total Cash Flows from Capital and Related Financing Activities	<u>4,450,132</u>	<u>(4,719,942)</u>	<u>(7,117,502)</u>	<u>(7,387,312)</u>	<u>(4,501,358)</u>
Cash Flows from Non-Capital Financing Activities					
Intergovernmental Revenue	(242,693)	(1,799,253)	2,058,052	16,106	(27,407)
Transfers In	—	—	3,049,640	3,049,640	450,000
Transfers Out	—	—	(213,709)	(213,709)	(5,842,180)
Total Cash Flows from Non-Capital Financing Activities	<u>(242,693)</u>	<u>(1,799,253)</u>	<u>4,893,983</u>	<u>2,852,037</u>	<u>(5,419,587)</u>
Cash Flows from Investing Activities					
Interest on Investments	(298,508)	6,269,220	(71,492)	5,899,220	(2,007,626)
Purchase/Sale of Investments	1,634,427	(12,853,001)	388,825	(10,829,749)	1,685,883
Total Cash Flows from Investing Activities	<u>1,335,919</u>	<u>(6,583,781)</u>	<u>317,333</u>	<u>(4,930,529)</u>	<u>(321,743)</u>
Net Increase (Decrease) in Cash and Cash Equivalents	<u>11,101,465</u>	<u>(7,202,818)</u>	<u>1,375,220</u>	<u>5,273,867</u>	<u>11,353,594</u>
Cash and Cash Equivalents, January 1, 2022	13,033,054	16,744,465	17,243,117	47,020,636	61,579,756
Cash and Cash Equivalents, December 31, 2022	<u>\$ 24,134,519</u>	<u>\$ 9,541,647</u>	<u>\$ 18,618,337</u>	<u>\$ 52,294,503</u>	<u>\$ 72,933,350</u>
Reconciliation of Operating Income to Net Cash Provided (Used) by Operating Activities					
Net Operating Income (loss)	\$ 3,562,810	\$ (1,339,274)	\$ 1,276,029	\$ 3,499,565	\$ 9,634,735
Depreciation Expense	3,919,225	8,448,921	2,537,077	14,905,223	5,959,145
Changes in Receivables, Net	60,458	1,022,471	48,975	1,131,904	(116,335)
Changes in Inventories	—	—	—	—	(102,630)
Changes in Accounts Payable & Other Liabilities	(1,861,779)	1,837,721	(582,637)	(606,695)	4,830,842
Changes in Leases	(125,323)	(4,069,795)	—	(4,195,118)	(85,653)
Miscellaneous Revenue	2,716	114	1,962	4,792	1,476,178
Net Cash Provided (Used) by Operating Activities	<u>\$ 5,558,107</u>	<u>\$ 5,900,158</u>	<u>\$ 3,281,406</u>	<u>\$ 14,739,671</u>	<u>\$ 21,596,282</u>
Non-Cash Investing, Capital and Related Financing Activities:					
Contributions of Capital Assets	\$ —	\$ —	\$ 50,475	\$ 50,475	\$ 1,133,149
Non-Cash Investing, Capital and Related Financing Activities	<u>\$ —</u>	<u>\$ —</u>	<u>\$ 50,475</u>	<u>\$ 50,475</u>	<u>\$ 1,133,149</u>

The notes to the financial statements are an integral part of this statement.

Snohomish County, WA
Statement of Fiduciary Net Position
December 31, 2022



	Custodial Funds	Investment Trust Fund
ASSETS		
Current Assets		
Cash and Cash Equivalents	\$ 183,806,505	\$ —
Investments in State Pool		605,499,085
Investments in County Pool		230,883,093
Investments	1,381,160	—
Taxes Receivable	22,908,655	—
Special Assessment Receivable	585,194	—
Interest Receivable	50,771	454,604
Other Receivables, Net	4,161,046	—
Total Current Assets	212,893,331	836,836,782
Total Assets	212,893,331	836,836,782
LIABILITIES		
Current Liabilities:		
Accounts Payable	26,632,143	—
Due to Other Governments	7,936,977	—
Accrued Liabilities	8,046,951	—
Total Current Liabilities	42,616,071	—
Total Liabilities	42,616,071	—
NET POSITION		
Restricted for:		
Pool Participants		836,836,782
Individuals, Organizations and Other Governments	170,277,260	—
Total Restricted Net Position	170,277,260	836,836,782
Total Net Position	\$ 170,277,260	\$ 836,836,782

The notes to the financial statements are an integral part of this statement.

Snohomish County, WA
Statement of Changes
in Fiduciary Net Position
For the Year Ended December 31, 2022

	<u>Custodial Funds</u>	<u>Investment Trust Fund</u>
ADDITIONS:		
Contributions		
Investment Purchases	—	869,183,189
Total Contributions	—	869,183,189
Investment Earnings:		
Investment Earnings	—	2,039,315
Less Investment Fees	—	(131,459)
Net Investment Earnings	—	1,907,856
Trust Fund Investment Sales	816,110,354	—
School Apportionment	1,585,479,577	—
Property Taxes	976,835,846	—
Collected for the State	682,582,462	—
Agency Deposits	359,011,488	—
Shared Revenue	46,578,100	—
Interest	13,584,678	—
School Mitigation	3,893,893	—
Special Assessments	2,964,125	—
Total Additions	<u>4,487,040,523</u>	<u>871,091,045</u>
DEDUCTIONS:		
Investment Sales	—	816,110,354
Payment of Claims/Distributions	2,871,847,923	—
Remitted to the State	681,038,174	—
Trust Fund Investment Purchases	882,598,684	—
Total Deductions	<u>4,435,484,781</u>	<u>816,110,354</u>
Net increase (decrease) in Fiduciary Net Position	51,555,742	54,980,691
Net Position - January 1, 2022	<u>118,721,518</u>	<u>781,856,091</u>
Net Position - December 31, 2022	<u>\$ 170,277,260</u>	<u>\$ 836,836,782</u>

The notes to the financial statements are an integral part of this statement.

Note 1 Summary of Significant Accounting Policies

General

The County of Snohomish, Washington (the "County"), was incorporated in 1861 and operates under the laws of the State of Washington applicable to a home rule charter county. The charter was adopted by a vote of the citizens of Snohomish County in 1979 and can be amended through the charter review process every ten years. The executive branch of the county government is elected at large and consists of the county executive, the prosecuting attorney, the sheriff, the auditor, the clerk, the treasurer, and the assessor. Seventeen superior court judges and eight district court judges are also elected at large. A five-member council, elected by district, constitutes the legislative body.

Snohomish County is a general-purpose government and provides services such as public safety, fire prevention, road construction and maintenance, parks and recreation, judicial administration, health and social programs and general administration. The County also operates an airport, a fairground, is responsible for the disposal of solid waste, and the control of surface water runoff.

The County's financial statements have been prepared in accordance with generally accepted accounting principles (GAAP) as applied to governmental 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. The County implemented the following Governmental Accounting Standards Board (GASB) Statements for 2022:

GASB Statement No. 87, Leases - the objectives of this statement are to establish a single model for lease accounting. The implementation of this standard resulted in recognition of lease assets and lease liabilities that were previously classified as capital or operating leases and recognized as inflows or outflows of resources.

GASB Statement No. 92, Omnibus 2020 - the objectives of this statement are to enhance comparability in accounting and financial reporting and to improve the consistency of authoritative literature by addressing practice issues that have been identified during implementation and application of certain GASB Statements.

GASB Statement No. 97, Certain Component Unit Criteria, and Accounting and Financial Reporting for Internal Revenue Code Section 457 Deferred Compensation Plans.

GASB Statement No. 98, The Annual Comprehensive Financial Report, which established the term Annual Comprehensive Financial Report and the acronym ACFR.

1.A Reporting Entity

These financial statements present the County (the primary government) and its component units, the Pilchuck Development Corporation ("PDC") and Snohomish County Public Facilities District ("PFD"). The component units are combined and presented in a single column on the government-wide financial statements.

In determining the financial reporting entity, the County complies with the provisions of GASB Statement No. 14, "The Financial Reporting Entity," GASB Statement No. 39, "Determining Whether Certain Organizations Are Component Units," and GASB Statement No. 61 "The Financial Reporting Entity: Omnibus". Accordingly, the County reports as component units those entities where the County appointed a voting majority of the board of directors, and the County is either able to impose its will, or where a financial benefit or burden relationship exists.

The County created the PDC in 1983 to promote and finance industrial development. The Snohomish County Council appoints the Corporation's board of directors. The Corporation may issue industrial revenue bonds to finance industrial development facilities upon approval of the County Council; however, the County has no financial responsibility for such bonds.

Snohomish County established the PFD in July 2001 for the sole purpose of pursuing joint ownership, financing, or operational relationships with any other public agency within the County for the development of regional center projects and/or with a nonprofit entity for the development of a regional center project at Paine Field. A five-member board of directors appointed by the County Council governs the PFD. The PFD cannot enter into contracts or agreements greater than \$50 thousand without Snohomish County Council approval.

The PFD has formalized support for four regional centers: the City of Everett Public Facilities District's Arena and Parking Garage, the South Snohomish County Public Facilities District's Regional Convention Center in Lynnwood, the City of Edmonds Public Facilities District's remodel of the Puget Sound Christian College for use as a Performing Arts and Convention Center, and the Future of Flight in conjunction with Snohomish County Paine Field Airport.

Financial statements for the Pilchuck Development Corporation and Snohomish Public Facilities District can be obtained by writing to the Snohomish County Finance Department, M/S 610, 3000 Rockefeller Ave., Everett, WA 98201.

1.B Measurement Focus, Basis of Accounting, and Financial Statement Presentation

Government-Wide Financial Statements

The *statement of net position and statement of activities* present financial information about the County as a whole on a full accrual basis with an economic resource measurement focus. They include all funds except for the fiduciary funds, which are reported separately. The statements distinguish between governmental and business-type activities. *Governmental activities* generally are financed through taxes, intergovernmental revenues, and other non-exchange revenues. *Business-type activities* are financed in whole or in part by fees charged to external parties for goods or services. Program revenues as reported on the statement of activities include charges to customers and users of goods or services provided by that program, and grants or contributions that are restricted for use by that program. Taxes and other revenues that are not specific to a particular program are reported as general revenues.

The expenses and program revenues of governmental activities are reported on the statement of activities by function/program. Fund financial statements also report governmental fund expenditures by function/program. The County reports the following functions/programs:

General Government - Legislative and administrative services, including expenses for recording and elections, financial services, legislative, personnel administration, administration and facility management.

Judicial - Court system for civil, criminal, and juvenile cases, including jury and witness fees and other judicial and legal costs.

Public Safety - Protection and safety of the citizenry at large, including expenses for law enforcement, fire protection services, inspections and regulatory enforcement, detention and corrections, emergency services and juvenile services.

Physical Environment - Conservation and preservation of the environment.

Transportation - Programs to ensure safe and adequate flow of vehicles and pedestrians in the County, including costs for road and street preservation, construction, and maintenance.

Health and Human Services - Programs that provide prevention, intervention, and rehabilitative human services for County citizens with an emphasis on serving those most in need. They include costs associated with programs such as veterans' services, mental health, substance abuse prevention and treatment, public health, services for the disabled and aging, homeless services, children's services, and other general welfare and assistance.

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

Culture and Recreation - Costs primarily associated with the maintenance and general operations of County parks, trails, natural land and recreational facilities, and fairgrounds, along with other educational and recreational activities for youth, families, and seniors.

Interfund Activity

Interfund activity can be classified into two general categories:

- *Reciprocal* interfund activities are transfers similar to exchange and exchange-like transactions. Interfund services provided and used are reported as revenues in the seller funds and expenditures/expenses in the purchaser funds.
- *Nonreciprocal* interfund activities are nonexchange transactions – no equivalent value is received for the assets transferred and there is no requirement for repayment. They include interfund transfers and interfund reimbursements. Interfund transfers have been eliminated within the governmental activities and business-type activities categories. Transfers between these two activities are reported on the statement of activities. Interfund reimbursements have been eliminated from the statement of activities. See Note 3I for details of interfund balances and transfers.

Fund Financial Statements

The fund financial statements individually present major funds and present non-major funds in total. A fund is considered major if it is the primary operating fund of the entity or if its assets plus deferred outflows, liabilities plus deferred inflows, revenues, or expenditures/expenses equal at least 10% of the corresponding total for all funds of that category or type, and at least 5% of the corresponding total for all governmental and enterprise funds combined. Separate financial statements are provided for governmental, proprietary, and fiduciary funds.

The governmental fund financial statements are prepared using a modified accrual accounting basis with a current financial resources measurement focus. The modified accrual basis differs from the full accrual basis in the following ways:

- Purchases of capital assets are considered expenditures.
- Redemptions of long-term debt are considered expenditures when due.
- Proceeds from long-term debt are considered "other financing sources" when received.
- Revenues are recognized as soon as they become both measurable and available to finance expenditures of the current period. Revenues are considered available if received within 60 days, however, grant revenue is recognized when earned.
- Interest on long-term debt is not accrued, but is recorded as an expenditure when due.
- Accumulated unpaid vacation, sick pay, and other employee benefits are considered expenditures when paid.

The *governmental funds* are accounted for with a flow of current financial resources measurement focus, which emphasizes the current sources and uses of resources. The County reports the following governmental funds:

The **general fund** is the primary operating fund of the County. It is used to account for all financial resources except those funds required to be accounted for separately.

Special revenue funds account for revenues which are to be utilized for specific purposes and/or expenditures incurred in the performance of specific activities. Major special revenue funds include County Road Fund, Human Services Fund, Grant Control Fund, and Emergency Communications System and Facilities Fund.

- The County Road Fund accounts for the construction, maintenance, and inspection of county streets, roads, and bridges and the design and coordination of countywide public works projects. Revenue is primarily from road and other taxes and from state and federal grants.
- The Human Services Fund is for the administration, planning, development, and provision of the following services: energy and weatherization assistance, long-term care and aging, developmental disabilities, mental health, chemical dependency, community services, children and family, housing, homelessness and community development, and veteran's relief. Revenue comes from sales and other taxes, state and federal grants, state and county mandated charges for services, general County revenues, as well as from a tax levy for mental health, developmental disabilities, and veterans' assistance.
- The Grant Control Fund accounts for the majority of federal and state grant dollars received and expended by the County.
- The Emergency Communications System and Facilities Fund is used to account for monies received from the tax imposed by Snohomish County Code 4.30.010 to be used for the countywide emergency communication system.

The **debt service funds** account for the accumulation of resources for the payment of general and special assessment long-term debt.

Capital projects funds account for the resources and expenditures relating to the acquisition and development of capital improvements other than those accounted for in the proprietary funds.

Proprietary funds are accounted for with a flow of economic resources measurement focus, which emphasizes the measurement of costs and determination of net income. They consist of *enterprise fund types* and *internal service fund types*. All assets and all liabilities are reported on the balance sheet. Revenues and expenses are reported on a full accrual basis - revenues are recorded when earned, expenses are recorded when a measurable liability has been incurred. Proprietary funds disclose the composition of cash flows on a separate statement of cash flows. Operating income for the proprietary funds includes all revenues derived in the normal course of operations except for interest and investment earnings, gain or loss on the sale of capital assets, capital grants and contributions, and some miscellaneous non-recurring revenues which are accounted for as non-operating. Operating expenses include all expenses derived in the normal course of operation. Non-operating expenses include interest expense and any other expenses not incurred as a result of the normal operation and purpose of the fund.

Enterprise funds account for operations of business-type activities, which are financed primarily by user charges. The accounting focus is on the measurement of costs and the determination of net income. The County maintains three enterprise funds: solid waste management, airport operation and maintenance, and surface water management.

- The Solid Waste Management Fund, administered by the Department of Public Works, accounts for the operations, capital improvements, and debt service of the County's solid waste facilities. Revenue comes from the collection of fees at the facilities.
- The Airport Fund accounts for the operations, capital improvements, and debt service of Paine Field, Snohomish County's airport. The fund is supported by fees for services. Additional capital funding is received from federal grants, and bond issues may be used to finance capital improvements.
- The Surface Water Management Fund, administered by the Department of Conservation and Natural Resources, accounts for operations relating to the management of storm drainage and surface water. Revenue comes from the collection of charges to property owners.

Internal service funds account for centralized operations related to providing goods or services to various County departments on a cost-reimbursement basis. The County's internal service funds are presented in the proprietary fund financial statements. In the government-wide financial statements, interfund transactions relating to internal service fund activity have been eliminated. Any residual activity and net position are reported as governmental activities. The County maintains eight internal service funds: equipment rental and revolving fund, information services fund, Snohomish County insurance fund, pits and quarries fund, employee benefit fund, facility services fund, training fund, and the security services fund.

Fiduciary Funds

The County's fiduciary funds consist of an investment trust fund and custodial funds. The investment trust fund holds the investments of the entities in which the County is acting as custodian.

The custodial funds are utilized to account for cash received and disbursed in Snohomish County's capacity as ex-officio treasurer, collection agent, or custodian for special purpose districts, other governments, and individuals.

1.C Assets, Deferred Outflows, Liabilities, Deferred Inflows, and Equity

Cash and Cash Equivalents

Cash and cash equivalents (original maturities of 3 months or less) include funds held by the County Treasurer, the Washington State Treasurer's Local Government Investment Pool, and bank accounts not administered by the County Treasurer. These are primarily depository accounts, revolving accounts, and change funds. The Washington State Treasurer's Local Investment Pool is considered to be cash equivalent as funds held within the pool can be liquidated on demand to meet daily cash flow needs. The Treasurer invests all temporary cash surpluses as allowed by RCW. The equity in these pooled cash investments is grouped under cash and cash equivalents. For purposes of the statement of cash flows, the County considers these surplus cash investments to be cash equivalents.

Investments

The County Investment Pool is classified as investments as the pools average maturity is greater than a year. Additional cash and investment disclosures are presented in Note 3A.

Interfund Receivables and Payables

Occasionally, transactions for goods and services between County funds may result in amounts which are due but not yet paid. These are reported as "due to/from other funds" on the balance sheet. Short-term interfund loans are reported as "due to/from other funds." Long-term interfund loans (non-current portion) are reported as "advances to/ from other funds."

Receivables

Property taxes levied for the current year are recorded as taxes receivable and deferred inflow. As tax payments are collected, the taxes receivable and deferred inflow balances are reduced and revenue is recognized in the fund statements. See Note 3B-Taxes Receivable. Other receivables include amounts due from private individuals and organizations for goods or services rendered.

Amounts reported as due from other governments represent receivables from other governments for goods and services rendered, grant reimbursements, or entitlements. Amounts due for grant reimbursements are recorded in the period in which the authorized disbursements are made.

Inventories and Prepaid Items

Governmental funds use the purchase method whereby inventory items are considered expenditures when purchased. Proprietary funds value inventories using average cost method. Certain other purchases representing costs applicable to future accounting periods are recorded as prepaid items in both government-wide and fund financial statements.

Asset Retirement Obligations

Asset retirement obligations (AROs) include legally enforceable liabilities associated with the retirement of a tangible capital asset. AROs are recorded based on estimates to decommission the assets in the future. AROs with an estimated cost to decommission that is greater the \$5 thousand are recorded as a deferred outflow of resources related to the ARO and a non-current liability, with the exception of AROs that are deemed to have an indefinite useful life, they will only be disclosed in the notes to the financial statements. AROs are reported as expenditures of the current period in the governmental fund financial statements and deferred outflows of resources in the government wide statements.

AROs are amortized on a straight-line basis over the estimated useful life of the tangible asset. See note 3K for additional ARO disclosures.

Capital Assets

Capital assets are recorded at actual cost. Donated capital assets are recorded at acquisition value on the date of donation. Capital costs in the governmental funds are reported as expenditures of the current period in the fund financial statements and as assets in the government-wide financial statements. Individual assets (except land, infrastructure and software) with a total cost of less than \$5 thousand are reported as expenses in the period in which they were incurred. Land has no capitalization threshold. Infrastructure expenditures (roads, bridges, traffic signals, drainage and other public property) and software expenditures in excess of \$100 thousand are capitalized and depreciated over their estimated useful life in the government-wide financial statements.

Depreciation of capital assets is reported as an allocated expense in the statement of activities. Depreciation is calculated using the straight-line method based on the estimated useful life of the asset. Generally, buildings and other land improvements are assigned estimated useful lives of 5 to 50 years, machinery and equipment 3 to 20 years, and infrastructure 5 to 100 years.

Leases

Lessee: The County is a lessee for noncancellable leases. The County recognizes a lease liability and an intangible right-to-use lease asset in the government-wide and proprietary fund financial statements. The County recognizes leases with an annual expenditure greater than \$5,000 or a lease term greater than 10 years.

At the commencement of a lease, the County initially measures the lease liability at the present value of payments expected to be made during the lease term. Subsequently, the lease liability is reduced by the principal portion of lease payments made. The lease asset is initially measured as the initial amount of the lease liability, adjusted for lease payments made at or before the lease commencement date, plus certain initial direct costs. Subsequently, the lease asset is amortized on a straight-line basis over the shorter of the lease term or the underlying asset's useful life.

Governmental funds recognize a capital outlay and other financing source at the commencement of a new lease. Lease payments in governmental funds are reported as debt service principal and debt service interest expenditures.

Key estimates and judgements related to leases include how the County determines (1) the discount rate it uses to discount the expected lease payments to present value, (2) lease term, and (3) lease payments.

The County uses the interest rate charged by the lessor as the discount rate. When the interest rate charged by the lessor is not provided, the County uses its incremental borrowing rate as the discount rate for leases.

The lease term includes the noncancellable period of the lease, plus periods covered by the County's and the lessor's option to extend/terminate the lease. Lease payments included in the measurement of the lease liability are composed of fixed payments and purchase option price that the County is reasonably certain to exercise.

The County monitors changes in circumstances that would require a remeasurement of its leases, and will remeasure the lease asset and liability if certain changes occur that are expected to significantly affect the amount of the lease liability.

Lessor: The County is a lessor for noncancellable leases. The County recognizes a lease receivable and a deferred inflow of resources in the government-wide and fund financial statements. The County recognizes leases with an annual revenue greater than \$5,000 or a lease term greater than 10 years.

At the commencement of a lease, the County initially measures the lease receivable at the present value of payments expected to be received during the lease term. Subsequently the lease receivable is reduced by the principal portion of lease payments received. The deferred inflow of resources is initially measure as the initial amount of the lease receivable, adjusted for lease payments received at or before the lease commencement date. Subsequently, the deferred inflow of resources is recognized as revenue over the life of the lease term using the straight-line basis.

Key estimates and judgements related to leases include how the County determines (1) the discount rate it uses to discount the expected lease payments to present value, (2) lease term, and (3) lease payments.

The County uses its estimated incremental borrowing rate as the discount rate for leases.

The lease term includes the noncancellable period of the lease, plus periods covered by the County's and the lessee's option to extend/terminate the lease. Lease receipts included in the measurement of the lease receivable are composed of fixed payments from the lessee.

The County monitors changes in circumstances that would require a remeasurement of its leases, and will remeasure the lease receivable and deferred inflows of resources if certain changes occur that are expected to significantly affect the amount of the lease receivable.

Restricted Assets and Liabilities

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

Deferred Outflows

A deferred outflow of resources is a consumption of net assets that is applicable to a future reporting period. Deferred outflows are recorded for pensions, asset retirement obligations and deferred loss on refunding.

Long-Term Debt

Long-term debt incurred by the governmental funds is not reported as a liability in the governmental fund financial statements, but is reported in the government-wide statement. The debt proceeds (including any bond premium or discount) are reported as other financing sources and payment of principal, interest, and debt issuance costs are reported as expenditures in the fund financial statements. Proprietary fund debt is reported on the same basis in both the government-wide and fund financial statements. Bond premiums, discounts, and deferred amounts on refunding are deferred and amortized over the life of the bonds. See Note 3F Long-Term Debt.

Employee Benefits Payable

The County's policies regarding vacation, sick leave and compensatory time permit employees to be compensated for earned but unused vacation leave, compensatory time, and a portion of their sick leave. The liability for such compensated absences in governmental funds is recorded as expenditures when taken and as long-term debt in the government-wide statements. Proprietary fund reporting is the same in both the fund statements and the government-wide statements. The current portion of this debt is estimated based on historical trends. Also see Note 3G Compensated Absences.

Pensions

For purposes of measuring the net pension liability, net pension asset, deferred outflows of resources and deferred inflows of resources related to pensions, and pension expense, information about the fiduciary net position of all state sponsored pension plans and additions to/deductions from those plans' fiduciary net position have been determined on the same basis as they are reported by the Washington State Department of Retirement Systems. For this purpose, benefit payments (including refunds of employee contributions) are recognized when due and payable in accordance with the benefit terms. Investments are reported at fair value. Also see Note 4A Pension Plan and Other Benefit Plans.

For purposes of calculating the restricted net position related to the net pension asset, the County includes the net pension asset and related deferred outflows and deferred inflows.

Unearned Revenue

Unearned revenues are recorded for certain grant related advances and prepaid revenues.

Deferred Inflows

A deferred inflow of resources is an acquisition of net assets that is applicable to a future reporting period. Deferred inflows are recorded for property taxes, special assessments, pensions, service concession arrangements, leases and deferred gain on refunding. There are differences between certain deferred inflows reported on the fund statements and those reported on the entity-wide statements. Deferred inflows for property taxes and special assessments, for example, are reclassified to revenue on the entity-wide statements.

Equity Classifications

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

- Net investment in capital assets: Consists of capital assets, net of accumulated depreciation and reduced by the outstanding balances of any bonds, mortgages, notes, or other borrowings that are attributable to the acquisition, construction, or improvement of those assets.
- Restricted net position: Consists of net position with constraints placed on the use either by (1) external groups such as creditors, grantors, and contributors; or (2) legal restrictions resulting from constitutional provisions or enabling legislation.
- Unrestricted net position: All other net position that does not meet the definition of “restricted” or “net investment in capital assets.”

The governmental funds’ financial statements present equity as fund balance. Fund balance is further classified as nonspendable, restricted, committed, assigned, or unassigned. Unless otherwise directed by the County Council, County Executive, or Director of Finance and committed to writing, resources shall be utilized in the following order: restricted, committed, assigned, and unassigned. Restricted fund balance has to meet the same criteria as restricted net position above. Committed fund balance is committed for a specific purpose pursuant to constraints imposed by a formal action such as a County ordinance adopted by the County’s highest level of decision-making authority, the County Council with approval of the County Executive. Similar formal action is required to create, modify, or rescind an ordinance. Assigned fund balance are resources intended to be used for a specific purpose. Per policy, assignments are expressed by the governing body or an official authorized by the governing body. No formal action is required to reallocate assigned fund balance. Nonspendable fund balance for governmental funds includes the long-term amount of loans unless the proceeds from the collection of those receivables is restricted, committed, or assigned. Proprietary fund equity is classified the same as in the government-wide statements.

Note 2 Stewardship, Compliance, And Accountability

2.A Budgetary Data

Budget Policies and Controls

In accordance with the Snohomish County Charter, the County Council is required to adopt annual budgets for all budgeted funds for the next fiscal year no later than thirty days prior to the end of the current fiscal year. Each quarter during the fiscal year, the Executive must submit a written report to the Council explaining the relationship between the estimated income and expenses and actual income and expenses to date. If income is estimated to be less than anticipated, the Council may reduce appropriations as necessary to keep expenditures within income. The County Council may also modify the budget on an emergency basis by appropriating contingency funds, revenues received in excess of budgeted revenues, or funds from any other legally available source. All appropriations lapse at the end of the year with the exception of project-length budgets for capital project funds.

The legal level of budgetary control, the level at which expenditures may not legally exceed appropriations, is at the fund/department/program level for all budgeted funds. For example, the Sheriff’s Office’s budget that is included in the General Fund may have multiple programs that cannot be individually exceeded.

Three special revenue funds were not budgeted for the fiscal year ended December 31, 2022. Per RCW 84.56.020, no budget is required for the *Treasurer's Operations and Maintenance Special Revenue Fund*. The *Law Library* is governed by a Board separate from the County Council. That Board is responsible for setting and monitoring the Law Library's annual budget. Due to another entity being separately responsible for the Law Library's budget, that budget is not included in the County's annual financial statements. The *River Management Fund* was not budgeted as there were no expenditures anticipated for 2022.

Basis of Budgeting

Annual appropriated budgets are adopted for the general, special revenue, debt service, and proprietary funds on the modified accrual basis of accounting. Budgets for capital project funds are adopted at the level of the individual project for fiscal periods that correspond to the lives of the projects also on the modified accrual basis of accounting. Annual appropriated budgets are adopted at the program level within each fund ("appropriation unit").

Encumbrances

An encumbrance system is maintained to account for commitments resulting from approved purchase orders and contracts. All appropriations lapse at the end of the year with the exception of *Capital Project Funds*. Accordingly, encumbrances outstanding at year-end must be absorbed within budget appropriations for the next year.

2.B Deficit Fund Equity

At December 31, 2022 the following funds had a deficit net position:

Governmental Funds	
Grant Control Fund	\$ (2,123,663)
Internal Service Funds	
Snohomish County Insurance Fund	(9,397,274)

The Grant Control Fund deficit is the result of an unrealized loss related to idle cash investments. The loss would only be recognized if all investments needed to be liquidated. The Insurance Fund deficit has resulted from major claims that were settled along with the implementation of GASB 68. The county continues to review and adjust rates to address the deficit related to claims.

Note 3 Detail Notes on Transaction Classes/Accounts

The following notes present detail information to support the amounts reported in the basic financial statements for its various assets, liabilities, equity, revenues, and expenditures/expenses.

3.A Deposits and Investments

Deposits

RCW 39.58.130 authorizes the investment of municipal funds in qualified public depositories, provided, that in no case, shall the aggregate of demand and investment deposits of public funds by any such treasurer in any one public depository exceed at any time the net worth of that depository.

Custodial Credit Risk

Custodial credit risk for deposits is the risk that, in the event of a failure of a depository financial institution, the County will not be able to recover deposits or will not be able to recover collateral securities that are in the possession of an outside party. The County's deposits and certificates of deposits are mostly covered by the federal deposit insurance (FDIC) or by collateral held in a multiple financial institution collateral pool administered by the Washington Public Deposit Protection Commission (PDPC). All deposits are held by the County's agent, in the name of the County. Washington State restricts deposits of funds in financial institutions physically located in the State of Washington unless otherwise expressly permitted by statute and authorized by the PDPC. No deposit amounts were exposed to custodial credit risk as uninsured or uncollateralized.

Investments

Interest Rate Risk

Interest rate risk is the risk the County may face should interest rate variances affect the fair value of investments. In accordance with its investment policy, the County manages its exposure to investments that are highly sensitive to changes in fair value due to interest rate change by limiting the weighted average maturity of its investments. In accordance with the County's investment policy, 20% of the County's portfolio must be comprised of investments maturing within one year. Satisfying this requirement, remaining funds may be invested in authorized securities not to exceed five years in maturity. The weighted average maturity and duration of the portfolio shall not exceed three years.

Presented below are the County's investments and maturities as of December 31, 2022:

Investments and Maturities (In Years)			
Investment Type	Fair Value	Less than 1	1 to 5
U.S. Agency Notes	\$ 339,851,843	\$ 72,338,170	\$ 267,513,673
U.S. Treasury Notes	199,366,535	25,703,645	173,662,890
Municipal Bonds	72,310,288	14,997,091	57,313,197
Supranationals	13,782,250	—	13,782,250
Corporate Notes	3,864,720	—	3,864,720
Total	\$ 629,175,636	\$ 113,038,906	\$ 516,136,730
Other Securities			
Local Government			
Investment Pool	\$ 1,063,499,147		
Municipal Investor Accounts	52,337,079		
Certificates of Deposit	24,500,000		
	\$ 1,769,511,862		

Credit Risk

Credit risk is the risk that an issuer or other counterparty to an investment will not fulfill its obligations. Snohomish County's investment policy addresses credit risk by limiting the amount that can be invested in any one issuer. As of December 31, 2022, there was no concentration of credit risk exceeding the policy guidelines. Presented below is the credit quality ratings for securities with credit exposure as of December 31, 2022.

Investment Type	Fair Value	Amortized Cost	AAA/Aaa	AA/Aa	A	Not Rated
U.S. Agency Notes	\$ 339,851,843	\$ —	\$ —	\$ 339,851,843	\$ —	\$ —
U.S. Treasury Notes	199,366,535	—	—	—	—	199,366,535
Municipal Bonds	72,310,288	—	—	72,310,288	—	—
Supranationals	13,782,250	—	13,782,250	—	—	—
Corporate Notes	3,864,720	—	3,864,720	—	—	—
Local Government Investment Pool	—	1,063,499,147	—	—	—	1,063,499,147
Municipal Investor Accounts	—	52,337,079	—	—	—	52,337,079
Certificates of Deposit	—	24,500,000	—	—	—	24,500,000
Total	\$ 629,175,636	\$ 1,140,336,226	\$ 17,646,970	\$ 412,162,131	\$ —	\$ 1,339,702,761

Custodial Credit Risk

Custodial credit risk for investments is the risk that in the event of the failure of the counterparty, the County will not be able to recover the value of its investments or collateral securities that are in the possession of an outside party. The County's investment policy requires that all investments be held by the County's third-party safekeeping agent in the County's name.

Concentration of Credit Risk

Concentration of credit risk is the risk of loss attributed to the magnitude of the government's investment in a single issuer. The County investment policy minimizes concentration risk by diversifying the investment portfolio so that the impact of potential losses from any one type of security or from any one individual issuer will be minimized. Detailed information on concentration risk is covered in the Snohomish County investment policy. Presented below is the maximum allowed by policy and the actual as of December 31, 2022.

Investment Type	Fair Value	Amortized Cost	Total	% of Portfolio	Maximum Allowed Per Investment Policy
U.S. Agency Notes	\$ 339,851,843	\$ —	\$ 339,851,843	19.1 %	90.0 %
U.S. Treasury Notes	199,366,535	—	199,366,535	11.3 %	100.0 %
Municipal Bonds	72,310,288	—	72,310,288	4.1 %	15.0 %
Supranationals	13,782,250	—	13,782,250	0.8 %	15.0 %
Corporate Notes	3,864,720	—	3,864,720	0.2 %	5.0 %
Local Government Investment Pool	—	1,063,499,147	1,063,499,147	60.1 %	100.0 %
Municipal Investor Accounts	—	52,337,079	52,337,079	3.0 %	30.0 %
Certificates of Deposit	—	24,500,000	24,500,000	1.4 %	30.0 %
Total	\$ 629,175,636	\$ 1,140,336,226	\$ 1,769,511,862	100.0 %	

Investments in Local Government Investment Pool (LGIP)

The County is a participant in the Local Government Investment Pool (LGIP) which is managed and operated by the Washington State Treasurer. The State Finance Committee is the administrator of the statute that created the pool and adopts rules. The State Treasurer is responsible for establishing the investment policy for the pool and reviews the policy annually and proposed changes are reviewed by the LGIP advisory committee.

Investments in the LGIP, a qualified external investment pool, are reported at amortized cost which approximates fair value. The LGIP is an unrated external investment pool. The pool portfolio is invested in a manner that meets the maturity, quality, diversification and liquidity requirements set forth by GASB 79 for external investment pools that elect to measure, for financial reporting purposes, investments at amortized cost. The LGIP does not have any legally binding guarantees of share values. The LGIP does not impose liquidity fees or redemption gates on participant withdrawals.

The Office of the State Treasurer prepares a stand-alone LGIP financial report. A copy of the report is available from the Office of the State Treasurer, PO Box 40200, Olympia, Washington 98504-0200, online at <http://www.tre.wa.gov>.

External Investment Pool

The Snohomish County Investment Pool (SCIP) is the external investment pool sponsored by the County and was established in 2006. The SCIP is not registered with the SEC. The Revised Code of Washington (RCW) 36.29.010, 36.29.020, 36.29.022 and 36.29.024 state the Treasurer's duties related to investments. Oversight of the SCIP is provided by the Snohomish County Finance Committee pursuant to RCW 36.29.020. The County Finance Committee consists of the County Treasurer, County Executive and Chairman of the County Council. The County Finance Committee meets at a minimum, semi-annually. Reports are provided to the Committee on a quarterly basis. The County Finance Committee approves investment policies for the County. The County's investment policy has been certified by the Washington Public Treasurers' Association and is in compliance with state law.

Pool participants manage their own cash and direct the County Treasurer by written request to deposit or withdraw monies from their funds for investment purposes. Pool participants consist of Junior Taxing Districts, Cities, Hospitals and a Health District. The collective pool earnings, net of administrative fees, are distributed to participants based on their average pooled balances for the period. Earnings are calculated based on 1) realized investment gains and losses 2) interest income based on an accrual basis; and 3) amortization of discounts and premiums on a straight-line basis.

The participants' shares in the pool are purchased and redeemed at face value. The aggregate value of all participants' investments is equal to the total face value of the pool at all times. The SCIP does not have any legally binding guarantees of share values.

RCW 36.29.020 authorizes the County Treasurer to invest its surplus cash and any funds of municipal corporations which are not required for immediate expenditure and are in the custody or control of the County Treasurer. The interest earnings from these funds is deposited into the County general fund per the RCW. The total amount of income from the SCIP assigned to the County's general fund for the year was \$4.6 million.

Snohomish County Treasurer's Office has retained the services of an outside firm to evaluate, provide compliance oversight and issue a quarterly report analysis of the SCIP.

The SCIP does not have a credit rating and has a weighted average maturity of 1.81 years as of December 31, 2022.

Investments in the SCIP are disclosed at fair value in accordance with GASB Statement No 72. Fair value is determined using quoted market prices from the County's safekeeping agent. The pricing is provided to our safekeeping agent by Interactive Data Corporation (IDC). The fair values are uploaded into the County's investment software on a monthly basis.

Presented below is the list of investments as of December 31, 2022 in the SCIP, reflecting the average interest rate and the weighted average maturity (WAM).

Investment Type	Principal Amount	Fair Value	Amortized Cost	Average Interest Rate	Weighted Average Maturity (Years)
U.S. Agency Notes	\$ 360,250,000	\$ 339,851,843	\$ —	1.64 %	2.19
U.S. Treasury Notes	214,000,000	199,366,535	—	1.56 %	2.37
Municipal Bonds	75,878,910	72,310,288	—	1.80 %	2.24
Supranationals	14,500,000	13,782,250	—	0.35 %	1.66
Corporate Notes	4,000,000	3,864,720	—	3.05 %	2.36
Local Government Investment Pool	85,556,620	—	85,556,620	4.09 %	1.00
Municipal Investor Accounts	52,337,079	—	52,337,079	4.37 %	1.00
Certificates of Deposit	24,500,000	—	24,500,000	3.16 %	1.05
Total	\$ 831,022,609	\$ 629,175,636	\$ 162,393,699	2.09 %	1.81

Fair Value of Investments in the Snohomish County Investment Pool (SCIP)

In the financial statements, Snohomish County investments are recorded at fair value. As of December 31, 2022, the change in fair value of investments held in the SCIP was a decrease of \$39.5 million or 4.75% of the portfolio. For the year ending December 31, 2022, most County funds experienced unrealized losses greater than interest income. In these funds, the line Interest and Investment Earnings is reported as a negative number representing the net of interest earned and the unrealized losses. This loss would only be realized if every investment held needed to be immediately liquidated. The change in fair value of the surplus pooled cash investments is reported in cash and cash equivalents and the change in fair value of the direct SCIP investments is reported in the investment line item in the financials.

Investments Measured at Fair Value

The County measures and reports investments at fair value in the financial statements and discloses investments at fair value using the valuation input hierarchy established by generally accepted accounting principles as follows:

Level 1: Quoted prices in active markets for identical assets or liabilities.

Level 2: These are quoted market prices for similar assets or liabilities, quoted prices for identical or similar assets or liabilities in markets which are not active, or other quoted prices that are not observable.

Level 3: Unobservable inputs for assets or liability

Investment by Fair Value Level	12/31/2022	Level 1	Level 2	Level 3
U.S. Agency Notes	\$ 339,851,843	\$ —	\$ 339,851,843	\$ —
U.S. Treasury Notes	199,366,535	199,366,535	—	—
Municipal Bonds	72,310,288	—	72,310,288	—
Supranationals	13,782,250	—	13,782,250	—
Corporate Notes	3,864,720	—	3,864,720	—
Total	\$ 629,175,636	\$ 199,366,535	\$ 429,809,101	\$ —

Investment Measured at Amortized Cost	
Local Government Investment Pool (LGIP)	\$ 1,063,499,147
Certificate of Deposits	24,500,000
Municipal Investor Accounts	52,337,079
Total	\$ 1,140,336,226
Total Investments	\$ 1,769,511,862

In accordance with GASB 31 the following is a Condensed Statement of Net Position and Condensed Statement of Changes in Net Position for the Internal and External Pooled investments:

Condensed Statement of Net Position (SCIP and LGIP)

	External	Internal	Total
Assets			
Local Government Investment Pool (LGIP)	\$ 605,499,086	\$ 375,420,687	\$ 980,919,773
External Investment Pool (SCIP)	231,337,696	561,793,904	793,131,600
Total Assets	\$ 836,836,782	\$ 937,214,591	\$ 1,774,051,373
Equity/Held in Trust for External Pool Participants	\$ 836,836,782	\$ 937,214,591	\$ 1,774,051,373

Condensed Statement of Changes in Net Position

	External	Internal	Total
Net Position January 1, 2022	\$ 781,856,091	\$ 771,403,663	\$ 1,553,259,754
Net Change in Investments	54,980,691	165,810,928	220,791,619
Net Position December 31, 2022	\$ 836,836,782	\$ 937,214,591	\$ 1,774,051,373
FMV Change	\$ (11,507,639)	\$ (27,945,635)	\$ (39,453,274)

3.B Taxes Receivable

Taxing Authority

The County is authorized to levy both “regular” property taxes and “excess” property taxes. Regular property taxes are subject to limitations as to rates and amounts, and are imposed for general municipal purposes, including the payment of debt service on limited tax general obligation bonds. The County also may impose “excess” property taxes that are not subject to limitation when authorized by a 60% majority popular vote, as provided in Article VII, Section 2, of the State Constitution and Revised Code of Washington (RCW), RCW 84.52.052. To be valid, such popular vote must have a minimum voter turnout of 40% of the number who voted at the last County general election. Excess levies may be imposed without a popular vote when necessary to prevent the impairment of the obligation of contracts.

Property Tax Rates and Limitations

The Washington State Constitution and Washington State law (RCW 84.55.010) allow counties to limit the rate of property taxes. A county may levy taxes at a maximum rate of \$1.80 per \$1,000 of assessed value against all real and personal property subject to taxation for general county purposes. This includes payment of principal and interest on bonds issued by the County without a vote of the people, including limited tax general bond obligations (RCW 84.52). The County’s regular levy for 2022 was \$0.57 per \$1,000 on an assessed valuation of \$170.3 billion for a total regular tax levy of \$97.6 million.

The County is also authorized to levy \$2.25 per \$1,000 of assessed valuation in unincorporated areas for road construction and maintenance. This levy is subject to the same limitations as the levy for general government services. The County’s road levy for 2022 was \$0.96 per \$1,000 on assessed valuation of \$73.5 billion for a total road levy of \$70.8 million.

A county may increase its levy from \$1.80 to \$2.48 for general county purposes if the total levies for both county and road purposes do not exceed \$4.05 per \$1,000 of assessed value and no other taxing district has had its levy reduced as a result of the increased county levy.

The \$1.80 per \$1,000 limitation on the general purposes levy is exclusive of certain regular property taxes: (i) a voted levy for emergency medical services, limited to \$0.50 per \$1,000 (authorized by RCW 84.52.069); (ii) a voted levy to finance affordable housing for very low income households, limited to \$0.50 per \$1,000 (authorized by RCW 84.52.105); and (iii) a non-voted levy for conservation futures, limited to \$0.0625 per \$1,000 (authorized by RCW 84.34.230). The County currently is levying \$0.03 per \$1,000 for conservation futures.

Aggregate regular property tax levies by the State and all taxing districts except port districts and public utility districts are subject to a rate limitation of 1% of the true and fair value of property (or \$10.00 per \$1,000) by Article VII, Section 2 of the State Constitution and by RCW 84.52.050. Within the 1% limitation, aggregate regular property tax levies by all taxing districts except the State, port districts and public utility districts are subject to a rate limitation of \$5.90 per \$1,000 of assessed value (or 0.59%) by RCW 84.52.043(2). This limitation is exclusive of levies for emergency medical services, affordable housing for very low-income households and acquiring conservation futures. If aggregate regular property tax levies exceed the 1% or \$5.90 per \$1,000 limitations, levies requested by "junior" taxing districts within the area affected are reduced or eliminated according to a detailed prioritized list (RCW 84.52.010), in order to bring the aggregate levy into compliance. Junior taxing districts are defined by RCW 84.52.043 as all taxing districts other than the State, counties, cities, towns, road districts, port districts, and public utility districts.

Property Tax Calendar

The County Treasurer acts as an agent to collect property taxes levied in the county for all taxing authorities. The following is an annual timeline for tax collections:

Property Tax Calendar	
January 1	Taxes are levied and become an enforceable lien against properties.
February 14	Tax bills are mailed.
April 30	First of two equal installment payments is due.
May 31	Assessed value of property established for next year's levy at 100% of market value.
October 31	Second installment is due.

Property taxes are recorded as a receivable and deferred inflow when levied. Property tax collections are recorded as a reduction of the receivable. Also, upon collection, the related deferred inflow is reclassified to revenue, on the modified accrual basis. For the statement of activities, property taxes are revenue in the year they are levied. No allowance for uncollectible taxes is established because delinquent taxes are considered fully collectible. Prior year tax levies were recorded using the same principle, and delinquent taxes are evaluated annually.

Property Tax Levy Procedures

In the State of Washington, the county assessor (the “Assessor”) determines the value of all real and personal property throughout the county that is subject to ad valorem taxation. The Assessor’s duties and methods of determining value are prescribed and controlled by statute and by detailed regulations promulgated by the Department of Revenue of the State of Washington. For tax purposes, the assessed value of property is set at 100% of its actual value. All property is subject to revaluation every year. The Assessor lists the property on a tax roll at its current assessed value and the tax roll is filed in the Assessor’s office.

The Assessor’s determinations are subject to revision by the County Board of Equalization and, for certain property, subject to further revision by the State Board of Equalization. After all administrative procedures are completed, the County receives the Assessor’s final certificate of assessed value of property within the county.

Property taxes are levied in specific amounts, and the rates for all taxes levied for all taxing districts in the county (including the County) are determined, calculated, and fixed by the Assessor based upon the assessed valuation of the property within the various taxing districts. The Assessor extends the taxes to be levied within each taxing district upon a tax roll, which contains the total amount of taxes to be levied and collected. The tax roll is delivered to the County Treasurer by January 15 of each year, and an abstract of the tax roll showing the total amount of taxes collectible in each of the taxing districts for the year, is delivered to the County Auditor at the same time. The Treasurer creates a tax account for each taxpayer and is responsible for the collection of taxes due on each account. All such taxes are due and payable on the 30th of April of each year, but if the amount due from a taxpayer exceeds \$50, one-half may be paid then, and the balance no later than October 31 of that year.

The method of giving notice of payment of taxes due, the Treasurer’s accounting for the money collected, the division of the taxes among the various taxing districts, notices of delinquency, and collection procedures are all covered by detailed statutes.

Tax Liens and Foreclosure

Property taxes, and all charges and expenses relating to the taxes, constitute a statutory lien on the property taxed. The lien attaches to the property, from and including January 1 in the year in which the tax is levied, and is discharged only when the taxes are paid. By law, the Treasurer may commence foreclosure of a tax lien on real property after three years have passed since the first delinquency. The County Treasurer may commence foreclosure proceedings in Superior Court upon all tax liens embraced by the certificate of delinquency. The County Treasurer must immediately sell the property to the highest and best bidder for cash upon entry of the order of foreclosure. The minimum bid allowable is the total amount of the taxes, interest, penalty, and costs due. To the extent property is stricken to the County at a foreclosure sale, that property is exempt from taxation for so long as the County holds it. A property owner may redeem their property at any time prior to the foreclosure sale by paying the County Treasurer the amount of the certificate of delinquency and all taxes, interest, and costs accruing after the certificate of delinquency is issued.

3.C Other Receivables

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

Other Receivables As of December 31, 2022			
	Governmental Activities	Business-type Activities	Total Primary Government
Other Receivables	\$ 56,906,454	\$ 9,432,895	\$ 66,339,349
Allowance for Uncollectibles	(44,373,123)	(694,857)	(45,067,980)
Other Receivables, Net	<u>\$ 12,533,331</u>	<u>\$ 8,738,038</u>	<u>\$ 21,271,369</u>

3.D Capital Assets

The following is a summary of changes in capital assets for the County primary government:

CAPITAL ASSETS
For the year ended December 31, 2022

	Beginning Balance	Increases	Decreases	Ending Balance
Governmental Activities:				
Capital assets not depreciated:				
Land	\$ 302,191,330	\$ 14,119,160	\$ (1,111)	\$ 316,309,379
Construction in progress	74,787,139	34,684,168	(21,909,446)	87,561,861
Total capital assets not depreciated	376,978,469	48,803,328	(21,910,557)	403,871,240
Other capital assets:				
Buildings	338,963,035	13,005,726	—	351,968,761
Other improvements	150,000,970	381,162	—	150,382,132
Equipment	126,448,614	6,668,212	(3,230,981)	129,885,845
Infrastructure	1,438,147,544	58,091,884	(15,466,434)	1,480,772,994
Intangible assets	13,397,203	—	(1,024,314)	12,372,889
Total other capital assets at historical cost	2,066,957,366	78,146,984	(19,721,729)	2,125,382,621
Less accumulated depreciation for:				
Buildings	(155,493,610)	(9,563,316)	—	(165,056,926)
Other improvements	(75,372,885)	(6,444,802)	—	(81,817,687)
Equipment	(65,432,744)	(7,921,815)	3,007,027	(70,347,532)
Infrastructure	(712,217,282)	(51,559,190)	1,821,177	(761,955,295)
Intangible assets	(7,429,077)	(1,023,755)	1,024,314	(7,428,518)
Total accumulated depreciation	(1,015,945,598)	(76,512,878)	5,852,518	(1,086,605,958)
Other capital assets, net	1,051,011,768	1,634,106	(13,869,211)	1,038,776,663
Governmental activities capital assets, net	\$ 1,427,990,237	\$ 50,437,434	\$ (35,779,768)	\$ 1,442,647,903
Business-type Activities				
Capital assets not depreciated:				
Land	\$ 51,169,204	\$ 1,491,140	\$ (92,312)	\$ 52,568,032
Construction in progress	10,447,397	13,746,926	(9,310,558)	14,883,765
Total capital assets not depreciated	61,616,601	15,238,066	(9,402,870)	67,451,797
Other capital assets:				
Buildings	157,391,015	123,649	(158,455)	157,356,209
Other improvements	86,895,760	—	(156,940)	86,738,820
Equipment	24,873,156	954,260	(127,192)	25,700,224
Infrastructure	252,273,640	10,705,299	—	262,978,939
Intangible assets	3,388,162	348,317	—	3,736,479
Total other capital assets at historical cost	524,821,733	12,131,525	(442,587)	536,510,671
Less accumulated depreciation for:				
Buildings	(67,232,081)	(3,581,267)	158,455	(70,654,893)
Other improvements	(60,125,315)	(2,741,636)	66,176	(62,800,775)
Equipment	(9,952,286)	(1,864,411)	127,188	(11,689,509)
Infrastructure	(127,420,296)	(6,591,897)	—	(134,012,193)
Intangible assets	(3,275,804)	(122,764)	—	(3,398,568)
Total accumulated depreciation	(268,005,782)	(14,901,975)	351,819	(282,555,938)
Other capital assets, net	256,815,951	(2,770,450)	(90,768)	253,954,733
Business-type activities capital assets, net	\$ 318,432,552	\$ 12,467,616	\$ (9,493,638)	\$ 321,406,530

Changes to assets and accumulated depreciation may appear skewed due to reclassification of assets between categories.

Depreciation

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

Depreciation Expense For the Year Ended December 31, 2022

Governmental Activities		
General Government	\$	11,468,431
Judicial		5,351,912
Public Safety		1,880,077
Physical Environment		43,849
Transportation		53,074,778
Health and Human Services		77,331
Economic Environment		52,520
Culture and Recreation		4,585,262
Total Governmental Activities		<u>76,534,160</u>
Business-type Activities		
Airport		8,448,921
Solid Waste Management		3,919,225
Surface Water Management		2,537,077
Total Business-type Activities		<u>14,905,223</u>
Total Primary Government	\$	<u>91,439,383</u>

3.E Short-Term Debt

The County had no short-term debt during or at the end of 2022.

3.F Long-Term Debt

The County's long-term debt consists primarily of general obligation bonds, Washington State Public Works Trust Fund (PWTF) loans, and Community Economic Revitalization Board (CERB) loans. General obligation bonds are issued for general governmental and business-type activities. General government long-term debt is repaid from the applicable resources using the debt service fund, except for PWTF loans, which are paid directly from the County Road fund. Business-type activities pay their long-term debt directly from their funds.

In 2022, Snohomish County issued \$79.6 million of tax-exempt general obligation bonds of which \$44.2 million was to finance a loan to the Snohomish County Regional Public Safety Communications Agency (SNO911) for the acquisition, design, construction, remodeling, furnishing and equipping a centralized building to house SNO911's facilities and equipment and \$35.4 million to finance the redevelopment of the Arlington Public Works Operations Center.

Refunded Debt

In prior years, the County defeased certain general obligation bonds by placing the proceeds of the new bonds in an irrevocable trust to provide for all future debt service payments on the old bonds. Accordingly, the trust account assets and liability for defeased bonds are not included in the County's financial statements. The amount of the defeased bonds outstanding as of December 31, 2022 is \$94.4 million.

The following table summarizes the long-term debt issued and outstanding as of December 31, 2022:

2022 Schedule of Long Term Debt

	Purpose	Original Issue Amount *	Beginning Outstanding Balance	2022 Redemptions (Additions)	Ending Outstanding Balance	Scheduled Payoff Date	2023 Redemption	Interest Rate
Governmental Activities								
1997 Bond Issue	Memorial Stadium Series B	1,134,775	698,173	141,485	556,688	2026	140,840	4.5-6.0%
2012A Bond Issue	County Campus Redevelopment - Rfndg	2,495,000	1,225,000	185,000	1,040,000	2027	195,000	2.0-4.0%
	Park Imprvmnts/Willis Tucker Park - Rfndg	1,160,000	265,000	130,000	135,000	2023	135,000	2.0-4.0%
	Facilities Projects 12 yr	1,810,000	530,000	170,000	360,000	2024	175,000	2.0-4.0%
	Facilities Projects 20 yr	3,610,000	2,315,000	175,000	2,140,000	2032	180,000	2.0-4.0%
	Total 2012A Issue	9,075,000	4,335,000	660,000	3,675,000		685,000	
2013 Bond Issue	Justice Center	73,730,000	690,000	690,000	—	2022	—	3.0-5.0%
	Sheriff Precinct	2,765,000	95,000	95,000	—	2022	—	3.0-5.0%
	Conservation Futures	22,470,000	1,305,000	1,305,000	—	2022	—	3.0-5.0%
	Roads	4,710,000	230,000	230,000	—	2022	—	3.0-5.0%
	Parks	3,285,000	290,000	290,000	—	2022	—	3.0-5.0%
	Total 2013 Issue	106,960,000	2,610,000	2,610,000	—		—	
2015 Bond Issue	Memorial Stadium - Rfndg	427,671	406,566	4,006	402,560	2027	4,207	3.0-5.0%
	Fairgrounds Property - Rfndg	339,941	230,660	21,519	209,141	2030	22,613	3.0-5.0%
	Sheriff Storage/Gun Range - Rfndg	261,493	177,431	16,553	160,878	2030	17,394	3.0-5.0%
	County New Admin Building - Rfndg	1,961,150	1,330,699	124,143	1,206,556	2030	130,453	3.0-5.0%
	Existing Admin Building Rmdl - Rfndg	2,087,055	1,416,481	133,081	1,283,400	2030	137,483	3.0-5.0%
	Mission Building - Rfndg	326,866	221,789	20,691	201,098	2030	21,743	3.0-5.0%
	Other Campus Remodel Projects - Rfndg	653,733	443,578	41,382	402,196	2030	43,486	3.0-5.0%
	County Campus Redvlpmt - Jail - Rfndg	1,242,091	842,797	78,626	764,171	2030	82,622	3.0-5.0%
	PW Cathcart Roads - Rfndg	2,569,971	1,339,492	242,498	1,096,994	2026	254,513	3.0-5.0%
	PW Cathcart Fleet - Rfndg	3,627,218	1,890,539	342,258	1,548,281	2026	359,216	3.0-5.0%
	Sheriff Gun Range/Impound Lot - Rfndg	1,100,857	573,777	103,875	469,902	2026	109,022	3.0-5.0%
	Roads - Rfndg	13,481,099	7,043,800	1,272,998	5,770,802	2026	1,340,175	3.0-5.0%
	Total 2015 Issue	28,079,145	15,917,609	2,401,630	13,515,979		2,522,927	
2018A Bond Issue	McKinstry Project	3,170,000	2,700,000	170,000	2,530,000	2033	180,000	3.4-5.0%
2019 Bond Issue	Courthouse Addition	12,445,000	11,495,000	525,000	10,970,000	2039	550,000	3.0-5.0%
	SERS Bond Anticipation Note - Rfndg	30,940,000	28,025,000	1,600,000	26,425,000	2034	1,680,000	3.0-5.0%
	Property Tax Collection System	4,610,000	3,630,000	535,000	3,095,000	2027	560,000	3.0-5.0%
	Facilities HVAC - Rfndg	672,773	353,626	172,501	181,125	2023	181,125	3.0-5.0%
	Animal Shelter - Rfndg	1,632,947	1,351,858	154,519	1,197,339	2028	167,746	3.0-5.0%
	Total 2019 Issue	50,300,720	44,855,484	2,987,020	41,868,464		3,138,871	
2020A Bond Issue	County Campus Redevelopment - Rfndg	62,435,000	59,580,000	3,120,000	56,460,000	2035	3,275,000	2.0-5.0%
	Roads - Rfndg	1,770,000	1,630,000	150,000	1,480,000	2030	155,000	2.0-5.0%
	Fairgrounds - Rfndg	4,230,000	4,040,000	210,000	3,830,000	2040	215,000	2.0-5.0%
	Emergency Operations Center - Rfndg	1,295,000	1,235,000	65,000	1,170,000	2035	70,000	2.0-5.0%
	Total 2020A Issue	69,730,000	66,485,000	3,545,000	62,940,000		3,715,000	

Notes to the Financial Statements
December 31, 2022

2022 Schedule of Long Term Debt

	Purpose	Original Issue Amount *	Beginning Outstanding Balance	2022 Redemptions (Additions)	Ending Outstanding Balance	Scheduled Payoff Date	2023 Redemption	Interest Rate
Governmental Activities								
2021A Bond Issue	Parks - Meadowdale	2,045,000	2,045,000	165,000	1,880,000	2031	170,000	2.0-5.0%
	County Campus Redevelopment - Rfndg	29,835,000	29,835,000	—	29,835,000	2036	—	2.0-5.0%
	Total 2021A Issue	31,880,000	31,880,000	165,000	31,715,000		170,000	
2021B Bond Issue	Conservation Futures	16,130,000	16,130,000	705,000	15,425,000	2041	710,000	0.3-2.6%
	Gun Range - Rfndg	50,000	50,000	50,000	—	2022	—	0.3-2.6%
	Courthouse Ph1 - Rfndg	71,750,000	71,750,000	1,475,000	70,275,000	2043	2,355,000	0.3-2.6%
	Conservation Futures - Rfndg	17,500,000	17,500,000	285,000	17,215,000	2032	1,640,000	0.3-2.6%
	Parks - Rfndg	1,090,000	1,090,000	15,000	1,075,000	2032	105,000	0.3-2.6%
	Roads - Rfndg	3,090,000	3,090,000	50,000	3,040,000	2032	290,000	0.3-2.6%
	Facilities - Rfndg	2,155,000	2,155,000	30,000	2,125,000	2037	130,000	0.3-2.6%
	Total 2021B Issue	111,765,000	111,765,000	2,610,000	109,155,000		5,230,000	
2022 Bond Issue	SNO911	44,180,000	—	(44,180,000)	44,180,000	2037	2,035,000	5.0 %
	Arlington Public Works Operations Center	35,370,000	—	(35,370,000)	35,370,000	2042	1,065,000	4.0-5.0 %
	Total 2022 Issue	79,550,000	—	(79,550,000)	79,550,000		3,100,000	
Total G.O. Bonds - Governmental Activities		491,644,640	281,246,266	(64,259,865)	345,506,131		18,882,638	
Public Works Trust	Granite Falls Alternate Route	7,000,000	2,578,947	368,421	2,210,526	2028	368,421	1.0 %
Fund Loans	180th St SE: SR 527 - Brook Blvd	3,000,000	2,691,667	17,157	2,674,510	2038	167,157	1.7 %
	Total PWTFLL	10,000,000	5,270,614	385,578	4,885,036		535,578	
Other Loans	Airport CERB Loan	468,214	312,143	31,214	280,929	2031	31,214	— %
Total Debt - Governmental Activities		502,112,854	286,829,023	(63,843,073)	350,672,096		19,449,430	
Business-Type Activities								
2012B Bond Issue	Airport	30,815,000	18,810,000	1,485,000	17,325,000	2032	1,515,000	2.0-3.6%
	Solid Waste	7,860,000	280,000	280,000	—	2022	—	2.0-3.6%
	Total 2012B Issue	38,675,000	19,090,000	1,765,000	17,325,000		1,515,000	
2015 Bond Issue	Various Airport Projects	5,069,736	2,642,392	478,371	2,164,021	2026	502,074	3.0-5.0%
2018B Bond Issue	Paine Field Museum - Rfndg	15,425,000	14,980,000	765,000	14,215,000	2036	790,000	2.8-4.3%
2019 Bond Issue	Solid Waste - Rfndg	1,318,865	693,228	338,160	355,068	2023	355,068	3.0-5.0%
	Airport - Private - Rfndg	1,100,886	908,349	105,335	803,014	2028	105,852	3.0-5.0%
	Airport - Public - Rfndg	144,529	117,939	14,485	103,454	2028	15,209	3.0-5.0%
	Total 2019 Issue	2,564,280	1,719,516	457,980	1,261,536		476,129	
2020A Bond Issue	Airport Public Activity - Rfndg	5,055,000	4,825,000	255,000	4,570,000	2035	265,000	2.0-5.0%
2020B Bond Issue	Airport Private Activity - Rfndg	3,080,000	2,915,000	170,000	2,745,000	2035	160,000	2.8-5.0%
2021A Bond Issue	Paine Field Various - Rfndg	1,045,000	1,045,000	50,000	995,000	2036	50,000	2.0-5.0%
2021B Bond Issue	Solid Waste - Rfndg	1,330,000	1,330,000	1,330,000	—	2022	—	0.3-2.6%
	Solid Waste - Rfndg	5,560,000	5,560,000	50,000	5,510,000	2037	335,000	0.3-2.6%
	Airport - Bomarc	7,060,000	7,060,000	310,000	6,750,000	2041	310,000	0.3-2.6%
	Total 2021B Issue	13,950,000	13,950,000	1,690,000	12,260,000		645,000	
Total G.O. Bonds - Business-Type Activities		84,864,016	61,166,908	5,631,351	55,535,557		4,403,203	

Notes to the Financial Statements
December 31, 2022

2022 Schedule of Long Term Debt

	Purpose	Original Issue Amount *	Beginning Outstanding Balance	2022 Redemptions (Additions)	Scheduled Payoff Date	2023 Redemption	Interest Rate	
<u>Business-Type Activities</u>								
Public Works Trust Fund Loans	Recycling & Transfer Station Construction	10,000,000	529,412	529,412	—	—	0.5 %	
Other Loans	Airport CERB Loan	1,700,000	971,429	121,429	850,000	2029	121,429	2.0 %
	Airport CERB Loan	496,257	460,810	460,810	—	2022	—	2.0 %
	Total Other Loans	2,196,257	1,432,239	582,239	850,000		121,429	
Total Debt - Business-Type Activities		97,060,273	63,128,559	6,743,002	56,385,557		4,524,632	

* Original issue amounts for PWTFL and CERB loans are adjusted to reflect additional loan draws

The following table summarizes the changes in long-term debt during 2022:

Changes in Long-term Debt
For the Year Ended December 31, 2022

	Beginning Balance	Additions	Reductions	Ending Balance	Current Portion	Non-Current Portion
Governmental Activities:						
General Obligation Bonds	\$ 281,246,265	\$ 79,550,000	\$ 15,290,134	\$ 345,506,131	\$ 18,882,638	\$ 326,623,493
Loans Payable	5,582,757	150,000	566,792	5,165,965	566,792	4,599,173
Total Bonds, Notes, and Loans Payable	286,829,022	79,700,000	15,856,926	350,672,096	19,449,430	331,222,666
Net Premiums/Discounts	26,800,661	7,859,972	2,450,927	32,209,706	2,668,326	29,541,380
Total Governmental Activities Debt	\$ 313,629,683	\$ 87,559,972	\$ 18,307,853	\$ 382,881,802	\$ 22,117,756	\$ 360,764,046
Business-type Activities:						
G.O. Bonds/Solid Waste	\$ 7,863,228	\$ —	\$ 1,998,160	\$ 5,865,068	\$ 690,068	\$ 5,175,000
G.O. Bonds/Airport	53,303,680	—	3,633,191	49,670,489	3,713,135	45,957,354
Loans Payable/Solid Waste	529,412	—	529,412	—	—	—
Loans Payable/Airport	1,432,239	—	582,239	850,000	121,429	728,571
Total Bonds, Notes, and Loans Payable	63,128,559	—	6,743,002	56,385,557	4,524,632	51,860,925
Net Premiums/Discounts	2,015,322	—	163,768	1,851,554	244,426	1,607,128
Total Business-type Activities Debt	\$ 65,143,881	\$ —	\$ 6,906,770	\$ 58,237,111	\$ 4,769,058	\$ 53,468,053
Total Primary Government:	\$ 378,773,564	\$ 87,559,972	\$ 25,214,623	\$ 441,118,913	\$ 26,886,814	\$ 414,232,099

Debt service requirements at December 31, 2022 are as follows:

**Debt Service Requirements
For the Year Ended December 31, 2022
Governmental Activities**

	General Obligation		Other Debt	
	Principal	Interest	Principal	Interest
2023	18,882,638	12,686,175	566,792	55,450
2024	19,450,414	12,018,227	566,792	50,833
2025	20,701,411	11,326,279	566,792	46,216
2026	23,143,245	10,559,167	566,792	41,599
2027	21,840,694	9,018,594	566,792	36,982
2028-2032	111,687,729	32,341,947	1,329,062	126,708
2033-2037	88,365,000	14,223,926	835,785	55,496
2038-2042	37,230,000	3,955,634	167,158	2,774
2043-2047	4,205,000	110,381	—	—
Total	\$ 345,506,131	\$ 106,240,330	\$ 5,165,965	\$ 416,058

**Debt Service Requirements
For the Year Ended December 31, 2022
Business-Type Activities**

	Solid Waste		Airport		Other Debt	
	Principal	Interest	Principal	Interest	Principal	Interest
2023	\$ 690,068	\$ 110,518	\$ 3,713,135	\$ 1,710,961	\$ 121,429	\$ 17,000
2024	335,000	91,258	3,854,520	1,590,003	121,429	14,571
2025	340,000	88,578	3,982,917	1,459,528	121,429	12,143
2026	345,000	85,178	4,133,341	1,316,712	121,429	9,714
2027	350,000	80,934	3,659,306	1,172,706	121,429	7,286
2028-2032	1,815,000	322,372	19,567,271	3,848,791	242,855	7,286
2033-2037	1,990,000	139,579	9,120,000	976,716	—	—
2038-2042	—	—	1,639,999	105,479	—	—
Total	\$ 5,865,068	\$ 918,417	\$ 49,670,489	\$ 12,180,896	\$ 850,000	\$ 68,000

Debt Limitation

Voted Debt - The County may issue general obligation bonds for general county purposes in an amount not to exceed 2.5% of the assessed value of all taxable property. Unlimited tax general obligation bonds require an approving vote, and any election to validate general obligation bonds must have a voter turnout of at least 40% of those who voted in the last State general election. Of those voting, 60% must be in the affirmative. The principal and interest on voted general obligation bonds is payable from property taxes in excess of regular property taxes, without limitation as to rate or amount.

Non-voted Debt - The County Council may by ordinance, authorize the issuance of limited tax general obligation bonds in an amount up to 1.5% of the assessed valuation within the County without authorization of the voters. No combination of limited and unlimited tax bonds may exceed 2.5% of the assessed valuation. The principal and interest on non-voted debt is payable from regular property tax levies or from other available

revenues of the County.

The computation of the County's general obligation debt capacity is displayed in the statistical section of this report.

Arbitrage

The County issues tax-exempt bonds that are subject to IRS arbitrage regulations. The County contracts with a consultant to analyze arbitrage requirements. For the year ended December 31, 2022, there is no arbitrage liability.

3.G Compensated Absences

The compensated absences liability attributable to the governmental activities will be liquidated primarily by the general fund. Each fund pays its proportionate share based on employees' assignments.

Compensated Absences For the Year Ended December 31, 2022

	Beginning Balance	Earned	Used	Ending Balance	Amounts Due Within One Year
Governmental Activities	\$ 24,496,088	\$ 29,287,912	\$ (28,906,642)	\$ 24,877,358	\$ 248,774
Business-type Activities					
Solid Waste	\$ 917,431	\$ 1,164,929	\$ (1,207,994)	\$ 874,366	\$ 8,744
Airport	830,920	1,126,610	(1,021,545)	935,985	9,360
Surface Water	838,981	1,104,738	(1,040,984)	902,735	9,027
Subtotal Business-type	2,587,332	3,396,277	(3,270,523)	2,713,086	27,131
Total Primary Government	\$ 27,083,420	\$ 32,684,189	\$ (32,177,165)	\$ 27,590,444	\$ 275,905

3.H Accrued Liabilities

The County's accrued liabilities include the following:

Accrued Liabilities As of December 31, 2022

	Governmental Activities	Business-type Activities	Total Primary Government
Retainage Payable	\$ 696,337	\$ 111,446	\$ 807,783
Interest Payable	3,030,663	160,290	3,190,953
Wages Payable	10,042,502	727,395	10,769,897
Taxes Payable	377,501	968,163	1,345,664
Customer Deposits	2,272,244	1,197,214	3,469,458
Pollution Remediation	890,000	—	890,000
Other	42,812	—	42,812
Total	\$ 17,352,059	\$ 3,164,508	\$ 20,516,567

3.1 Interfund Balances and Transfers

Transfers represent subsidies and contributions provided to operating funds and capital project funds with no corresponding debt or promise to repay. Most recurring transfers are for the purpose of funding debt service payments. Transfers for general operating purposes and transfers of assets are also done on a routine basis. The following table summarizes the transfers made between funds and activities:

Schedule of Transfers
For the Year Ended December 31, 2022

Disbursing Funds	Receiving Funds									
	Governmental Funds						Proprietary Funds			
							Business-type Activities	Governmental Activities		
	General Fund	County Road Fund	Human Services Fund	Grant Control Fund	Other Governmental Funds	Total Governmental Funds	Surface Water Fund	Subtotal Business-type Activities	Internal Service Funds	Total Fund Statements - Transfers Out
Governmental Funds										
General Fund	\$ —	\$ 63,570	\$ 2,443,610	\$ 722,681	\$ 5,101,364	\$ 8,331,225	\$ —	\$ —	\$ 710,173	\$ 9,041,398
County Road Fund	5,060,312	—	112,000	—	2,657,664	7,829,976	449,640	449,640	—	8,279,616
Human Services Fund	147,604	—	—	—	—	147,604	—	—	—	147,604
Grant Control Fund	7,664	—	—	—	38,404	46,068	—	—	—	46,068
Emergency Communications System & Facilities Fund	—	—	—	—	2,794,800	2,794,800	—	—	—	2,794,800
Other Governmental Funds	968,188	5,688,500	—	15,615	30,986,213	37,658,516	2,600,000	2,600,000	—	40,258,516
Total Governmental Funds	6,183,768	5,752,070	2,555,610	738,296	41,578,445	56,808,189	3,049,640	3,049,640	710,173	60,568,002
Proprietary Funds										
Business-type Activities										
Solid Waste Fund	—	—	—	—	—	—	—	—	559,272	559,272
Surface Water Fund	213,709	—	—	—	—	213,709	—	—	—	213,709
Subtotal Business-type Activities	213,709	—	—	—	—	213,709	—	—	559,272	772,981
Governmental Activities										
Internal Service Funds	—	2,492,854	—	—	3,349,326	5,842,180	—	—	—	5,842,180
Full Accrual Activity*	—	—	—	—	—	—	—	—	260,836	260,836
Total Fund Statements - Transfers In	\$ 6,397,477	\$ 8,244,924	\$ 2,555,610	\$ 738,296	\$ 44,927,771	\$ 62,864,078	\$ 3,049,640	\$ 3,049,640	\$ 1,530,281	67,443,999

*Due to the different basis of accounting and measurement focus between the governmental fund statements and the entity-wide statements, not all transfer activity, such as transfers of assets, are reflected in the governmental fund statements.

Total Transfers on Statement of Activities	
Governmental Activities	
Total transfers in-governmental funds	\$ 62,864,078
Less total transfers out-governmental funds	(60,568,002)
Total transfers in-internal service funds	1,530,281
Less total transfers out-internal service funds	(5,842,180)
Full Accrual Activity*	(260,836)
Net transfers out to business-type activities	<u>\$ (2,276,659)</u>
Business-type Activities	
Total transfers in	\$ 3,049,640
Less total transfers out	(772,981)
Net transfers in from governmental activities	<u>\$ 2,276,659</u>

3.J Governmental Fund Balance

The County reported \$345.3 million in restricted fund balance in the governmental funds. Restricted fund balance/net position are subject to external restrictions such as those imposed by state and federal law or by contractual agreements with third parties. Committed fund balance is committed for a specific purpose pursuant to constraints imposed by a formal action such as a County ordinance adopted by the County's highest level of decision-making authority, the County Council with approval of the County Executive. Similar formal action is required to create, modify, or rescind an ordinance. Assigned fund balance are resources intended to be used for a specific purpose. Nonspendable fund balance for governmental funds includes the long-term amount of loans unless the proceeds from the collection of those receivables is restricted, committed, or assigned. Per policy, assignments are expressed by the governing body or an official authorized by the governing body. No formal action is required to reallocate assigned fund balance.

Unless otherwise directed by the County Council, County Executive, or Director of Finance and committed to writing, resources shall be utilized in the following order: restricted, committed, assigned, and unassigned.

The governmental fund balance is summarized below:

	General Fund	County Road Fund	Human Services	Grant Control Fund	Emergency Communications System & Facilities	Other Governmental Funds	Total
Nonspendable (Loans Receivables)	\$ 579,987	\$ 1,585,919	\$ —	\$ —	\$ 49,000,000	\$ —	\$ 51,165,906
Restricted Purpose:							
Animal Benefit	—	—	—	—	—	12,153	12,153
Artwork	—	—	—	—	—	146,179	146,179
Blanche Miller	—	—	—	—	—	509,992	509,992
Capital Purposes	—	—	—	—	—	96,318,750	96,318,750
Court Purposes	—	—	—	—	—	2,197,919	2,197,919
Data Processing Systems	—	—	—	—	—	2,424,640	2,424,640
Emergency Svcs Comm System	—	—	—	—	46,297,283	10,145,479	56,442,762
Facilitate Victims/Witnesses	—	—	—	—	—	328,005	328,005
Grants	—	—	—	509,089	—	—	509,089
Health & Human Services	—	—	114,218,365	—	—	1,066,712	115,285,077
Historical Preservation	—	—	—	—	—	527,326	527,326
Inmate Benefit	—	—	—	—	—	1,561	1,561
Investigation/Prosecution of Antiprofitteering	—	—	—	—	—	79,641	79,641
Law Enforcement	—	—	—	621,628	—	618,930	1,240,558
Law Library	—	—	—	—	—	93,063	93,063
Parks	—	—	—	—	—	44,052,069	44,052,069
Program Administration/ Enforcement	—	—	—	—	—	812,522	812,522
Prosecuting Attorney	—	—	—	—	—	311,914	311,914
Refunds	—	—	—	—	—	300,716	300,716
Roads	—	—	—	—	—	11,761,910	11,761,910
Tourism	—	—	—	—	—	10,888,211	10,888,211
Treasurer	—	—	—	—	—	1,099,100	1,099,100
Water Quality Control	—	—	—	—	—	971	971
Total Restricted Fund Balance	—	—	114,218,365	1,130,717	46,297,283	183,697,763	345,344,128

	General Fund	County Road Fund	Human Services	Grant Control Fund	Emergency Communications System & Facilities	Other Governmental Funds	Total
Committed Purpose:							
Capital Purposes	—	—	—	—	—	17,333,770	17,333,770
Court Purposes	—	—	—	66,010	—	81,816	147,826
Data Processing Systems	—	—	—	—	—	7,361,995	7,361,995
Debt Service	—	—	—	260,506	—	220,606	481,112
Economic Development	—	—	—	—	—	240,822	240,822
Emergency Svcs Comm System	—	—	—	—	1,247,470	221,166	1,468,636
Facilitate Victims/Witnesses	—	—	—	—	—	22,535	22,535
Grants	—	—	—	925,527	—	—	925,527
Health & Human Services	—	—	7,236,808	—	—	2,394,653	9,631,461
Investigation/Prosecution of Antiprofitteering	—	—	—	—	—	5,242	5,242
Law Enforcement	—	—	—	—	—	575,636	575,636
Parks	—	—	—	—	—	5,993,766	5,993,766
Program Administration/ Enforcement	—	—	—	—	—	7,748,993	7,748,993
Prosecuting Attorney	—	—	—	—	—	16,595	16,595
Roads	—	23,832,034	—	—	—	—	23,832,034
Tourism	—	—	—	—	—	425,449	425,449
Treasurer	—	—	—	—	—	99,794	99,794
Water Quality/Control	—	—	—	—	—	2,266	2,266
Total Committed Fund Balance	—	23,832,034	7,236,808	1,252,043	1,247,470	42,745,104	76,313,459
Assigned For:							
General Government	29,344,140	—	—	—	—	—	29,344,140
Total Assigned Fund Balance	29,344,140	—	—	—	—	—	29,344,140
Unassigned	67,367,508	—	—	(4,506,423)	—	—	62,861,085
Total Fund Balance	\$ 97,291,635	\$ 25,417,953	\$ 121,455,173	\$ (2,123,663)	\$ 96,544,753	\$ 226,442,867	\$ 565,028,718

3.K Asset Retirement Obligations (AROs)

Snohomish County's Asset Retirement Obligations include legally enforceable liabilities associated with the retirement of a tangible capital asset. Individual AROs with an estimated liability of \$5 thousand or greater are recorded with a liability that is offset by a deferred outflow of resources. The deferred outflow of resources is amortized straight-line over the asset's estimated useful life. Individual AROs with an estimated total cost of less than \$5 thousand will be expensed in the period the retirement occurs. There are currently no assets restricted for the use of payment related to the ARO liabilities. The County has identified the following AROs:

The County maintains an inventory of 25 Underground Injection Control (UIC) wells regulated by WAC 173-218-120, with each UIC well having an estimated 50-year useful life. Decommissioning of the individual wells is estimated to occur between 2024 and 2068. Estimates for the decommissioning of UIC wells were based on the experience of County staff using an internal billing rate. Larger sites were estimated to require 2 crew days to decommission the wells with smaller sites requiring a single day. The County believes this to be a reasonable estimate in total and recognizes that the decommissioning of individual wells may vary from its estimate. The County's total ARO liability related to UIC wells is \$165 thousand as of December 31, 2022.

There are 17 septic systems maintained by and located throughout the County. The County is required to make abandonment provisions for the septic systems based on WAC 246-272A-300. The systems are expected to remain in service through various periods ranging from 2022 through 2054. The County applied historical experience in abandoning septic systems to estimate its liability. The County's ARO liability for the septic systems is \$177 thousand liability as of December 31, 2022.

McCollum Pool has a decommissioning standard per WAC 246-260-141 in the event the pool is no longer in service. The useful life of the pool is projected through 2025. The pool was closed in 2021 and the County plans to decommission the pool. The cost to decommission assumes that the buildings and underground infrastructure can be left, the pool liner is holed, left in place, and filled with compacted materials. The County obtained a quote for the estimated volume of compacted materials from a local provider and applied a fixed markup for the labor necessary to complete the job. The County's ARO liability for the pool is \$63 thousand as of December 31, 2022.

The County has incurred asset retirement obligations related to the reclamation of Darrington, Kidling, and Engebretson pits and the Trafton quarry sites related to DNR RCW 78.44. The County cannot determine a useful life as these are land assets and the County has no current plans to decommission the sites.

Note 4 Other Notes

Note 4.A Pension Plan and Other Benefit Plans

The following table represents the aggregate pension amounts for all plans subject to the requirements of GASB Statement 68, Accounting and Financial Reporting for Pensions for the year 2022:

Aggregate Pension Amounts - All Plans		
Pension liabilities	\$	(34,425,940)
Pension assets		82,806,194
Deferred outflows of resources		69,612,819
Deferred inflows of resources		(69,744,072)
Pension expense/expenditures		1,672,630

State Sponsored Pension Plans

Substantially all Snohomish County's full-time and qualifying part-time employees participate in one of the following statewide retirement systems administered by the Washington State Department of Retirement Systems, under cost-sharing, multiple-employer public employee defined benefit and defined contribution retirement plans. The state Legislature establishes, and amends, laws pertaining to the creation and administration of all public retirement systems.

The Department of Retirement Systems (DRS), a department within the primary government of the State of Washington, issues a publicly available annual comprehensive financial report (ACFR) that includes financial statements and required supplementary information for each plan.

The DRS ACFR may be downloaded from the DRS website at www.drs.wa.gov.

Public Employees' Retirement System (PERS)

PERS members include elected officials; state employees; employees of the Supreme, Appeals and Superior Courts; employees of the legislature; employees of district and municipal courts; employees of local governments; and higher education employees not participating in higher education retirement programs. PERS is comprised of three separate pension plans for membership purposes. PERS plans 1 and 2 are defined benefit plans, and PERS plan 3 is a defined benefit plan with a defined contribution component.

PERS Plan 1 provides retirement, disability and death benefits. Retirement benefits are determined as 2% of the member's average final compensation (AFC) times the member's years of service. The AFC is the average of the member's 24 highest consecutive service months. Members are eligible for retirement from active status at any age with at least 30 years of service, at age 55 with at least 25 years of service, or at age 60 with at least five years of service. Members retiring from active status prior to the age of 65 may receive actuarially reduced benefits. Retirement benefits are actuarially reduced to reflect the choice of a survivor benefit. Other benefits include duty and non-duty disability payments, an optional cost-of-living adjustment (COLA), and a one-time duty-related death benefit, if found eligible by the Department of Labor and Industries. PERS 1 members were vested after the completion of five years of eligible service. The plan was closed to new entrants on September 30, 1977.

Contributions

The **PERS Plan 1** member contribution rate is established by State statute at 6%. The employer contribution rate is developed by the Office of the State Actuary and includes an administrative expense component that is currently set at 0.18%. Each biennium, the state Pension Funding Council adopts Plan 1 employer contribution rates. The PERS Plan 1 required contribution rates (expressed as a percentage of covered payroll) for 2022 were as follows:

PERS Plan 1		
Actual Contribution Rates	Employer	Employee*
January - August 2022:		
PERS Plan 1	6.36%	6.00%
PERS Plan 1 UAAL	3.71%	
Administrative Fee	0.18%	
Total	10.25%	6.00%
September - December 2022:		
PERS Plan 1	6.36%	6.00%
PERS Plan 1 UAAL	3.85%	
Administrative Fee	0.18%	
Total	10.39%	6.00%

* For employees participating in JBM, the contribution rate was 12.26 %.

PERS Plan 2/3 provides retirement, disability and death benefits. Retirement benefits are determined as 2% of the member's average final compensation (AFC) times the member's years of service for Plan 2 and 1% of AFC for Plan 3. The AFC is the average of the member's 60 highest-paid consecutive service months. There is no cap on years of service credit. Members are eligible for retirement with a full benefit at 65 with at least five years of service credit. Retirement before age 65 is considered an early retirement. PERS Plan 2/3 members who have at least 20 years of service credit and are 55 years of age or older, are eligible for early retirement with a benefit that is reduced by a factor that varies according to age for each year before age 65, PERS Plan 2/3 members who have 30 or more years of service credit and are at least 55 years old can retire under one of

two provisions:

- With a benefit that is reduced by 3% for each year before age 65; or
- With a benefit that has a smaller (or no) reduction (depending on age) that imposes stricter return-to-work rules.

PERS Plan 2/3 members hired on or after May 1, 2013 have the option to retire early by accepting a reduction of 5% for each year of retirement before age 65. This option is available only to those who are age 55 or older and have at least 30 years of service credit. PERS Plan 2/3 retirement benefits are also actuarially reduced to reflect the choice of a survivor benefit. Other PERS Plan 2/3 benefits include duty and non-duty disability payments, a cost-of-living allowance (based on the CPI), capped at 3% annually and a one-time duty related death benefit, if found eligible by the Department of Labor and Industries. PERS 2 members are vested after completing five years of eligible service. Plan 3 members are vested in the defined benefit portion of their plan after ten years of service; or after five years of service if 12 months of that service are earned after age 44.

PERS Plan 3 defined contribution benefits are totally dependent on employee contributions and investment earnings on those contributions. PERS Plan 3 members choose their contribution rate upon joining membership and have a chance to change rates upon changing employers. As established by statute, Plan 3 required defined contribution rates are set at a minimum of 5% and escalate to 15% with a choice of six options. Employers do not contribute to the defined contribution benefits. PERS Plan 3 members are immediately vested in the defined contribution portion of their plan.

Contributions

The **PERS Plan 2/3** employer and employee contribution rates are developed by the Office of the State Actuary to fully fund Plan 2 and the defined benefit portion of Plan 3. The Plan 2/3 employer rates include a component to address the PERS Plan 1 UAAL and an administrative expense that is currently set at 0.18%. Each biennium, the state Pension Funding Council adopts Plan 2 employer and employee contribution rates and Plan 3 contribution rates. The PERS Plan 2/3 required contribution rates (expressed as a percentage of covered payroll) for 2022 were as follows:

PERS Plan 2/3		
Actual Contribution Rates	Employer	Employee*
January - August 2022:		
PERS Plan 2/3	6.36%	6.36%
PERS Plan 1 UAAL	3.71%	
Administrative Fee	0.18%	
Employee PERS Plan 3		Varies
Total	10.25%	6.36%
September - December 2022:		
PERS Plan 2/3	6.36%	6.36%
PERS Plan 1 UAAL	3.85%	
Administrative Fee	0.18%	
Employee PERS Plan 3		Varies
Total	10.39%	6.36%

* For employees participating in JBM, the contribution rate was 15.90%.

PERS Plan 1 actual employer contributions for the year were \$45 thousand and employee contributions were \$27 thousand for a total county contribution of \$72 thousand. PERS Plan 2/3 and PERS Plan 1 UAAL actual employer contributions for the year were \$18.5 million and employee contributions were \$11.9 million for a total county contribution of \$30.4 million for the year ended December 31, 2022.

Public Safety Employees' Retirement System (PSERS)

PSERS Plan 2 was created by the 2004 Legislature and became effective July 1, 2006. To be eligible for membership, an employee must work on a full-time basis and:

- Have completed a certified criminal justice training course with authority to arrest, conduct criminal investigations, enforce the criminal laws of Washington, and carry a firearm as part of the job; or
- Have primary responsibility to ensure the custody and security of incarcerated or probationary individuals; or
- Function as a limited authority Washington peace officer, as defined in RCW 10.93.020; or
- Have primary responsibility to supervise eligible members who meet the above criteria.

PSERS membership includes:

- PERS 2 or 3 employees hired by a covered employer before July 1, 2006, who met at least one of the PSERS eligibility criteria and elected membership during the period of July 1, 2006 to September 30, 2006; and
- Employees hired on or after July 1, 2006 by a covered employer, that meet at least one of the PSERS eligibility criteria.

PSERS covered employers include:

- Certain State of Washington agencies (Department of Corrections, Department of Natural Resources, Gambling Commission, Liquor and Cannabis Board, Parks and Recreation Commission, and Washington State Patrol),
- Washington State Counties,
- Washington State Cities (except for Seattle, Spokane, and Tacoma),
- Correctional entities formed by PSERS employers under the Interlocal Cooperation Act.

PSERS Plan 2 provides retirement, disability and death benefits. Retirement benefits are determined as 2% of the average final compensation (AFC) for each year of service. The AFC is based on the member's 60 consecutive highest creditable months of service. Benefits are actuarially reduced for each year that the member's age is less than 60 (with ten or more service credit years in PSERS), or less than 65 (with fewer than ten service credit years). There is no cap on years of service credit. Members are eligible for retirement at the age of 65 with five years of service; or at the age of 60 with at least ten years of PSERS service credit; or at age 53 with 20 years of service. Retirement before age 60 is considered an early retirement. PSERS members who retire prior to the age of 60 receive reduced benefits. If retirement is at age 53 or older with at least 20 years of service, a 3% per year reduction for each year between the age at retirement and age 60 applies. PSERS Plan 2 retirement benefits are actuarially reduced to reflect the choice of a survivor benefit. Other benefits include duty and non-duty disability payments, an optional cost-of living adjustment (COLA), and a one-time duty-related death benefit, if found eligible by the Department of Labor and Industries. PSERS Plan 2 members are vested after completing five years of eligible service.

Contributions

The **PSERS Plan 2** employer and employee contribution rates are developed by the Office of the State Actuary to fully fund Plan 2. The Plan 2 employer rates include components to address the PERS Plan 1 unfunded actuarial accrued liability and administrative expense currently set at 0.18%. Each biennium, the state Pension Funding Council adopts Plan 2 employer and employee contribution rates.

The PSERS Plan 2 required contribution rates (expressed as a percentage of current-year covered payroll) for 2022 were as follows:

PSERS Plan 2		
Actual Contribution Rates	Employer	Employee
January - August 2022:		
PSERS Plan 2	6.50%	6.50%
PERS Plan 1 UAAL	3.71%	
Administrative Fee	0.18%	
Total	10.39%	6.50%
September - December 2022:		
PSERS Plan 2	6.60%	6.60%
PERS Plan 1 UAAL	3.85%	
Administrative Fee	0.18%	
Total	10.63%	6.60%

PSERS Plan 2 and PERS Plan 1 UAAL actual employer contributions for the year were \$2.1 million and employee contributions were \$1.4 million for a total county contribution of \$3.5 million for the year ended December 31, 2022.

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

LEOFF membership includes all full-time, fully compensated, local law enforcement commissioned officers, firefighters, and as of July 24, 2005, emergency medical technicians. LEOFF is comprised of two separate defined benefit plans.

LEOFF Plan 1 provides retirement, disability and death benefits. Retirement benefits are determined per year of service calculated as a percent of final average salary (FAS) as follows:

- 20+ years of service – 2% of FAS

- 10-19 years of service – 1.5% of FAS
- 5-9 years of service – 1% of FAS

The FAS is the basic monthly salary received at the time of retirement, provided a member has held the same position or rank for 12 months preceding the date of retirement. Otherwise, it is the average of the highest consecutive 24 months' salary within the last ten years of service. Members are eligible for retirement with five years of service at the age of 50. Other benefits include duty and non-duty disability payments, a cost-of living adjustment (COLA), and a one-time duty-related death benefit, if found eligible by the Department of Labor and Industries. LEOFF 1 members were vested after the completion of five years of eligible service. The plan was closed to new entrants on September 30, 1977.

Contributions

Starting on July 1, 2000, **LEOFF Plan 1** employers and employees contribute 0%, as long as the plan remains fully funded. The LEOFF Plan 1 had no required employer or employee contributions for fiscal year 2022. Employers paid only the administrative expense of 0.18% of covered payroll.

LEOFF Plan 2 provides retirement, disability and death benefits. Retirement benefits are determined as 2% of the final average salary (FAS) per year of service (the FAS is based on the highest consecutive 60 months). Members are eligible for retirement with a full benefit at 53 with at least five years of service credit. Members who retire prior to the age of 53 receive reduced benefits. If the member has at least 20 years of service and is age 50, the reduction is 3% for each year prior to age 53. Otherwise, the benefits are actuarially reduced for each year prior to age 53. LEOFF 2 retirement benefits are also actuarially reduced to reflect the choice of a survivor benefit. Other benefits include duty and non-duty disability payments, a cost-of-living allowance (based on the CPI), capped at 3% annually and a one-time duty-related death benefit, if found eligible by the Department of Labor and Industries. LEOFF 2 members are vested after the completion of five years of eligible service.

Contributions

The **LEOFF Plan 2** employer and employee contribution rates are developed by the Office of the State Actuary to fully fund Plan 2. The employer rate includes an administrative expense component set at 0.18%. Plan 2 employers and employees are required to pay at the level adopted by the LEOFF Plan 2 Retirement Board.

Effective July 1, 2017, when a LEOFF employer charges a fee or recovers costs for services rendered by a LEOFF 2 member to a non-LEOFF employer, the LEOFF employer must cover both the employer and state contributions on the LEOFF 2 basic salary earned for those services. The state contribution rate (expressed as a percentage of covered payroll) was 3.41% in 2022.

The LEOFF Plan 2 required contribution rates (expressed as a percentage of covered payroll) for 2022 were as follows:

LEOFF Plan 2		
Actual Contribution Rates	Employer	Employee
January - August 2022:		
State and local governments	5.12%	8.53%
Administrative Fee	0.18%	
Total	5.30%	8.53%
September - December 2022:		
State and local governments	5.12%	8.53%
Administrative Fee	0.18%	
Total	5.30%	8.53%

LEOFF 2 actual employer contributions for the year were \$1.8 million and employee contributions were \$3.1 million for a total county contribution of \$4.9 million for the year ended December 31, 2022.

The Legislature, by means of a special funding arrangement, appropriates money from the state General Fund to supplement the current service liability and fund the prior service costs of Plan 2 in accordance with the recommendations of the Pension Funding Council and the LEOFF Plan 2 Retirement Board. This special funding situation is not mandated by the state constitution and could be changed by statute. For the state fiscal year ending June 30, 2022, the state contributed \$81,388,085 to LEOFF Plan 2. The amount recognized by the County as its proportionate share of this amount is \$1.2 million.

Actuarial Assumptions

The total pension liability (TPL) for each of the DRS plans was determined using the most recent actuarial valuation completed in 2022 with a valuation date of June 30, 2021. The actuarial assumptions used in the valuation were based on the results of the Office of the State Actuary's (OSA) *2013-2018 Demographic Experience Study* and the *2021 Economic Experience Study*.

Additional assumptions for subsequent events and law changes are current as of the 2021 actuarial valuation report. The TPL was calculated as of the valuation date and rolled forward to the measurement date of June 30, 2022. Plan liabilities were rolled forward from June 30, 2021, to June 30, 2022, reflecting each plan's normal cost (using the entry-age cost method), assumed interest and actual benefit payments.

- **Inflation:** 2.75% total economic inflation; 3.25% salary inflation
- **Salary increases:** In addition to the base 3.25% salary inflation assumption, salaries are also expected to grow by promotions and longevity.
- **Investment rate of return:** 7.00%

Mortality rates were developed using the Society of Actuaries' Pub. H-2010 mortality rates, which vary by member status (e.g. active, retiree, or survivor), as the base table. OSA applied age offsets for each system, as appropriate, to better tailor the mortality rates to the demographics of each plan. OSA applied the long-term MP-2017 generational improvement scale, also developed by the Society of Actuaries, to project mortality rates for every year after the 2010 base table. Mortality rates are applied on a generational basis; meaning, each member is assumed to receive additional mortality improvements in each future year throughout their lifetime.

Methods did not change from the prior contribution rate setting June 30, 2019 Actuarial Valuation Report (AVR), however OSA introduced a temporary method change to produce asset and liability measures for the June 30, 2020 AVR. There were also the following assumption changes:

- OSA updated the Joint-and Survivor Factors and Early Retirement Factors in the model. Those factors are used to value benefits for early retirement and survivors of members that are deceased prior to retirement. These factors match the administrative factors provided to DRS for future implementation that reflect current demographic and economic assumptions.
- OSA updated the economic assumptions based on the 2021 action of the PFC and the LEOFF Plan 2 Retirement Board. The investment return assumption was reduced from 7.5% (7.4% for LEOFF 2) to 7.0%, and the salary growth assumption was lowered from 3.5% to 3.25%. This action is a result of recommendations from OSA's biennial economic experience study.

Discount Rate

The discount rate used to measure the total pension liability for all DRS plans was 7%.

To determine that rate, an asset sufficiency test was completed to test whether each pension plan's fiduciary net position was sufficient to make all projected future benefit payments for current plan members. Based on OSA's assumptions, the pension plans' fiduciary net position was projected to be available to make all projected future benefit payments of current plan members. Therefore, the long-term expected rate of return of 7% was used to determine the total liability.

Long-Term Expected Rate of Return

The long-term expected rate of return on the DRS pension plan investments of 7% was determined using a building-block-method. In selecting this assumption, OSA reviewed the historical experience data, considered the historical conditions that produced past annual investment returns, and considered Capital Market Assumptions (CMAs) and simulated expected investment returns provided by the Washington State Investment Board (WSIB). The WSIB uses the CMA's and their target asset allocation to simulate future investment returns at various future times.

Estimated Rates of Return by Asset Class

The table below summarizes the best estimates of arithmetic real rates of return for each major asset class included in the pension plan's target asset allocation as of June 30, 2022. The inflation component used to create the table is 2.2% and represents the WSIB's most recent long-term estimate of broad economic inflation.

Asset Class	Target Allocation	% Long-Term Expected Real Rate of Return Arithmetic
Fixed Income	20%	1.50%
Tangible Assets	7%	4.70%
Real Estate	18%	5.40%
Global Equity	32%	5.90%
Private Equity	23%	8.90%
	100%	

Sensitivity of the Net Pension Liability/(Asset)

The table below presents the County's proportionate share of the net pension liability calculated using the discount rate of 7%, as well as what the County's proportionate share of the net pension liability would be if it were calculated using a discount rate that is 1-percentage point lower (6%) or 1-percentage point higher (8%) than the current rate.

	1% Decrease	Current Discount Rate	1% Increase
	(6%)	(7%)	(8%)
PERS 1	\$ 45,992,584	\$ 34,425,941	\$ 24,330,975
PERS 2/3	62,565,293	(53,128,102)	(148,177,541)
PSERS 2	5,363,225	(2,251,722)	(8,261,585)
LEOFF 1	(3,256,491)	(3,716,030)	(4,114,521)
LEOFF 2	(1,091,835)	(23,710,339)	(42,221,647)

Pension Plan Fiduciary Net Position

Detailed information about the State's pension plans' fiduciary net position is available in the separately issued DRS financial report.

Pension Liabilities (Assets), Pension Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions

At June 30, 2022, the County reported a total pension liability of \$34.4 million and total pension assets of \$82.8 million. The County's proportionate share of the net pension liabilities (assets) as follows:

	Liability (or Asset)
PERS 1	\$ 34,425,940
PERS 2/3	(53,128,103)
PSERS 2	(2,251,722)
LEOFF 1	(3,716,030)
LEOFF 2	(23,710,339)

The amount of the asset reported above for LEOFF Plans 1 and 2 reflects a reduction for State pension support provided to the County. The amount recognized by the County as its proportionate share of the net pension asset, the related State support, and the total portion of the net pension asset that was associated with the County were as follows:

	LEOFF 1 Asset	LEOFF 2 Asset
Employer's proportionate share	(3,716,030)	(23,710,339)
State's proportionate share of the net pension asset associated with the employer	(25,135,134)	(15,359,041)
TOTAL	\$ (28,851,164)	\$ (39,069,380)

At June 30, the County's proportionate share of the collective net pension liabilities was as follows:

	Proportionate Share 6/30/21	Proportionate Share 6/30/22	Change in Proportion
PERS 1	1.254623 %	1.236401 %	(0.018222)%
PERS 2/3	1.424148 %	1.432495 %	0.008347 %
PSERS 2	2.974092 %	3.149262 %	0.175170 %
LEOFF 1	0.132448 %	0.129541 %	(0.002907)%
LEOFF 2	0.869568 %	0.872442 %	0.002874 %

Employer contribution transmittals received and processed by the DRS for the fiscal year ended June 30, 2022 are used as the basis for determining each employer's proportionate share of the collective pension amounts reported by the DRS in the *Schedules of Employer and Nonemployer Allocations* for all plans except LEOFF 1.

LEOFF Plan 1 allocation percentages are based on the total historical employer contributions to LEOFF 1 from 1971 through 2000 and the retirement benefit payments in fiscal year 2022. Historical data was obtained from a 2011 study by the Office of the State Actuary (OSA). The state of Washington contributed 87.12% of LEOFF 1 employer contributions and all other employers contributed the remaining 12.88% of employer contributions. LEOFF 1 is fully funded and no further employer contributions have been required since June 2000. If the plan becomes underfunded, funding of the remaining liability will require new legislation. The allocation method the plan chose reflects the projected long-term contribution effort based on historical data.

In fiscal year 2022, the state of Washington contributed 39% of LEOFF 2 employer contributions pursuant to RCW 41.26.725 and all other employers contributed the remaining 61% of employer contributions.

Pension Expense

For the year ended December 31, 2022, the County recognized pension expense as follows:

	Pension Expense
PERS 1	\$ 15,304,344
PERS 2/3	(18,157,390)
PSERS 2	588,727
LEOFF 1	(101,304)
LEOFF 2	4,038,253
TOTAL	<u>\$ 1,672,630</u>

Deferred Outflows of Resources and Deferred Inflows of Resources

At December 31, 2022, the County reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

PERS 1	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ —	\$ —
Net difference between projected and actual investment earnings on pension plan investments	—	(5,705,390)
Changes of assumptions	—	—
Changes in proportion and differences between contributions and proportionate share of contributions	—	—
Contributions subsequent to the measurement date	3,975,874	—
TOTAL	\$ 3,975,874	\$ (5,705,390)

PERS 2/3	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ 13,163,900	\$ (1,202,684)
Net difference between projected and actual investment earnings on pension plan investments	—	(39,277,998)
Changes of assumptions	29,611,583	(7,753,372)
Changes in proportion and differences between contributions and proportionate share of contributions	—	(2,120,652)
Contributions subsequent to the measurement date	5,933,139	—
TOTAL	\$ 48,708,622	\$ (50,354,706)

PSERS	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ 1,169,755	\$ (24,782)
Net difference between projected and actual investment earnings on pension plan investments	—	(1,579,118)
Changes of assumptions	1,653,055	(660,456)
Changes in proportion and differences between contributions and proportionate share of contributions	74,457	(200,977)
Contributions subsequent to the measurement date	698,453	—
TOTAL	\$ 3,595,720	\$ (2,465,333)

LEOFF 1	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ —	\$ —
Net difference between projected and actual investment earnings on pension plan investments	—	(463,998)
Changes of assumptions	—	—
Changes in proportion and differences between contributions and proportionate share of contributions	—	—
Contributions subsequent to the measurement date	—	—
TOTAL	\$ —	\$ (463,998)

LEOFF 2	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ 5,633,969	\$ (219,984)
Net difference between projected and actual investment earnings on pension plan investments	—	(7,939,130)
Changes of assumptions	6,006,499	(2,064,522)
Changes in proportion and differences between contributions and proportionate share of contributions	761,428	(531,009)
Contributions subsequent to the measurement date	930,707	—
TOTAL	\$ 13,332,603	\$ (10,754,645)

All Plans	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ 19,967,624	\$ (1,447,450)
Net difference between projected and actual investment earnings on pension plan investments	—	(54,965,634)
Changes of assumptions	37,271,137	(10,478,350)
Changes in proportion and differences between contributions and proportionate share of contributions	835,885	(2,852,638)
Contributions subsequent to the measurement date	11,538,173	—
TOTAL	\$ 69,612,819	\$ (69,744,072)

Deferred outflows of resources related to pensions resulting from the County's contributions subsequent to the measurement date will be recognized as a reduction of the net pension liability in the year ended December 31, 2023. Other amounts reported as deferred outflows and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

Year ended December 31:	PERS1	PERS 2/3	PSERS	LEOFF 1	LEOFF 2
2023	\$ (2,414,402)	\$ (12,698,938)	\$ (526,009)	\$ (196,517)	\$ (2,469,709)
2024	(2,192,902)	(11,283,955)	(460,291)	(177,934)	(2,137,662)
2025	(2,750,929)	(13,535,258)	(593,919)	(222,485)	(2,852,722)
2026	1,652,843	17,594,170	752,008	132,937	3,448,236
2027	—	6,142,366	187,726	—	1,018,675
Thereafter	—	6,202,392	1,072,420	—	4,640,426
Total Net Deferred (Inflows)/Outflows	\$ (5,705,390)	\$ (7,579,223)	\$ 431,935	\$ (463,999)	\$ 1,647,244

Deferred Compensation Plan

Snohomish County offers a voluntary Deferred Compensation 457(b) plan that is currently administered by Nationwide to regular employees who are employed for 20 or more hours per week. A 457(b) Deferred Compensation plan is a retirement plan, created to serve governmental employees. IRS rules govern how much an employee can contribute to the plan each year. The County has various employee matching requirements based on the different union contracts. The deferred compensation plan is authorized by County Code section 3.34.030. The County's total contributions as a payroll expense/expenditure for 2022 was \$1.2 million.

Defined Benefit Other Postemployment Benefit (OPEB) Plans

The following table represents the aggregate OPEB amounts for all plans subject to the requirements of Statement 75 for Postemployment Benefits Other than Pension for the year 2022:

OPEB Plan Amounts	
OPEB liabilities	\$ (3,574,222)
OPEB assets	—
Deferred outflows of resources	—
Deferred inflows of resources	—
OPEB expenses/expenditures	\$ (1,077,239)

OPEB Plan Description

Snohomish County implemented Statement No. 75 of the Governmental Accounting Standards Board (GASB), Financial Reporting for Postemployment Benefits Other than Pension for fiscal year 2018 financial reporting. The County is considered a single employer defined benefit plan based on guidance provided in GASB Statement No. 75. The County has only one qualified OPEB plan, Law Enforcement Officers' and Fire Fighters' 1 (LEOFF 1), which is administered through the Snohomish County Disability Board. The Board was established pursuant to the authority of RCW 41.26.110 and Chapter 164, Washington Laws passed in 1988; and its powers, duties and responsibilities are established by state law. In the event of any conflict of these rules with State law, the latter apply. The Disability Board is composed of five members who serve two year terms. The current rules and regulations for administering LEOFF 1 OPEB may be amended, repealed or altered in whole or in part by a majority vote of the total membership of the County's LEOFF Disability Board. In June of each year, the rules and regulations are reviewed to assure:

- Provisions remain in conformance with Washington statutory and administrative codes and/or the Snohomish County Code.
- Provisions reflect current philosophy and intent of the Board.

LEOFF 1 Plan closed to new members October 1, 1977. The County's LEOFF 1 Plan currently has only inactive members. Plan members do not pay any contributions for benefits provided under the LEOFF 1 Plan and plan members do not share in any costs unless identified as not medically necessary through the Snohomish County Disability Board. The County's OPEB plan is available to LEOFF 1 members upon retirement. Coverage for members includes medical, prescriptions, dental, vision and long-term care. Eligibility provisions include being a full-time employee, and retiring at age 50 with a least 5 years of service. The amount of service credit doesn't affect a member's eligibility for a medical benefit if one of the following is true:

- Member is on disability leave or has taken a disability retirement.

- Member's service retirement date with LEOFF 1 is the day following separation from LEOFF 1 employment.

If a member ends employment before turning 50 and has fewer than 20 years of service credit, the member won't be eligible for a medical benefit.

Both pre-65 and post-65 coverage allows retirees to remain on County insurance in retirement past Medicare eligibility through the Medicare Advantage plan. The County pays for the full insurance premium cost for the retiree including the Medicare Part D premium cost. Any spousal and/or dependent premium cost is paid for by the retiree. The County will reimburse the retiree for any out-of-pocket medical expense that is deemed to be medically necessary as approved by the LEOFF 1 Disability Board. Should retiree coverage terminate, eligible spouse/dependent coverage may continue under COBRA provision when an applicable qualifying event occurs.

Coverage provisions include retirees not being permitted to remain on County dental, vision or long term care insurance in retirement. The county will reimburse the retiree for any out-of-pocket insurance expense for dental or vision expense that is deemed to be medically necessary. This reimbursement includes basic dental, vision, hearing aid, and long-term care costs as approved by the LEOFF Disability Board.

Employees covered by benefit terms: At December 31, 2022, the following employees were covered by the benefit terms:

Inactive employees or beneficiaries currently receiving benefits	47
Inactive employees entitled to but not yet receiving benefits	—
Active Employees	—
Total	<u>47</u>

The County's LEOFF 1 Plan has no assets accumulated in a qualifying trust that meets the criteria in paragraph 4 of GASB 75 and is funded on a pay-as-you-go basis.

Requirements of the County to pay OPEB benefits are established, and can be amended, in the Snohomish County Disability Board Rules document which is administered by the Snohomish County Disability Board. The document provides uniform methods of procedure for the conduct of business of the Snohomish County Disability Board including approval, payment of claims and a reconsideration process. Payment of OPEB benefits for the period ending December 31, 2022 was \$405,173.

Assumptions and Other Inputs

The County's total OPEB liability in the December 31, 2022 actuarial valuation was determined using the following actuarial assumptions:

Assumptions: Economic

- Inflation: 2.25%
- Discount Rate used for the Total OPEB Liability:

Beginning of Year:	2.06%
End of Year:	3.72%

The discount rate used in the determination of the total OPEB liability is based on a combination of the expected long-term rate of return on plan investments and the municipal bond rate. Because the County does not have a trust dedicated to the payment of OPEB benefits, only the municipal bond rate is used in determining the total OPEB liability.

- High Quality 20 Year Tax-Exempt G. O. Bond Rate

Beginning of Year:	2.06%
End of Year:	3.72%

Municipal bond rate assumption is based on The Bond Buyer 20-Bond GO Index. The 20-Bond Go Index is based on an average of certain general obligation municipal bonds maturing in 20 years and having an average rating equivalent of Moody's Aa2 and Standard & Poor's AA. The rate shown in the Assumption section is the December 31, 2022 rate.

- Total Payroll Increases: 3.50%. The total payroll increase assumption of 3.5% equaled that same percentage from the prior valuation.
- Annual Blended Premiums: See accompanying table below. Annual claims were determined by an analysis of previous claims.

	Annual Blended Premiums			
	Under Age 65		Age 65 & Older	
	Retiree	Spouse	Retiree	Spouse
Medicare Advantage	N/A	N/A	\$3,497	N/A
Plan B	N/A	N/A	N/A	N/A
Medicare Part B	N/A	N/A	\$2,041	N/A

- Healthcare Trend Rates: The initial trend rate for Medicare Part B and County Insurance plans are based on the 2023 Segal Health Plan Cost Trend Survey. The grading period and ultimate trend rates selected fall within a generally accepted range.

Plan	Initial Trend	Ultimate Trend	Health Care Trend Rates		
			Amount of Trend Decrease	Years Between Trend Decrease	Year Ultimate Trend Reached
Medicare Part B	4.30%	4.30%	.00%	N/A	2023
County Insurance	4.20%	4.20%	.00%	N/A	2023
Reimbursements	3.25%	3.25%	.00%	N/A	2023

- Retiree Contribution Rates: Retirees do not contribute.

Assumptions: Demographic

Election at Retirement: Coverage election at retirement assumption does not apply as all members are retired.

- LEOFF: 100%
- Spousal Election: Spousal coverage and reimbursement is not offered by the County. Therefore, spousal costs are not part of this analysis.

- Plan Participation Rate: Retirees are assumed to submit and receive approval for reimbursement by the County for costs at the following rates:

	<u>LEOFF 1</u>
Plan B - PPO	N/A
Medicare Advantage	100%
Medicare Part B	100%
Prescriptions	75%
Medical Services	15%
Medical Supplies	2%
Vision	35%
Dental	100%
Hearing Aids	8%
Assisted Living	25%

- Retiree Lapse Rates: Retirees receiving medical coverage are expected to lapse all coverages at age 65 at the following rates: LEOFF 1 - 0%
- Mortality Rates: LEOFF 1 Mortality follows the L&A Study for Firefighths 2020. These rates are experience weighted with the Sex Distinct Raw Rates as developed in the PubS-2010(A) Study improved to 2017 using MP-2019 Improvement Rates. These rates are then improved generationally using MP-2019 Improvement Rates.

The mortality rates were used to estimate the assumed ages at death. Assumptions follow the Alternative Measurement Method where noted.

Assumption: Changes

- Bond Rate: The assumed rate on High Quality 20-year Tax-Exempt G.O. Bonds was changed from 2.06% to 3.72% for the current year. The underlying index used is the Bond Buyer 20-Bond GO Index. The choice of index is unchanged from the prior year. The rate has been updated to the current fiscal year-end 2022 based on changes in market conditions as reflected in the Index. The change was made to reflect our understanding of the requirements of GASB under Statement 74 and Statement 75.
- Discount Rate: Since there is no trust dedicated exclusively to the payment of OPEB benefits, the discount rate used in the determination of the Total OPEB Liability was also changed from 2.06% to 3.72%.

Notes on Assumptions

- Salary Increases: The Total Payroll Increase assumption of 3.50% was based on a review of the 2013-2018 Demographic Experience Study for the Washington State Public Retirement System dated June 2021.
- Starting Per Capita Costs: Rates adjusted for “implicit” cost of covering retirees as dictated by the Alternative Measurement Method in GASB 74/75.

- **Election at Retirement:** The percentage of active employees assumed to continue the participation from the active medical plan into the retiree medical plan upon retirement is based on the current population. The percent of the active employees whom have a waived active coverage but are assumed to elect retiree coverage upon retirement is based on the current population.
- **Plan Participation:** The percentage of retirees assumed to submit and receive approval for reimbursement by the County is based on an analysis of five-year actual experience.
- **Spousal Coverage:** The percentage of active employees assumed to elect medical coverage for spouses in retirement is based on current population.
- **Retiree Lapse Rate:** The percentage of retirees receiving medical coverage, assumed to lapse all coverage at age 65, is based on the County's current population.
- **Expected Return on OPEB Plan Investments:** There is currently no expectation for future returns on OPEB Plan Assets since the OPEB obligation is an unfunded obligation. There is no trust dedicated exclusively to the payment of OPEB benefits.
- **Inflation Rate:** The Long-Term Inflation Expectation used is 2.25%, which is an underlying component of the discount rate and assumed health care trend rates.

Measure of Total OPEB Liability: Healthcare Trend Rate

The following presents the Total Net OPEB Liability to the Healthcare Cost Trend Rates assumption; including what the OPEB liability would be using a 1-percentage point decrease as well as what the OPEB liability would be using a 1-percentage point increase of the current trend rate.

	1% Decrease % Varies	Current Healthcare Cost Trend Rate % Varies	1% Increase % Varies
Total OPEB Liability (Asset)	\$3,391,622	\$3,574,222	\$3,770,891

Measure of Total OPEB Liability: Discount Rate

The following presents the total OPEB liability of the County calculated using the discount rate of 2.72%, as well as what the OPEB liability would be if it were calculated using a discount rate that is 1-percentage point lower (2.72%) and a 1-percentage point higher (4.72%) than the current discount rate. The end of the year discount rate, 3.72% is being used and can be found listed in the Assumption: Changes section above.

	1% Decrease (2.72%)	Current Discount Rate (3.72%)	1% Increase (4.72%)
Total OPEB Liability (Asset)	\$3,773,366	\$3,574,222	\$3,392,892

The sensitivity of the Net OPEB Liability to the discount rate is based primarily on two factors:

1. The duration of the plan's expected benefit payments. Younger plans with benefit payments further in the future will be more sensitive to changes in the discount rate.

2. The funded percentage of the plan (ratio of the Net Position to the Total OPEB Liability). The higher the funded percentage, the higher the sensitivity to the discount rate.

Changes in the Total OPEB Liability

The Total OPEB Liability for the current Fiscal Year has been developed based on the Actuarial Valuation Date December 31, 2022, and adjusted to the Measurement Date of December 31, 2022, based on procedures that conform to the Alternative Measurement Method and generally accepted actuarial principles and practices.

LEOFF 1	
Total OPEB Liability at 01/01/2022	\$ 5,056,634
Service cost	—
Interest	99,993
Changes of benefit terms	—
Differences between expected and actual experience	(680,960)
Changes of assumptions	(496,272)
Benefit payments (Employer Contributions)	(405,173)
Other changes	—
Total OPEB Liability at 12/31/2022	<u>\$ 3,574,222</u>

Assumptions or other inputs from 2022 that affected measurement of the county's total OPEB liability include:

- **Expected Decrease in Total OPEB Liability**

Each year the Total OPEB Liability is expected to increase with interest. The increases are offset by decreases in liability due to benefit payments. The expected Total OPEB Liability decrease for the current year was approximately \$305,000.

In addition to the expected decrease in Total OPEB Liability, additional changes in Total OPEB Liability occurred between the prior valuation and the current year. Below are the key components of those changes.

- **Demographic Experience**

The current valuation census contains 47 retirees whereas the previous valuation census contained 53 retirees.

- **County Costs**

Medical costs on an employer basis came in lower than expected.

Total plan experience resulted in a net decrease in the Total OPEB Liability in the current year of approximately \$681,000. The gain was due primarily to retiree mortality experience.

- **Expected Claims**

The expected claims for all future benefits have been revised based on a five-year analysis of past claims experience.

- **Assumptions**

The Discount Rate was increased from 2.06% for the Fiscal Year-Ended December 31, 2021 to 3.72% to better reflect the current high-quality fixed income environment. The underlying index used is the Bond Buyer 20-Bon G.O. Index. The rate has been updated to the current Fiscal Year-Ended based on changes in market conditions as reflected in the index. The rate selected is as of December 29, 2022, and is the most recent rate available prior to the Measurement Date. The change was made to reflect our understanding of the requirements for reporting under GASB Statement 75. The changes in assumptions resulted in a decrease in the Total OPEB Liability in the current year of approximately \$496,000.

There are no insurance contracts purchased by the County to cover benefit payments.

There are no changes between the measurement date of the County's total OPEB liability and the County's reporting date that are expected to have a significant effect on the total OPEB liability and the amount of the expected resultant change in the total OPEB liability.

The OPEB Expense/(Income) recognized by the County in the current reporting period is (\$1,077,239).

At December 31, 2022, the County reported zero deferred outflows of resources and zero deferred inflows of resources related to OPEB because there are no LEOFF 1 active members. When there are no active members all items must be recognized as an OPEB expense in the current reporting period.

Because LEOFF is made up of Law Enforcement Officers and Fire Fighters, both the Sheriff's Office and Airport are charged their proportionate share of OPEB liability.

4.B Risk Management

Snohomish County is exposed to various risks of loss, including theft, property damage, or destruction of assets, business interruption, errors and omissions, injuries to employees, and natural disasters.

The County uses two internal service funds to account for and finance property/casualty, worker's compensation, unemployment, and employee medical and dental benefits self-insurance programs. The County has a professional claims adjuster position to adjudicate all general liability claims not directly handled by the Prosecuting Attorney's Office, Civil Division, per County Code 2.90.060. The County contracts with third-party claim administrators to manage workers' compensation and employee medical benefits claims. Unemployment claims are administered through Washington State Department of Employment Security. The Civil Division of the County's Prosecuting Attorney's office handles all liability lawsuits and, when requested, claims. The County is self-insured for \$5 million and procures \$50 million excess insurance for damages and/or legal actions settled for more than \$5 million. There were no settlements in excess of the insurance coverage in the past three years.

Claims settlements and loss expenses are reported in the Insurance Fund and the Employee Benefit Fund. These funds are responsible for collecting interfund premiums from insured funds and departments, for paying claims and settlements, and for purchasing certain excess insurance policies. Interfund premiums are assessed on the basis of claims experience, insurance policy purchases, and risk management programs. The County's established liabilities for probable losses for 2021 and 2022 are:

	Worker's Compensation		General Liability		Total	
	2022	2021	2022	2021	2022	2021
Claims Liability, Beginning of Year	\$ 4,512,942	\$ 3,927,895	\$ 18,056,362	\$ 20,246,860	\$ 22,569,304	\$ 24,174,755
Incurred Claims and Changes	2,738,004	2,747,543	6,378,736	1,297,209	9,116,740	4,044,752
Payments on Claims	(2,605,366)	(2,162,496)	(3,268,077)	(3,487,707)	(5,873,443)	(5,650,203)
Claims Liability, End of Year	<u>\$ 4,645,580</u>	<u>\$ 4,512,942</u>	<u>\$ 21,167,021</u>	<u>\$ 18,056,362</u>	<u>\$ 25,812,601</u>	<u>\$ 22,569,304</u>
Claims Liability, Current Portion	\$ 1,432,109	\$ 1,465,254	\$ 3,977,216	\$ 3,307,356	\$ 5,409,325	\$ 4,772,610
Claims Liability, Long term Portion	3,213,471	3,047,688	17,189,805	14,749,006	20,403,276	17,796,694
Claims Liability, End of Year	<u>\$ 4,645,580</u>	<u>\$ 4,512,942</u>	<u>\$ 21,167,021</u>	<u>\$ 18,056,362</u>	<u>\$ 25,812,601</u>	<u>\$ 22,569,304</u>

Insurance Fund

The Insurance Fund accounts for the County's property/casualty insurance program. Established in 1977, this fund accounts for the County's exposures to loss due to the tortuous conduct of the County and includes, but is not limited to, those damages which are commonly covered by commercial general liability, business/automobile liability, employment practices and public official errors and omissions policies. In addition to its general liability insurance coverages and excess liability policies, the County insurance fund, also self-funds Public Records Act violation settlements and has specific liability insurance policies to cover some of its other exposures, and coverage for protection against other types of losses. The Insurance Fund also funds policy deductibles.

The fund also accounts for all Risk Management programs, including safety and worker's compensation. The County is self-insured for workers' compensation as certified under the Revised Code of Washington, Industrial Insurance Act, and Title 51. Additionally, the County purchases an Excess Workers' Compensation insurance policy with statutory limits.

General liability and worker's compensation claim estimates are based on an actuarial analysis prepared by AMI Risk Consultants in February of each year. The estimate includes all pending claim reserves and estimates for incurred, but not yet received, claims (IBNR). The estimated liability for unpaid claims that are recorded at present value and discounted at 3.5% in the financial statements as of December 31, 2022, is \$25.8 million.

Unemployment compensation benefits are expensed quarterly as claims are billed from the Washington State Department of Employment Security. All interfund premiums are assessed on loss history, and are reported as revenues in the Insurance Fund, and as expenses or expenditures by insured funds.

Employee Benefits Program Fund

The Employee Benefits Program Fund accounts for medical, dental, vision, life, accidental death and dismemberment, long-term-disability, and other benefits, including LEOFF 1 retiree medical benefits. The benefits offered by the County include both self-insured medical and vision plans, which the County offers to employees, outside district subscribers, and COBRA subscribers. Snohomish County retirees may participate in a self-insured retiree medical insurance plan. Eligible LEOFF 1 retirees participate in a fully insured Medicare Advantage Plan. Interfund premiums are calculated on a per subscriber per month basis and charged to departments through composite rates that include expected claims, expenses, premiums, and administrative expenses. In most cases, employees contribute towards medical insurance premiums.

4.C Commitments, Contingencies, and Legal Matters

Snohomish County has recorded in its financial statements all material liabilities, including an estimate for situations not yet resolved, but where, based on available information, management believes it is probable that the County will have to make payment. All known or pending claims are properly recognized within the recorded liabilities of the Snohomish County insurance fund, or are covered by insurance policies.

Financial Guarantees

The County has a Contingent Loan Agreement in place with a local entity that provides housing for low-income persons/families in Snohomish County. The Contingent Loan agreement was created to assist with debt service payments in the event that the entity is unable to meet their debt service obligation for certain bonds named in the Contingent Loan Agreement. RCW 35.83.050 states that a County located in whole or in part within the area of operation of a housing authority may lend or donate money to a housing authority. The agreement remains in effect until the debt is paid in full. The agreement notes that if the County does make debt service payments on behalf of the entity that the entity is required to pay back the County. In the event that the entity doesn't repay the County, the County has the option to call the bonds early or take over management of the project that the debt relates to.

The County does not anticipate that it will become necessary to fulfill this guarantee, therefore no liability has been recorded. The Contingent Loan agreement is as follows:

Issuer	Debt Issue Year	Outstanding Principal at 12/31/22	Final Bond Maturity
Washington State Housing Finance Commission (Housing Authority of Snohomish County)	2010	1,170,000	7/1/2045

The County administers 2 programs, the Residential Energy Efficiency Loan program and the Clean Water Loan program. There are agreements in place with a local credit union in which the County has established loan loss reserves (LLR) of 5% and 10%, respectively, of the outstanding loan balances for the loans that the credit union has extended to individuals under these two programs. The LLR for the Residential Energy Efficiency Program began in March of 2012 and continues to December 2031. It has an LLR balance of \$268 thousand as of December 31, 2022. The Clean Water Loan Program started in March of 2015 and continues through December 2045 and has an LLR balance of \$18 thousand as of December 31, 2022. In both agreements when there are loan defaults the credit union recovers 90% of the defaulted loans from the LLR's and when they make recoveries on those defaults they replenish the LLR at 90% of the recovery. Defaults and recoveries are occasional but not easily estimable and are immaterial to the programs.

Contracts

Regional Disposal

In June 1992, Solid Waste Management entered into a waste export contract with Republic Services (formerly known as Regional Disposal Company), to transport Snohomish County's solid waste to Republic Services' Klickitat County, Washington, landfill. The County agrees to deliver 95% of its solid waste (net of recyclable and construction debris) or 150 thousand tons per year, whichever is greater. The new contract with Republic Services went into effect May 16, 2018 and concludes on January 15, 2028. At the end of 2022, Snohomish County was paying Republic Services \$53.88 per ton for disposal of municipal solid waste delivered from the County transfer stations. The County paid Republic Services \$37.7 million in 2022. Annual encumbrances related to this contract are established at the beginning of each year.

Passenger Terminal

On March 4, 2019, Propeller Airports Paine Field, LLC (Propeller) opened a new passenger terminal serving one airline and over one million passengers annually. The Airport entered a thirty year land lease with Propeller and the option to renew for two additional periods of ten years each. The land lease is set at fair market value (FMV) and is adjusted every three years to current FMV. In addition, the Airport receives 5% of annual gross revenues. Propeller owns and operates the terminal which provides: auto-parking; aircraft ground handling services; concessionaires (food); baggage handling services; airline common use gates & check in kiosks; and aircraft parking.

Future of Flight

Beginning October 17, 2018, Snohomish County leased the Future of Flight Aviation Center to the Boeing Company for an initial term of ten years. Boeing has two extended options of five years each for a total of twenty years which is longer than the maturity of the refinanced taxable bonds. The Future of Flight general obligation tax exempt bonds were refinanced to taxable bonds per the new lease agreement.

The leased space is used for Boeing Tour Center related activities, including theater and conference presentations, special events, educational programs, and a gift shop. Boeing must always keep it as a public facility per their lease agreement.

Dreamlifter Operations Center

The Dreamlifter Operations Center was constructed in 2013 and funded with a 20 year bond. The facility was originally leased to the Boeing Company. In 2021, the lease interest was assigned to FedEx. FedEx currently leases it at fair market value which funds the building's debt service. In addition, FedEx pays a land rent for the facility and additional ramp area, with rent adjusted to fair market value every three years.

Construction

At December 31, 2022, the County had pending construction project contracts in progress. The commitments related to the remaining contract balances are summarized as follows:

	Expended Through 12/31/2022	Remaining Commitment
Governmental Activities		
County Roads	\$ 101,581,186	\$ 15,561,523
Parks Construction	19,732,075	10,172,014
Facilities	4,498,943	3,895,936
Total Governmental Activities	125,812,204	29,629,473
Business-Type Activities		
Airport	27,132,242	8,783,221
Solid Waste	3,282,752	1,832,663
Surface Water	16,500,339	7,724,811
Total Business-type Activities	46,915,333	18,340,695
Total Primary Government	\$ 172,727,537	\$ 47,970,168

All significant encumbrances for construction contracts are included in the above amounts and are established at the beginning of each year.

Leases

County as Lessee

The County has entered into lease agreements involving buildings for conducting county operations and storage, temporary land easements, and printing and imaging equipment.

The following is a summary of changes in leased assets for the County primary government:

LEASES				
For the year ended December 31, 2022				
	Beginning Balance	Increases	Decreases	Ending Balance
Governmental Activities:				
Leased assets:				
Leased land	\$ —	\$ 21,800	\$ —	\$ 21,800
Leased buildings	—	1,881,646	—	1,881,646
Leased equipment	—	93,891	—	93,891
Total leased assets	—	1,997,337	—	1,997,337
Less accumulated amortization for:				
Leased land	—	(4,185)	—	(4,185)
Leased buildings	—	(520,080)	—	(520,080)
Leased equipment	—	(40,419)	—	(40,419)
Total accumulated amortization	—	(564,684)	—	(564,684)
Governmental activities leased assets, net	\$ —	\$ 1,432,653	\$ —	\$ 1,432,653

As of December 31, 2022, the principal and interest requirements to maturity are as follows:

Year Ending December 31	Principal	Interest	Total
2023	\$ 528,374	\$ 5,959	\$ 534,333
2024	386,586	3,901	390,487
2025	288,919	2,116	291,035
2026	149,371	965	150,336
2027	75,033	135	75,168
Total	\$ 1,428,283	\$ 13,076	\$ 1,441,359

County as Lessor

The County has entered into lease agreements involving land, building space, airport and solid waste facilities. The total amount of inflows of resources, including lease and interest revenue, recognized during the fiscal year was \$567,292 in governmental activities and \$22,459,455 in business-type activities.

As of December 31, 2022, future lease receivable principal and interest payments are as follows:

Year Ending December 31	Governmental Activities		Business-Type Activities		Total
	Principal	Interest	Principal	Interest	
2023	\$ 509,931	\$ 29,467	\$ 12,622,501	\$ 7,571,647	\$ 20,733,546
2024	519,836	25,489	13,526,109	7,075,781	21,147,215
2025	530,244	21,331	13,386,575	6,825,460	20,763,610
2026	551,652	17,109	13,071,640	6,595,266	20,235,667
2027	385,379	12,775	13,199,455	6,362,381	19,959,990
2028-2032	1,188,105	17,370	59,530,013	28,416,680	89,152,168
2033-2037	—	—	50,179,138	23,022,135	73,201,273
2038-2042	—	—	42,759,900	18,367,796	61,127,696
2043-2047	—	—	37,048,650	14,388,627	51,437,277
2048-2052	—	—	28,313,231	11,081,462	39,394,693
2053-2057	—	—	27,978,032	8,294,663	36,272,695
2058-2062	—	—	26,249,477	5,542,163	31,791,640
2063-2067	—	—	19,138,350	3,122,651	22,261,001
2068-2072	—	—	10,553,811	1,667,822	12,221,633
2073-2077	—	—	4,551,362	953,924	5,505,286
2078-2082	—	—	5,036,388	468,898	5,505,286
2083-2087	—	—	2,023,833	75,950	2,099,783
Total	\$ 3,685,147	\$ 123,541	\$ 379,168,465	\$ 149,833,306	\$ 532,810,459

Concession Agreements

Snohomish County has an agreement with High Road Promotions, LLC under which they will operate and collect user fees from the motor sport and multi-event venue located at the Evergreen State Fairgrounds until November 1, 2026. High Road Promotions, LLC pays Snohomish County a base installment payment six times each year. The present value of the future installment payments is \$407 thousand. They will also pay Snohomish County a ticket revenue sharing payment monthly.

Snohomish County reports a receivable and deferred inflow of resources in the amount of \$407 thousand at year end pursuant to the service concession arrangement.

Grant Program Involvement

The County participates in various federal or state grant/ loan programs. The grant/ loan programs are often subject to additional audits by agents of the granting or loaning agency, the purpose of which is to ensure compliance with the specific conditions of the grant or loan. Any liability for reimbursement that may arise as a result of these audits cannot be reasonably determined at this time, although it is believed the amount, if any, would not be material.

Environmental Liabilities

Snohomish County maintains and monitors several landfills throughout the County. The level of attention for each landfill differs, but at a minimum all sites require visual inspections on a routine basis. These landfills, except for the Cathcart landfill, were closed before October 4, 1988, and are not required to have financial assurance plans as identified in WAC 173-304-407 and 173-304-467, but still must be managed and monitored on a regular basis.

In 2016, under the terms of a settlement agreement, the County agreed to take ownership of a landfill and certain surrounding property necessary to provide an appropriate environmental buffer. The County received a total of \$6.6 million from the former owner (through their insurers) and other liable parties to pay for the costs of clean-up, closing, and long-term monitoring of the landfill which is currently reported as a liability. The County has contracted with a consultant and is currently working with the Department of Ecology to complete the Cleanup Action Plan and enter into an Agreed Order to administer the cleanup. The landfill is currently inactive and the County is in the process of closing the landfill in compliance with state, local, and federal requirements.

Snohomish County performs certain maintenance and monitoring functions to the closed Cathcart landfill site as required by state, local, and federal laws and regulations. These functions are performed for a minimum of twenty years after closure or until the site is stabilized. The landfill was closed in 1992; therefore, we consider landfill capacity 100% used to date with zero years remaining landfill life. The 2007 post-closure plan update resulted in increased estimates in annual maintenance and monitoring costs as well as extended the date that required monitoring will cease. In 2011, and again in 2014, the plan was adjusted to more currently reflect estimated interest income and expenses. The restricted landfill post-closure investment account established for the purpose of paying the liability is \$225 thousand at December 31, 2022. It is anticipated that future inflation costs will be financed in part from earnings on the investment account. The actual cost of post-closure care may be further adjusted in the future due to inflation or deflation, changes in technology, or changes in applicable laws and regulations.

Landfill Post-Closure Estimates				
Year	Beginning Balance	Interest Income	Annual Expense	Ending Fund Balance
2022	673,093	9,625	457,719	224,999
Interest Rate 1.43%				
Inflation Rate 2.37%				

Litigation

The County is a party to various legal proceedings which normally occur in the course of governmental operations. The financial statements include actuarial accruals for loss contingencies that may result from these proceedings.

Note 5 Reconciliation of Government-Wide and Fund Financial Statements

5.A Explanation of Differences between the Governmental Fund Balance Sheet and the Government-Wide Statement of Net Position

Total fund balances for the governmental funds balance sheet differs from net position of governmental activities as reported in the statement of net position due to the accounting methods used to prepare these statements. The governmental funds balance sheet is presented on a modified accrual basis and the statement of net position is presented on a full accrual basis. In addition, net internal service fund activity is included in government activities on the statement of net position. Details of the differences between these two presentations are as follows:

Capital Related Items

When capital assets that are to be used in governmental activities are purchased or constructed, the cost of those assets are reported as expenditures in governmental funds. However, the statement of net position included those capital assets among the assets of the County as a whole.

Costs of Capital Assets	\$ 2,426,213,327
Accumulated Depreciation	<u>(1,039,821,395)</u>
Capital Assets, Net	1,386,391,932
Investment in Joint Venture	<u>3,560,916</u>
Total Capital Assets	<u><u>\$ 1,389,952,848</u></u>

Long-Term Debt Transactions

Long-term liabilities and related deferred charges applicable to the County's governmental debt activities are not due and payable in the current period, and accordingly, are not reported at the fund level. All debt liabilities (both current and long-term) are reported in the statement of net position.

Unamortized Bond Premiums, Discounts, and Deferred Gain/Loss	\$ (32,770,394)
Interest Payable on Long-Term Debt (Accrued Liabilities)	(3,024,487)
Current Portion of Long-Term Debt	(19,534,926)
Noncurrent Portion of Long-Term Debt	<u>(330,792,044)</u>
Total Long-Term Debt	<u><u>\$ (386,121,851)</u></u>

Internal Service Funds

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

Internal Service Funds Total Current Assets	\$ 110,147,362
Internal Service Funds Total Non-Current Assets, Net	66,061,028
Internal Service Funds Total Assets	176,208,390
Internal Service Funds Total Deferred Outflow of Resources	5,700,945
Internal Service Funds Total Current Liabilities	(31,303,899)
Internal Service Funds Total Non-Current Liabilities	(31,453,601)
Internal Service Funds Total Liabilities	(62,757,500)
Internal Service Funds Total Deferred Inflow of Resources	(8,950,574)
Internal Service Funds Net Position	<u>\$ 110,201,261</u>

Other Full Accrual Adjustments

Compensated Absences Payable	\$ (22,114,773)
Pension Related Items	42,318,393
Offset to Unavailable Property Taxes	2,539,468
Interest and Penalties Receivable Property Tax	4,934,814
Offset to Unavailable Revenue	1,297,115
Court Accounts Receivable	36,910,561
Court Allowance for Bad Debts	(33,225,515)
Other Full Accrual Adjustments	(953,848)
Total	<u>\$ 31,706,215</u>

5.B Explanation of Differences between Governmental Fund Operating Statements and the Statement of Activities

Details of the differences between these two presentations are as follows:

Capital Related Items

When capital assets that are to be used in governmental activities are purchased or constructed, the resources expended for those assets are reported as expenditures in governmental funds. However, in the statement of activities, the costs of those assets are allocated over their estimated useful lives and reported as depreciation expense. As a result, fund balance decreases by the amount of financial resources expended, whereas net position decreases by the amount of depreciation expense charged for the year. In addition, assets donated or contributed to the County's governmental activities do not provide current financial resources and, therefore, are not reported as revenues in governmental funds.

Capital Related Expenditures	\$ 69,065,580
Depreciation Expense	(71,118,416)
Subtotal	(2,052,836)
Contributions and Donations (Capital Donations)	31,675,288
Gain/Loss on Capital Assets	(13,664,665)
Equity Adjustment in Joint Venture	(1,839,904)
Subtotal	16,170,719
Increase (Decrease) in Net Position	<u>\$ 14,117,883</u>

Internal Service Funds Revenues and Expenses

The revenues and expenses of the internal service funds are included in governmental activities in the statement of activities because they primarily serve governmental activities of the County.

Internal Service Funds Total Operating Revenues	\$ 143,622,253
Internal Service Funds Total Operating Expenses	(133,987,518)
Internal Service Funds Total Non-Operating Revenue/Expenses	(550,813)
Internal Service Funds Net Transfers & Contributions	(3,998,857)
Internal Service Funds Net Income (Loss)	<u>\$ 5,085,065</u>

Other Full Accrual Adjustments

Some revenues and expenses reported in the statement of activities do not represent a change in current financial resources and, therefore, are not reported as revenues and expenditures in the governmental funds.

Adjustments to equity relating to long-term assets and liabilities do not require the use of current financial resources and, therefore, are not reported as expenditures or revenues in governmental funds.

Recognize Unavailable Property Taxes	\$ (451,163)
Penalties and Interest on Property Taxes	(1,127,328)
Recognize Unavailable Revenue	1,236,104
Adjust Liability for Compensated Absences	(394,868)
Items related to Pensions	17,029,491
Court Fines	(1,336,060)
Other full accrual adjustments	(911,285)
Total Increase (Decrease) to Net Position	<u>\$ 14,044,891</u>

Note 6 Pollution Remediation Obligations

The Roads Division of the County's Public Works Department currently has two adjacent parcels of land that may have pollution remediation impacts. The Washington State Department of Ecology (DOE) has given concurrence that no further remediation is needed on a portion of the property. However, at this time, remediation efforts are currently progressing on the remaining portion. This is being coordinated with DOE. There is currently no estimate for, nor means to estimate, the range of possible costs until DOE's review is complete.

In addition, the County Public Works Roads Division discovered contamination at their 17-acre Arlington Roads Maintenance and Operations Facility located in Arlington, WA. This facility will be subject to redevelopment in 2024-2027. Remediation will be a component of this redevelopment and is currently estimated to cost \$890 thousand.

The DOE has given notice to Snohomish County Airport that they are a potential liable party under the Model Toxics Control Act for the TECT Aerospace Everett site. Snohomish County Airport is working with DOE to create a cleanup plan. There is currently no estimate for, nor means to estimate, the range of possible costs it will take to clean up the site.

Note 7 Joint Ventures, Joint Boards and Related Organizations, and Related Party Transactions

7.A A Joint Ventures

Investment in Joint Ventures

AHA – Alliance for Housing Affordability: In September 2013, Snohomish County joined the cities of Edmonds, Everett, Granite Falls, Lake Stevens, Lynnwood, Marysville, Mill Creek, Mountlake Terrace, Mukilteo, Snohomish, and the Town of Woodway to establish the Alliance for Housing Affordability (AHA). The agreement was amended in May 2014 to add the City of Arlington and in June 2014 to add the City of Stanwood.

The purpose of AHA is to cooperatively formulate affordable housing goals and policies and to foster efforts to provide affordable housing by providing expertise and information to member jurisdictions. Operating funding is provided by the members.

AHA is governed by a Joint Board composed of an elected official from each member. The Joint Board is responsible for review and approval of all budgetary, financial, policy, and contractual matters. The Board is assisted by an administrative staff housed at the Housing Authority for Snohomish County (HASCO). Fiscal agent duties were transferred to HASCO during fiscal year 2018.

Each member is responsible for contributing operating revenues as determined from the AHA annual budget. Contributions from the members are based on each member's population. A grant from the Gates Foundation provided \$50 thousand to assist with the first two years of organizational start-up. Snohomish County's equity share for 2022 is:

Fiscal Year 7/1/22-6/30/23	AHA's Total Fiscal Year Budget	Snohomish County's Share of Budget	Snohomish County's Share as % of Total AHA Budget
2022	\$135,522	\$38,588	28.47%

Members withdrawing from the agreement relinquish all rights to any reserve funds, equipment, or material purchased. Upon dissolution, the agreement provides for distribution of net assets among the members based on the percentage of the total annual contributions during the period of the Agreement paid by each member.

Additional financial information can be obtained from HASCO, 12711 4th Ave W, Everett, WA 98204 or from Alliance for Housing Affordability, 12711 4th Ave W, Everett, WA 98204.

Snohomish County 911

Snohomish County 911, a cash basis special purpose district, was established via an interlocal agreement between Snohomish County, the cities, towns, fire districts, police districts, and other service districts to jointly establish, maintain and operate a support communications center. Snohomish County 911 takes 911 calls and performs emergency dispatch services for local governmental agencies including police, fire and medical aid. Control of Snohomish County 911 is with a 16 member Board of Directors as specified in the Interlocal Agreement.

In the event of the dissolution of Snohomish County 911, any remaining equity shall be returned to the parties to this Agreement and shall be apportioned between Principals based on the ratio that the average of each Principals' contributions to the operating budget over the preceding five (5) years bears to the total of all the remaining Principals' User Fees paid during such five-year period. Before deducting the payment of all costs, expenses and charges validly incurred, Snohomish County's equity share is \$3.6 million as of December 31, 2022.

Complete financial statements for Snohomish County 911 can be obtained from Snohomish County 911's administrative office at 1121 SE Everett Mall Way, Suite 200, Everett, WA 98208.

7.B Joint Boards and Related Organizations

The County Council and Executive are appointed to or appoint individuals to numerous boards and committees. At this time, the County does not believe we have the ability to be the primary influence in the management or operating policies of the organizations. For example, Snohomish County represents 4 out of 11 Board of Directors of the North Sound Behavioral Health Administrative Services Organization. The North Sound Behavioral Health Administrative Services Organization was formed by an interlocal agreement that included Island, San Juan, Whatcom, Skagit, and Snohomish Counties to provide mental illness and substance abuse services.

7.C Related Party Transactions

Three members of the Snohomish County Council have been appointed per RCW 27.15.030 as the governing body of our local library capital facility areas (LCFA). The legislature found that it is in the interests of the people of the state of Washington to be able to establish library capital facility areas as quasi-municipal corporations and independent taxing units existing within the boundaries of the county for the purpose of financing the construction of capital library facilities.

Snohomish County entered into an interlocal agreement with Snohomish County Public Facilities District (PFD) for accounting services including preparation of financial statements. Pursuant to this agreement, the PFD pays the County an annual fee of \$24 thousand. The County may also receive reimbursements for various minor miscellaneous expenses.

Note 8 Tax Abatements

As of December 31, 2022, the County has no direct tax abatement agreements.

The County is affected indirectly by several State tax abatement agreements per Washington State RCW.

The State property tax abatements that affect the County are:

State RCW	Purpose	Amount of Taxes Abated	
84.14.020	Multi-Unit Urban Housing Exemption	\$	221,761
84.36.010 (2)	Tribal Property Used for Economic Development Purposes		233,917
39.104	Local Revitalization Financing		48,956
		\$	504,634

The State sales, use and B&O tax abatements that affect the County are:

State RCW	Purpose	Amount of Taxes Abated
82.63	High Technology Sales and Use Tax Deferral	\$ 59,563 *
82.63	High Technology Sales and Use Tax Deferral - PTBA	See note A below
82.75	Biotechnology and Medical Device Manufacturing Sales and Use Tax Deferral	6,803 *
82.08.975/ 82.12.975	Exemption for Computer Hardware, Software and Peripherals	105,357 *
82.08.975/ 82.12.975	Exemption for Computer Hardware, Software and Peripherals - PTBA	473 *
		<u>\$ 172,196</u>

* 2022 FY State DOR Estimates

A - The State has identified these abatements applying to Snohomish County, but because there are fewer than 3 taxpayers that received these deferral/exemption categories, the State is not legally allowed to disclose specific information.

Note 9 Passenger Facility Charges

The Airport, through an agreement with the Federal Aviation Administration (FAA), and in conjunction with commercial airlines operating at the Airport, has implemented a Passenger Facility Charge of \$4.50 per enplaned passenger. These fees are collected by the airline as part of the pricing of each ticket and are remitted quarterly to the Airport from PFC Automated Clearing House (ACH). Passenger Facility Charges collected and remitted can only be used for capital projects approved by the participating airlines and the FAA. Fees earned during 2022 totaled \$1.1 million, and are shown on the Airport's Statement of Revenues, Expenses, and Changes in Net Position as part of Capital Contributions.

Note 10 Accounting and Reporting Changes

Change in Accounting Principle

The County has several Notes/Contracts receivables representing money that has been loaned out to other entities. Human Services has a HUD grant loan program as well as loan programs under the Affordable Housing and Ending Homelessness and the Chemical Dependency Mental Health. The Roads fund loans out money to cities within the County for various construction projects related to roads. Per new guidance issued by the Washington State Auditor's office, which per RCW 43.09.200 prescribes accounting and reporting for state and local governments in the state of Washington, changes were made to the accounting for loans. Loans are now required to be reported as a component of fund balance rather than a liability or deferred inflow depending on the type of loan. The reclassification resulted in changes to due to other governments, unearned revenues, deferred inflows, and fund balance.

The overall effect to the Human Services fund was an increase to beginning restricted fund balance of \$33.4 million with offsetting decreases to due to other governments \$17.5 million, deferred inflows \$14.2 million and unearned revenue \$1.7 million. The overall effect to the Roads fund was an increase to beginning nonspendable fund balance of \$1.7 million and a reduction to deferred inflow of \$1.7 million.

The County has 2 programs in which they fund a loan loss reserve. The Grant Control fund accounts for the Residential Energy Efficiency loan program and the Surface Water fund accounts for the Clean Water loan program. See Note 4 C Financial Guarantees.

The overall effect to the Grant Control fund was an increase to beginning fund balance of \$511.7 thousand with an offsetting decrease to due to other governments. The overall effect to the Surface Water fund was a \$17.8 thousand increase to unrestricted fund balance with offsetting decreases of \$17.5 thousand to accrued liabilities and \$267 decrease to due to other governments.

In 2022, the unrealized loss related to investments was significant and therefore was recorded in the financial statements in accordance with GASB 31. In all years prior to 2022, the unrealized gain or loss was immaterial and was only disclosed in the notes. See Note 3A for more details.

GASB 97, Certain Component Unit Criteria, and Accounting and Financial Reporting for Internal Revenue Code Section 457 Deferred Compensation Plans—an amendment of GASB Statements No. 14 and No. 84, and a supersession of GASB Statement No. 32 and the 2021-Implementation Guide question 4.3 provided further guidance on IRC 457 plans and therefore the County's 457 plan as a Pension and Other Employee Benefit Trust fund was removed from the Fiduciary funds. The effect of this was to remove \$251.5 million fund balance from the Statement of Fiduciary Net Position and the Statement of Changes in Fiduciary Net Position.

Note 11 Subsequent Events

On June 8, 2022 the County Council approved a motion to withdraw from the Snohomish Health District as of December 31, 2022 and established a county health department effective January 1, 2023. This decision was made to strengthen public health in Snohomish County and ensure public health remains a central focus of our region.

On December 21, 2022, Attorney General Bob Ferguson announced that Washington was joining a multi-state resolution with five companies related to the opioid crisis. Snohomish County joined the settlement by the April 18, 2023 deadline. The Attorney General website states that if all eligible cities and counties join the settlement that they will receive a proportionate share of the \$217.2 million which is half the amount that Washington state would receive. Per the allocation agreement posted on the Attorney General website, 6.9% of that would be allocated to Snohomish County.

Schedule of Proportionate Share of the Collective Net Pension Liability
As of June 30 Measurement Date
Last 10 Fiscal Years*

Public Employee's Retirement System (PERS) Plan 1					
	2022	2021	2020	2019	2018
County's proportion of the net pension liability (asset)	1.24%	1.25%	1.30%	1.36%	1.39%
County's proportionate share of the net pension liability (asset)	\$ 34,425,941	\$ 15,321,883	\$ 45,988,461	\$ 52,138,207	\$ 62,009,453
County's covered payroll	\$ 236,795,616	\$ 192,304,082	\$ 194,543,330	\$ 187,710,633	\$ 179,977,979
County's proportionate share of the net pension liability as a percentage of covered payroll	14.54%	7.97%	23.64%	27.78%	34.45%
Plan fiduciary net position as a percentage of the total pension liability	76.56%	88.74%	68.64%	67.12%	63.22%
Public Employee's Retirement System (PERS) Plan 2/3					
	2022	2021	2020	2019	2018
County's proportion of the net pension liability (asset)	(1.43%)	(1.42%)	1.47%	1.54%	1.55%
County's proportionate share of the net pension liability (asset)	\$ (53,128,102)	\$ (141,868,055)	\$ 18,794,541	\$ 14,914,702	\$ 26,397,172
County's covered payroll	\$ 179,499,955	\$ 171,246,601	\$ 170,657,991	\$ 167,157,028	\$ 160,169,512
County's proportionate share of the net pension liability as a percentage of covered payroll	(29.60%)	(82.84%)	11.01%	8.92%	16.48%
Plan fiduciary net position as a percentage of the total pension liability	106.73%	120.29%	97.22%	97.77%	95.77%
Public Safety Employee's Retirement System (PSERS) Plan 2					
	2022	2021	2020	2019	2018
County's proportion of the net pension liability (asset)	(3.15%)	(2.97%)	(3.66%)	(4.03%)	4.63%
County's proportionate share of the net pension liability (asset)	\$ (2,251,722)	\$ (6,832,649)	\$ (504,003)	\$ (523,517)	\$ 57,382
County's covered payroll	\$ 21,390,353	\$ 20,210,032	\$ 22,441,637	\$ 18,632,770	\$ 17,259,906
County's proportionate share of the net pension liability (asset) as a percentage of covered payroll	(10.53%)	(33.81%)	(2.25%)	(2.81%)	0.33%
Plan fiduciary net position as a percentage of the total pension liability	105.96%	123.67%	101.68%	101.85%	99.79%
Law Enforcement Officers' and Fire Fighters' Retirement System (LEOFF) Plan 1					
	2022	2021	2020	2019	2018
County's proportion of the net pension liability (asset)	(0.13%)	(0.13%)	(0.14%)	(0.14%)	(0.14%)
County's proportionate share of the net pension liability (asset)	\$ (3,716,030)	\$ (4,537,088)	\$ (2,553,793)	\$ (2,722,900)	\$ (2,465,887)
State's proportionate share of the net pension liability (asset) associated with the employer	(25,135,134)	(30,688,753)	(17,273,792)	(18,417,630)	(16,679,201)
TOTAL	\$ (28,851,164)	\$ (35,225,841)	\$ (19,827,585)	\$ (21,140,530)	\$ (19,145,088)
County's covered payroll	\$ —	\$ —	\$ —	\$ 9,388	\$ 42,247
County's proportionate share of the net pension liability as a percentage of covered payroll	0.00%	0.00%	0.00%	(29,004.05%)	(5,836.83%)
Plan fiduciary net position as a percentage of the total pension liability	169.62%	187.45%	146.88%	148.78%	144.42%
Law Enforcement Officers' and Fire Fighters' Retirement System (LEOFF) Plan 2					
	2022	2021	2020	2019	2018
County's proportion of the net pension liability (asset)	(0.87%)	(0.87%)	(0.89%)	(0.89%)	(0.87%)
County's proportionate share of the net pension liability (asset)	\$ (23,710,339)	\$ (50,508,109)	\$ (18,250,513)	\$ (20,599,988)	\$ (17,637,275)
State's proportionate share of the net pension liability (asset) associated with the employer	(15,359,041)	(32,583,244)	(11,669,820)	(13,490,232)	(11,419,803)
TOTAL	\$ (39,069,380)	\$ (83,091,353)	\$ (29,920,333)	\$ (34,090,220)	\$ (29,057,078)
County's covered payroll	\$ 35,470,885	\$ 33,600,579	\$ 33,987,445	\$ 31,359,702	\$ 28,809,114
County's proportionate share of the net pension liability as a percentage of covered payroll	(66.84%)	(150.32%)	(53.70%)	(65.69%)	(61.22%)
Plan fiduciary net position as a percentage of the total pension liability	116.09%	142.00%	115.83%	119.43%	118.50%

Notes to Schedule:

- Covered payroll is the payroll on which contribution to a pension plan are based.
- The RSI schedule for Proportionate Share of the Collective Net Pension Liability will be built prospectively until it contains ten years of data.

Schedule of Proportionate Share of the Collective Net Pension Liability
As of June 30 Measurement Date
Last 10 Fiscal Years*

Public Employee's Retirement System (PERS) Plan 1				
	2017	2016	2015	2014
County's proportion of the net pension liability (asset)	1.38%	1.42%	1.45%	1.50%
County's proportionate share of the net pension liability (asset)	\$ 65,640,277	\$ 76,063,753	\$ 75,995,317	\$ 75,662,294
County's covered payroll	\$ 171,615,203	\$ 165,779,406	\$ 161,898,566	\$ 160,440,861
County's proportionate share of the net pension liability as a percentage of covered payroll	38.25%	45.88%	46.94%	47.16%
Plan fiduciary net position as a percentage of the total pension liability	61.24%	57.03%	59.10%	61.19%
Public Employee's Retirement System (PERS) Plan 2/3				
	2017	2016	2015	2014
County's proportion of the net pension liability (asset)	1.55%	1.57%	1.62%	1.65%
County's proportionate share of the net pension liability (asset)	\$ 53,869,337	\$ 79,203,889	\$ 57,848,829	\$ 33,426,580
County's covered payroll	\$ 152,223,707	\$ 147,738,165	\$ 143,614,259	\$ 142,065,482
County's proportionate share of the net pension liability as a percentage of covered payroll	35.39%	53.61%	40.28%	23.53%
Plan fiduciary net position as a percentage of the total pension liability	90.97%	85.82%	89.20%	93.29%
Public Safety Employee's Retirement System (PSERS) Plan 2				
	2017	2016	2015	2014
County's proportion of the net pension liability (asset)	4.35%	4.44%	4.97%	(5.17%)
County's proportionate share of the net pension liability (asset)	\$ 852,592	\$ 1,887,855	\$ 907,347	\$ (748,935)
County's covered payroll	\$ 16,409,680	\$ 14,454,705	\$ 14,594,968	\$ 13,914,281
County's proportionate share of the net pension liability (asset) as a percentage of covered payroll	5.20%	13.06%	6.22%	(5.38%)
Plan fiduciary net position as a percentage of the total pension liability	96.26%	90.41%	95.08%	105.01%
Law Enforcement Officers' and Fire Fighters' Retirement System (LEOFF) Plan 1				
	2017	2016	2015	2014
County's proportion of the net pension liability (asset)	(0.14%)	(0.14%)	(0.14%)	(0.14%)
County's proportionate share of the net pension liability (asset)	\$ (2,118,130)	\$ (1,452,168)	\$ (1,716,536)	\$ (1,680,686)
State's proportionate share of the net pension liability (asset) associated with the employer	(14,326,980)	(9,822,425)	(11,610,607)	(11,368,118)
TOTAL	\$ (16,445,110)	\$ (11,274,593)	\$ (13,327,143)	\$ (13,048,804)
County's covered payroll	\$ 51,635	\$ —	\$ 20,265	\$ 165,757
County's proportionate share of the net pension liability as a percentage of covered payroll	(4,102.12%)	0.00%	(8,470.45%)	(1,013.95%)
Plan fiduciary net position as a percentage of the total pension liability	135.96%	123.74%	127.36%	126.91%
Law Enforcement Officers' and Fire Fighters' Retirement System (LEOFF) Plan 2				
	2017	2016	2015	2014
County's proportion of the net pension liability (asset)	(0.93%)	(0.88%)	(0.90%)	(0.92%)
County's proportionate share of the net pension liability (asset)	\$ (12,949,182)	\$ (5,114,360)	\$ (9,279,708)	\$ (12,204,854)
State's proportionate share of the net pension liability (asset) associated with the employer	(8,399,892)	(3,334,272)	(6,135,765)	(7,974,418)
TOTAL	\$ (21,349,074)	\$ (8,448,632)	\$ (15,415,473)	\$ (20,179,272)
County's covered payroll	\$ 29,241,264	\$ 26,645,193	\$ 26,265,067	\$ 25,621,820
County's proportionate share of the net pension liability as a percentage of covered payroll	(44.28%)	(19.19%)	(35.33%)	(47.63%)
Plan fiduciary net position as a percentage of the total pension liability	113.36%	106.04%	111.67%	116.75%

Notes to Schedule:

- Covered payroll is the payroll on which contribution to a pension plan are based.
- The RSI schedule for Proportionate Share of the Collective Net Pension Liability will be built prospectively until it contains ten years of data.

Schedule of Employer Contributions
Fiscal Year Ended December 31
Last 10 Fiscal Years*

Public Employee's Retirement System (PERS) Plan 1	2022	2021	2020	2019	2018
Statutorily or contractually required contributions	\$ 7,715,671	\$ 8,502,142	\$ 9,343,309	\$ 9,599,176	\$ 9,493,124
Contributions in relation to the statutorily or contractually required contributions	\$ (7,715,671)	\$ (8,502,142)	\$ (9,343,309)	\$ (9,599,176)	\$ (9,493,124)
Contribution deficiency (excess)	\$ —	\$ —	\$ —	\$ —	\$ —
Covered payroll	\$ 204,576,622	\$ 197,783,340	\$ 192,905,783	\$ 191,520,532	\$ 184,213,231
Contributions as a percentage of covered payroll	3.77 %	4.30 %	4.84 %	5.01 %	5.15 %
Public Employee's Retirement System (PERS) Plan 2/3	2022	2021	2020	2019	2018
Statutorily or contractually required contributions	\$ 11,641,886	\$ 12,554,112	\$ 13,444,216	\$ 13,102,168	\$ 12,317,780
Contributions in relation to the statutorily or contractually required contributions	\$ (11,641,886)	\$ (12,554,112)	\$ (13,444,216)	\$ (13,102,168)	\$ (12,317,780)
Contribution deficiency (excess)	\$ —	\$ —	\$ —	\$ —	\$ —
Covered payroll	\$ 183,048,496	\$ 176,181,461	\$ 169,742,787	\$ 169,651,711	\$ 164,246,021
Contributions as a percentage of covered payroll	6.36 %	7.13 %	7.92 %	7.72 %	7.50 %
Public Safety Employee's Retirement System (PSERS) Plan 2	2022	2021	2020	2019	2018
Statutorily or contractually required contributions	\$ 1,377,629	\$ 1,439,071	\$ 1,585,414	\$ 1,438,506	\$ 1,215,714
Contributions in relation to the statutorily or contractually required contributions	\$ (1,377,629)	\$ (1,439,071)	\$ (1,585,414)	\$ (1,438,506)	\$ (1,215,714)
Contribution deficiency (excess)	\$ —	\$ —	\$ —	\$ —	\$ —
Covered payroll	\$ 21,083,708	\$ 21,050,806	\$ 22,022,770	\$ 20,153,302	\$ 17,746,645
Contributions as a percentage of covered payroll	6.53 %	6.84 %	7.20 %	7.14 %	6.85 %
Law Enforcement Officers' and Fire Fighters' Retirement System (LEOFF) Plan 1	2022	2021	2020	2019	2018
Statutorily or contractually required contributions	\$ —	\$ —	\$ —	\$ —	\$ —
Contributions in relation to the statutorily or contractually required contributions	\$ —	\$ —	\$ —	\$ —	\$ —
Contribution deficiency (excess)	\$ —	\$ —	\$ —	\$ —	\$ —
Covered payroll	\$ —	\$ —	\$ —	\$ —	\$ 9,388
Contributions as a percentage of covered payroll	0.00 %	0.00 %	0.00 %	0.00 %	0.00 %
Law Enforcement Officers' and Fire Fighters' Retirement System (LEOFF) Plan 2	2022	2021	2020	2019	2018
Statutorily or contractually required contributions	\$ 1,833,107	\$ 1,766,296	\$ 1,753,615	\$ 1,714,590	\$ 1,570,411
Contributions in relation to the statutorily or contractually required contributions	\$ (1,833,107)	\$ (1,766,296)	\$ (1,753,615)	\$ (1,714,590)	\$ (1,570,411)
Contribution deficiency (excess)	\$ —	\$ —	\$ —	\$ —	\$ —
Covered payroll	\$ 35,802,880	\$ 34,400,852	\$ 34,050,684	\$ 32,982,211	\$ 29,912,605
Contributions as a percentage of covered payroll	5.12 %	5.13 %	5.15 %	5.20 %	5.25 %

Notes to Schedule:

- Covered payroll is the payroll on which contribution to a pension plan are based.
- The RSI schedule for Employer Contribution will be built prospectively until it contains ten years of data.

Schedule of Employer Contributions
Fiscal Year Ended December 31
Last 10 Fiscal Years*

Public Employee's Retirement System (PERS) Plan 1	2017	2016	2015	2014
Statutorily or contractually required contributions	\$ 8,824,960	\$ 8,282,395	\$ 7,287,628	\$ 6,768,308
Contributions in relation to the statutorily or contractually required contributions	\$ (8,824,960)	\$ (8,282,395)	\$ (7,287,628)	\$ (6,768,308)
Contribution deficiency (excess)	\$ —	\$ —	\$ —	\$ —
Covered payroll	\$ 176,137,494	\$ 169,194,388	\$ 161,386,889	\$ 162,686,046
Contributions as a percentage of covered payroll	5.01 %	4.90 %	4.52 %	4.16 %
Public Employee's Retirement System (PERS) Plan 2/3	2017	2016	2015	2014
Statutorily or contractually required contributions	\$ 10,716,957	\$ 9,669,931	\$ 8,336,907	\$ 7,463,164
Contributions in relation to the statutorily or contractually required contributions	\$ (10,716,957)	\$ (9,669,931)	\$ (8,336,907)	\$ (7,463,164)
Contribution deficiency (excess)	\$ —	\$ —	\$ —	\$ —
Covered payroll	\$ 156,044,149	\$ 150,869,349	\$ 143,388,626	\$ 144,210,093
Contributions as a percentage of covered payroll	6.87 %	6.41 %	5.81 %	5.18 %
Public Safety Employee's Retirement System (PSERS) Plan 2	2017	2016	2015	2014
Statutorily or contractually required contributions	\$ 1,151,285	\$ 1,016,186	\$ 959,178	\$ 944,721
Contributions in relation to the statutorily or contractually required contributions	\$ (1,151,285)	\$ (1,016,186)	\$ (959,178)	\$ (944,721)
Contribution deficiency (excess)	\$ —	\$ —	\$ —	\$ —
Covered payroll	\$ 17,280,592	\$ 15,010,156	\$ 14,417,157	\$ 14,501,390
Contributions as a percentage of covered payroll	6.66 %	6.77 %	6.65 %	6.51 %
Law Enforcement Officers' and Fire Fighters' Retirement System (LEOFF) Plan 1	2017	2016	2015	2014
Statutorily or contractually required contributions	\$ —	\$ —	\$ —	\$ 181
Contributions in relation to the statutorily or contractually required contributions	\$ —	\$ —	\$ —	\$ (181)
Contribution deficiency (excess)	\$ —	\$ —	\$ —	\$ —
Covered payroll	\$ 93,883	\$ —	\$ —	\$ 100,374
Contributions as a percentage of covered payroll	0.00 %	0.00 %	0.00 %	0.18 %
Law Enforcement Officers' and Fire Fighters' Retirement System (LEOFF) Plan 2	2017	2016	2015	2014
Statutorily or contractually required contributions	\$ 1,552,239	\$ 1,388,109	\$ 1,385,668	\$ 1,350,939
Contributions in relation to the statutorily or contractually required contributions	\$ (1,552,239)	\$ (1,388,109)	\$ (1,385,668)	\$ (1,350,939)
Contribution deficiency (excess)	\$ —	\$ —	\$ —	\$ —
Covered payroll	\$ 30,172,900	\$ 26,541,262	\$ 26,494,598	\$ 25,830,473
Contributions as a percentage of covered payroll	5.14 %	5.23 %	5.23 %	5.23 %

Notes to Schedule:

- Covered payroll is the payroll on which contribution to a pension plan are based.
- The RSI schedule for Employer Contribution will be built prospectively until it contains ten years of data.

Schedule of Changes in Total OPEB Liability and Related Ratios
 For the Year Ended December 31
 Last 10 Fiscal Years*

**Law Enforcement Officers' and
 Fire Fighters'**

Retirement System (LEOFF) Plan 1

	2022	2021	2020	2019	2018
Total OPEB Liability-beginning	\$ 5,056,634	\$ 5,332,447	\$ 11,581,115	\$ 11,071,740	\$ 11,922,980
Service cost	—	—	—	—	—
Interest	99,993	108,774	305,806	437,087	396,982
Changes of benefit terms	—	—	—	—	—
Differences between expected and actual experience	(680,960)	—	(5,748,952)	—	—
Changes of assumptions	(496,272)	18,641	35,091	888,981	(465,406)
Benefit payments	(405,173)	(403,228)	(840,613)	(816,693)	(782,816)
Other changes	—	—	—	—	—
Total OPEB Liability-ending	<u>\$ 3,574,222</u>	<u>\$ 5,056,634</u>	<u>\$ 5,332,447</u>	<u>\$ 11,581,115</u>	<u>\$ 11,071,740</u>
Covered-employee payroll	—	—	—	—	—
Total OPEB liability as a % of covered payroll	0.00%	0.00%	0.00%	0.00%	0.00%

Notes to Schedule:

- Until a full 10-year trend is completed, only information for these years available is presented.
- No assets are accumulated in a trust that meets the criteria in paragraph 4 of GASB 75.
- There is no total covered payroll during the fiscal year because there are no active employees.
- The changes in assumptions include a change in mortality rates, and the discount rate. See Note 4.A in the Notes to the financial statements for additional information.

Snohomish County
Schedule of Expenditures of Federal Awards
For the Year Ended December 31, 2022

Federal Agency (Pass-Through Agency)	Expenditures							
	Federal Program	ALN Number	Other Award Number	From Pass- Through Awards	From Direct Awards	Total	Passed through to Subrecipients	Note
Child Nutrition Cluster								
FOOD AND NUTRITION SERVICE, AGRICULTURE, DEPARTMENT OF (via USDA Food and Nutrition Services)	School Breakfast Program	10.553	227WAWA3M11 99	632	-	632	-	
FOOD AND NUTRITION SERVICE, AGRICULTURE, DEPARTMENT OF (via USDA Food and Nutrition Services)	National School Lunch Program	10.555	227WAWA3M11 99	1,345	-	1,345	-	
Total Child Nutrition Cluster:				1,977	-	1,977	-	
FOOD AND NUTRITION SERVICE, AGRICULTURE, DEPARTMENT OF (via WA State Department of Social and Health Services)	Senior Farmers Market Nutrition Program	10.576	2169-20179	19,984	-	19,984	18,000	
Forest Service Schools and Roads Cluster								
FOREST SERVICE, AGRICULTURE, DEPARTMENT OF (via WA State Treasurer)	Schools and Roads - Grants to States	10.665	N/A	46,068	-	46,068	-	
FOREST SERVICE, AGRICULTURE, DEPARTMENT OF (via WA State Treasurer)	Schools and Roads - Grants to States	10.665	N/A	279,701	-	279,701	-	
Total Forest Service Schools and Roads Cluster:				325,769	-	325,769	-	
NATIONAL OCEANIC AND ATMOSPHERIC ADMINISTRATION, COMMERCE, DEPARTMENT OF (via WA State Recreation and Conservation Office)	Pacific Coast Salmon Recovery Pacific Salmon Treaty Program	11.438	19-1147P	63,803	-	63,803	-	

The accompanying notes are an integral part of this schedule.

Snohomish County
Schedule of Expenditures of Federal Awards
For the Year Ended December 31, 2022

Federal Agency (Pass-Through Agency)	Federal Program	ALN Number	Other Award Number	Expenditures			Passed through to Subrecipients	Note
				From Pass- Through Awards	From Direct Awards	Total		
NATIONAL OCEANIC AND ATMOSPHERIC ADMINISTRATION, COMMERCE, DEPARTMENT OF (via WA State Recreation and Conservation Office)	Pacific Coast Salmon Recovery Pacific Salmon Treaty Program	11.438	19-1151	18,229	-	18,229	-	
			Total ALN 11.438:	82,032	-	82,032	-	
NATIONAL OCEANIC AND ATMOSPHERIC ADMINISTRATION, COMMERCE, DEPARTMENT OF	Habitat Conservation	11.463		-	300,000	300,000	-	
CDBG - Entitlement Grants Cluster								
ASSISTANT SECRETARY FOR COMMUNITY PLANNING AND DEVELOPMENT, HOUSING AND URBAN DEVELOPMENT, DEPARTMENT OF	Community Development Block Grants/Entitlement Grants	14.218		-	65,168	65,168	64,445	
ASSISTANT SECRETARY FOR COMMUNITY PLANNING AND DEVELOPMENT, HOUSING AND URBAN DEVELOPMENT, DEPARTMENT OF	Community Development Block Grants/Entitlement Grants	14.218		-	4,529	4,529	-	
ASSISTANT SECRETARY FOR COMMUNITY PLANNING AND DEVELOPMENT, HOUSING AND URBAN DEVELOPMENT, DEPARTMENT OF	Community Development Block Grants/Entitlement Grants	14.218		-	10,709	10,709	-	
ASSISTANT SECRETARY FOR COMMUNITY PLANNING AND DEVELOPMENT, HOUSING AND URBAN DEVELOPMENT, DEPARTMENT OF	Community Development Block Grants/Entitlement Grants	14.218		-	125,546	125,546	124,422	

The accompanying notes are an integral part of this schedule.

Snohomish County
Schedule of Expenditures of Federal Awards
For the Year Ended December 31, 2022

Federal Agency (Pass-Through Agency)	Federal Program	ALN Number	Other Award Number	Expenditures			Passed through to Subrecipients	Note
				From Pass- Through Awards	From Direct Awards	Total		
ASSISTANT SECRETARY FOR COMMUNITY PLANNING AND DEVELOPMENT, HOUSING AND URBAN DEVELOPMENT, DEPARTMENT OF	COVID 19 - Community Development Block Grants/Entitlement Grants	14.218	-	-	766,324	766,324	724,292	
ASSISTANT SECRETARY FOR COMMUNITY PLANNING AND DEVELOPMENT, HOUSING AND URBAN DEVELOPMENT, DEPARTMENT OF	Community Development Block Grants/Entitlement Grants	14.218	-	-	1,370,811	1,370,811	1,096,371	
ASSISTANT SECRETARY FOR COMMUNITY PLANNING AND DEVELOPMENT, HOUSING AND URBAN DEVELOPMENT, DEPARTMENT OF	Community Development Block Grants/Entitlement Grants	14.218	-	-	475,667	475,667	244,504	
Total CDBG - Entitlement Grants Cluster:				-	2,818,754	2,818,754	2,254,034	
ASSISTANT SECRETARY FOR COMMUNITY PLANNING AND DEVELOPMENT, HOUSING AND URBAN DEVELOPMENT, DEPARTMENT OF (via WA State Department of Commerce)	COVID 19 - Community Development Block Grants/State's program and Non-Entitlement Grants in Hawaii	14.228	20-6221C-165	265,882	-	265,882	244,054	
ASSISTANT SECRETARY FOR COMMUNITY PLANNING AND DEVELOPMENT, HOUSING AND URBAN DEVELOPMENT, DEPARTMENT OF (via WA State Department of Commerce)	COVID 19 - Emergency Solutions Grant Program	14.231	20-4613C-124	2,673,678	-	2,673,678	2,589,973	
ASSISTANT SECRETARY FOR COMMUNITY PLANNING AND DEVELOPMENT, HOUSING AND URBAN DEVELOPMENT, DEPARTMENT OF (via WA State Department of Commerce)	Emergency Solutions Grant Program	14.231	21-46107-010	377,072	-	377,072	377,072	

The accompanying notes are an integral part of this schedule.

Snohomish County
Schedule of Expenditures of Federal Awards
For the Year Ended December 31, 2022

Federal Agency (Pass-Through Agency)	Federal Program	ALN Number	Other Award Number	Expenditures			Passed through to Subrecipients	Note
				From Pass- Through Awards	From Direct Awards	Total		
ASSISTANT SECRETARY FOR COMMUNITY PLANNING AND DEVELOPMENT, HOUSING AND URBAN DEVELOPMENT, DEPARTMENT OF	COVID 19 - Emergency Solutions Grant Program	14.231	-	-	4,115,260	4,115,260	2,982,205	
ASSISTANT SECRETARY FOR COMMUNITY PLANNING AND DEVELOPMENT, HOUSING AND URBAN DEVELOPMENT, DEPARTMENT OF	Emergency Solutions Grant Program	14.231	-	-	82,241	82,241	82,241	
ASSISTANT SECRETARY FOR COMMUNITY PLANNING AND DEVELOPMENT, HOUSING AND URBAN DEVELOPMENT, DEPARTMENT OF	Emergency Solutions Grant Program	14.231	-	-	135,171	135,171	96,395	
Total ALN 14.231:				3,050,750	4,332,672	7,383,422	6,127,886	
ASSISTANT SECRETARY FOR COMMUNITY PLANNING AND DEVELOPMENT, HOUSING AND URBAN DEVELOPMENT, DEPARTMENT OF	Home Investment Partnerships Program	14.239	-	-	14,000	14,000	14,000	
ASSISTANT SECRETARY FOR COMMUNITY PLANNING AND DEVELOPMENT, HOUSING AND URBAN DEVELOPMENT, DEPARTMENT OF	Home Investment Partnerships Program	14.239	-	-	500,000	500,000	-	
ASSISTANT SECRETARY FOR COMMUNITY PLANNING AND DEVELOPMENT, HOUSING AND URBAN DEVELOPMENT, DEPARTMENT OF	Home Investment Partnerships Program	14.239	-	-	980,000	980,000	-	

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Federal Agency (Pass-Through Agency)	Federal Program	ALN Number	Expenditures				Passed through to Subrecipients	Note
			Other Award Number	From Pass- Through Awards	From Direct Awards	Total		
ASSISTANT SECRETARY FOR COMMUNITY PLANNING AND DEVELOPMENT, HOUSING AND URBAN DEVELOPMENT, DEPARTMENT OF	Home Investment Partnerships Program	14.239	-	-	1,318,859	1,318,859	33,113	
ASSISTANT SECRETARY FOR COMMUNITY PLANNING AND DEVELOPMENT, HOUSING AND URBAN DEVELOPMENT, DEPARTMENT OF	Home Investment Partnerships Program	14.239	-	-	174,120	174,120	80,058	
ASSISTANT SECRETARY FOR COMMUNITY PLANNING AND DEVELOPMENT, HOUSING AND URBAN DEVELOPMENT, DEPARTMENT OF	COVID 19 - Home Investment Partnerships Program	14.239	-	-	23,701	23,701	-	
			Total ALN 14.239:				127,171	
ASSISTANT SECRETARY FOR COMMUNITY PLANNING AND DEVELOPMENT, HOUSING AND URBAN DEVELOPMENT, DEPARTMENT OF	Continuum of Care Program	14.267	-	-	5,030,199	5,030,199	4,663,444	
ASSISTANT SECRETARY FOR COMMUNITY PLANNING AND DEVELOPMENT, HOUSING AND URBAN DEVELOPMENT, DEPARTMENT OF	Continuum of Care Program	14.267	-	-	479,213	479,213	479,213	
ASSISTANT SECRETARY FOR COMMUNITY PLANNING AND DEVELOPMENT, HOUSING AND URBAN DEVELOPMENT, DEPARTMENT OF	Continuum of Care Program	14.267	-	-	5,387,125	5,387,125	4,998,820	

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Federal Agency (Pass-Through Agency)	Federal Program	ALN Number	Expenditures				Passed through to Subrecipients	Note
			Other Award Number	From Pass- Through Awards	From Direct Awards	Total		
ASSISTANT SECRETARY FOR COMMUNITY PLANNING AND DEVELOPMENT, HOUSING AND URBAN DEVELOPMENT, DEPARTMENT OF	Continuum of Care Program	14.267		-	13,459	13,459	13,459	
Total ALN 14.267:			-		10,909,996	10,909,996	10,154,936	
OFFICE OF JUSTICE PROGRAMS, JUSTICE, DEPARTMENT OF (via WA State Department of Commerce)	Crime Victim Assistance	16.575	22-31101-528	38,367	-	38,367	-	
OFFICE ON VIOLENCE AGAINST WOMEN, JUSTICE, DEPARTMENT OF (via WA State Department of Commerce)	Violence Against Women Formula Grants	16.588	F21-31103-033	32,170	-	32,170	-	
OFFICE OF JUSTICE PROGRAMS, JUSTICE, DEPARTMENT OF (via WA State Department of Commerce)	Edward Byrne Memorial Justice Assistance Grant Program	16.738	F20-31440-011	172,804	-	172,804	-	
OFFICE OF JUSTICE PROGRAMS, JUSTICE, DEPARTMENT OF (via Guardians ad Litem Association for Children)	Court Appointed Special Advocates	16.756	WA10595-21- 0722-NB	18,544	-	18,544	-	
OFFICE OF JUSTICE PROGRAMS, JUSTICE, DEPARTMENT OF (via Guardians ad Litem Association for Children)	Court Appointed Special Advocates	16.756	WA10595-21- 1022-G1	19,535	-	19,535	-	
Total ALN 16.756:			38,079	-	-	38,079	-	

WIOA Cluster

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Snohomish County
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Federal Agency (Pass-Through Agency)	Federal Program	ALN Number	Other Award Number	Expenditures			Passed through to Subrecipients	Note
				From Pass- Through Awards	From Direct Awards	Total		
EMPLOYMENT AND TRAINING ADMINISTRATION, LABOR, DEPARTMENT OF (via WA Employment Security Department)	WIOA Adult Program	17.258	N/A	89,676	-	89,676	-	
EMPLOYMENT AND TRAINING ADMINISTRATION, LABOR, DEPARTMENT OF (via WA Employment Security Department)	WIOA Youth Activities	17.259	N/A	98,174	-	98,174	-	
EMPLOYMENT AND TRAINING ADMINISTRATION, LABOR, DEPARTMENT OF (via WA Employment Security Department)	WIOA Dislocated Worker Formula Grants	17.278	N/A	96,316	-	96,316	-	
Total WIOA Cluster:				284,166	-	284,166	-	
FEDERAL AVIATION ADMINISTRATION, TRANSPORTATION, DEPARTMENT OF	Airport Improvement Program, COVID-19 Airports Programs, and Infrastructure Investment and Jobs Act Programs	20.106		-	1,164,672	1,164,672	-	
FEDERAL AVIATION ADMINISTRATION, TRANSPORTATION, DEPARTMENT OF	Airport Improvement Program, COVID-19 Airports Programs, and Infrastructure Investment and Jobs Act Programs	20.106		-	4,576,813	4,576,813	-	
FEDERAL AVIATION ADMINISTRATION, TRANSPORTATION, DEPARTMENT OF	COVID 19 - Airport Improvement Program, COVID-19 Airports Programs, and Infrastructure Investment and Jobs Act Programs	20.106		-	3,075,665	3,075,665	-	

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Federal Agency (Pass-Through Agency)	Federal Program	ALN Number	Other Award Number	Expenditures			Passed through to Subrecipients	Note
				From Pass- Through Awards	From Direct Awards	Total		
			Total ALN 20.106:	-	8,817,150	8,817,150	-	
Highway Planning and Construction Cluster								
FEDERAL HIGHWAY ADMINISTRATION, TRANSPORTATION, DEPARTMENT OF (via WA State Department of Transportation)	Highway Planning and Construction	20.205	NHFP-NHPP- 2576(008)	108,140	-	108,140	-	
FEDERAL HIGHWAY ADMINISTRATION, TRANSPORTATION, DEPARTMENT OF (via WA State Department of Transportation)	Highway Planning and Construction	20.205	NHPP-Z931 (005)	60,536	-	60,536	-	
FEDERAL HIGHWAY ADMINISTRATION, TRANSPORTATION, DEPARTMENT OF (via WA State Department of Transportation)	Highway Planning and Construction	20.205	BROS-2031 (113)	5,606	-	5,606	-	
FEDERAL HIGHWAY ADMINISTRATION, TRANSPORTATION, DEPARTMENT OF (via WA State Department of Transportation)	Highway Planning and Construction	20.205	BRS-L311(006)	221,785	-	221,785	-	
FEDERAL HIGHWAY ADMINISTRATION, TRANSPORTATION, DEPARTMENT OF (via WA State Department of Transportation)	Highway Planning and Construction	20.205	BRM-2563(002)	261,417	-	261,417	-	
FEDERAL HIGHWAY ADMINISTRATION, TRANSPORTATION, DEPARTMENT OF (via WA State Department of Transportation)	Highway Planning and Construction	20.205	BHS-K311(001)	806,277	-	806,277	-	

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Federal Agency (Pass-Through Agency)	Federal Program	ALN Number	Other Award Number	Expenditures			Passed through to Subrecipients	Note
				From Pass- Through Awards	From Direct Awards	Total		
FEDERAL HIGHWAY ADMINISTRATION, TRANSPORTATION, DEPARTMENT OF (via WA State Department of Transportation)	Highway Planning and Construction	20.205	BHM-2639(002)	31,135	-	31,135	-	
FEDERAL HIGHWAY ADMINISTRATION, TRANSPORTATION, DEPARTMENT OF (via WA State Department of Transportation)	Highway Planning and Construction	20.205	BHS-X310(010)	37,343	-	37,343	-	
FEDERAL HIGHWAY ADMINISTRATION, TRANSPORTATION, DEPARTMENT OF (via WA State Department of Transportation)	Highway Planning and Construction	20.205	BROS-2031 (115)	7,669	-	7,669	-	
FEDERAL HIGHWAY ADMINISTRATION, TRANSPORTATION, DEPARTMENT OF (via WA State Department of Transportation)	Highway Planning and Construction	20.205	STPUL-2031 (114)	49,323	-	49,323	-	
FEDERAL HIGHWAY ADMINISTRATION, TRANSPORTATION, DEPARTMENT OF (via WA State Department of Transportation)	Highway Planning and Construction	20.205	STPUL-9931 (019)	269,511	-	269,511	-	
FEDERAL HIGHWAY ADMINISTRATION, TRANSPORTATION, DEPARTMENT OF (via WA State Department of Transportation)	Highway Planning and Construction	20.205	STPUL-2575 (003)	2,431	-	2,431	-	
FEDERAL HIGHWAY ADMINISTRATION, TRANSPORTATION, DEPARTMENT OF (via WA State Department of Transportation)	Highway Planning and Construction	20.205	STPUL-9931 (022)	3,332	-	3,332	-	

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Snohomish County
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For the Year Ended December 31, 2022

Federal Agency (Pass-Through Agency)	Federal Program	ALN Number	Other Award Number	Expenditures			Passed through to Subrecipients	Note
				From Pass- Through Awards	From Direct Awards	Total		
FEDERAL HIGHWAY ADMINISTRATION, TRANSPORTATION, DEPARTMENT OF (via WA State Department of Transportation)	Highway Planning and Construction	20.205	HSIP-000S (622)	121,703	-	121,703	-	
FEDERAL HIGHWAY ADMINISTRATION, TRANSPORTATION, DEPARTMENT OF (via WA State Department of Transportation)	Highway Planning and Construction	20.205	CM-STPUL- 2031(112)	2,330,192	-	2,330,192	-	
FEDERAL HIGHWAY ADMINISTRATION, TRANSPORTATION, DEPARTMENT OF (via WA State Department of Transportation)	Highway Planning and Construction	20.205	CM-9931(018)	247,507	-	247,507	-	
FEDERAL HIGHWAY ADMINISTRATION, TRANSPORTATION, DEPARTMENT OF (via WA State Department of Transportation)	Highway Planning and Construction	20.205	HSIP-000S (550)	5,313	-	5,313	-	
FEDERAL HIGHWAY ADMINISTRATION, TRANSPORTATION, DEPARTMENT OF (via WA State Department of Transportation)	Highway Planning and Construction	20.205	HSIP-2740(001)	328,425	-	328,425	-	
FEDERAL HIGHWAY ADMINISTRATION, TRANSPORTATION, DEPARTMENT OF (via WA State Department of Transportation)	Highway Planning and Construction	20.205	HSIP-000S (630)	1,710	-	1,710	-	
FEDERAL HIGHWAY ADMINISTRATION, TRANSPORTATION, DEPARTMENT OF (via WA State Department of Transportation)	Highway Planning and Construction	20.205	ER-0701(063)	5,968,600	-	5,968,600	-	

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Federal Agency (Pass-Through Agency)	Federal Program	ALN Number	Other Award Number	Expenditures			Passed through to Subrecipients	Note
				From Pass- Through Awards	From Direct Awards	Total		
FEDERAL HIGHWAY ADMINISTRATION, TRANSPORTATION, DEPARTMENT OF (via WA State Department of Transportation)	Highway Planning and Construction	20.205	ER-2003(076)	41,415	-	41,415	-	
FEDERAL HIGHWAY ADMINISTRATION, TRANSPORTATION, DEPARTMENT OF (via WA State Department of Transportation)	Highway Planning and Construction	20.205	ER-2003(082)	122,014	-	122,014	-	
FEDERAL HIGHWAY ADMINISTRATION, TRANSPORTATION, DEPARTMENT OF (via WA State Department of Transportation)	Highway Planning and Construction	20.205	ER-2003(095)	113,242	-	113,242	-	
Total Highway Planning and Construction Cluster:				11,144,626	-	11,144,626	-	
FEDERAL RAILROAD ADMINISTRATION, TRANSPORTATION, DEPARTMENT OF	Consolidated Rail Infrastructure and Safety Improvements	20.325		-	2,502,982	2,502,982	-	
Highway Safety Cluster								
NATIONAL HIGHWAY TRAFFIC SAFETY ADMINISTRATION, TRANSPORTATION, DEPARTMENT OF (via WA Traffic Safety Commission)	State and Community Highway Safety	20.600	2023-HVE-4961 -Region 10 Target Zero	1,901	-	1,901	-	
NATIONAL HIGHWAY TRAFFIC SAFETY ADMINISTRATION, TRANSPORTATION, DEPARTMENT OF (via WA Traffic Safety Commission)	State and Community Highway Safety	20.600	2021-Sub- Grants-4129- Region 10 Target Zero	68,258	-	68,258	-	

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Snohomish County
Schedule of Expenditures of Federal Awards
For the Year Ended December 31, 2022

Federal Agency (Pass-Through Agency)	Federal Program	ALN Number	Other Award Number	Expenditures			Passed through to Subrecipients	Note
				From Pass- Through Awards	From Direct Awards	Total		
NATIONAL HIGHWAY TRAFFIC SAFETY ADMINISTRATION, TRANSPORTATION, DEPARTMENT OF (via WA Traffic Safety Commission)	State and Community Highway Safety	20.600	2021-Sub- Grants-4129- Region 10 Target Zero	4,185	-	4,185	-	
NATIONAL HIGHWAY TRAFFIC SAFETY ADMINISTRATION, TRANSPORTATION, DEPARTMENT OF (via WA Traffic Safety Commission)	State and Community Highway Safety	20.600	2022-HVE-4451 -Region 10 Target Zero	3,632	-	3,632	-	
NATIONAL HIGHWAY TRAFFIC SAFETY ADMINISTRATION, TRANSPORTATION, DEPARTMENT OF (via WA Traffic Safety Commission)	State and Community Highway Safety	20.600	2023-HVE-4961 -Region 10 Target Zero	836	-	836	-	
NATIONAL HIGHWAY TRAFFIC SAFETY ADMINISTRATION, TRANSPORTATION, DEPARTMENT OF (via WA Traffic Safety Commission)	State and Community Highway Safety	20.600	2023-HVE-4451 -Region 10 Target Zero	4,267	-	4,267	-	
Total ALN 20.600:				83,079	-	83,079	-	
NATIONAL HIGHWAY TRAFFIC SAFETY ADMINISTRATION, TRANSPORTATION, DEPARTMENT OF (via WA Traffic Safety Commission)	National Priority Safety Programs	20.616	2022 Website Domain & Hosting	250	-	250	-	
Total Highway Safety Cluster:				83,329	-	83,329	-	
NATIONAL HIGHWAY TRAFFIC SAFETY ADMINISTRATION, TRANSPORTATION, DEPARTMENT OF (via WA Traffic Safety Commission)	Minimum Penalties for Repeat Offenders for Driving While Intoxicated	20.608	2021-Sub- Grants-4129- Region 10 T2M	1,802	-	1,802	-	

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Federal Agency (Pass-Through Agency)	Federal Program	ALN Number	Other Award Number	Expenditures			Passed through to Subrecipients	Note
				From Pass- Through Awards	From Direct Awards	Total		
DEPARTMENTAL OFFICES, TREASURY, DEPARTMENT OF THE (via WA State Department of Commerce)	COVID 19 - Emergency Rental Assistance Program	21.023	21-4616C-124	2,925,052	-	2,925,052	2,925,052	
DEPARTMENTAL OFFICES, TREASURY, DEPARTMENT OF THE (via WA State Department of Commerce)	COVID 19 - Emergency Rental Assistance Program	21.023	21-4618C-124	32,721,689	-	32,721,689	32,691,088	
DEPARTMENTAL OFFICES, TREASURY, DEPARTMENT OF THE	COVID 19 - Emergency Rental Assistance Program	21.023		-	3,206,284	3,206,284	3,206,284	
DEPARTMENTAL OFFICES, TREASURY, DEPARTMENT OF THE	COVID 19 - Emergency Rental Assistance Program	21.023		-	20,772,739	20,772,739	20,700,043	
			Total ALN 21.023:	35,646,741	23,979,023	59,625,764	59,522,467	
DEPARTMENTAL OFFICES, TREASURY, DEPARTMENT OF THE	COVID 19 - CORONAVIRUS STATE AND LOCAL FISCAL RECOVERY FUNDS	21.027		-	33,089,658	33,089,658	8,598,349	
DEPARTMENTAL OFFICES, TREASURY, DEPARTMENT OF THE (via WA State Department of Commerce)	COVID 19 - CORONAVIRUS STATE AND LOCAL FISCAL RECOVERY FUNDS	21.027	21-4619C-124	5,981,291	-	5,981,291	5,950,023	
			Total ALN 21.027:	5,981,291	33,089,658	39,070,949	14,548,372	
ENVIRONMENTAL PROTECTION AGENCY, ENVIRONMENTAL PROTECTION AGENCY (via WA Department of Fish and Wildlife)	Geographic Programs - Puget Sound Action Agenda: Technical Investigations and Implementation Assistance Program	66.123	20-15679	174,602	-	174,602	-	

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				From Pass- Through Awards	From Direct Awards	Total		
ENVIRONMENTAL PROTECTION AGENCY, ENVIRONMENTAL PROTECTION AGENCY (via WA Department of Fish and Wildlife)	Geographic Programs - Puget Sound Action Agenda: Technical Investigations and Implementation Assistance Program	66.123	21-17080	29,632	-	29,632	-	
ENVIRONMENTAL PROTECTION AGENCY, ENVIRONMENTAL PROTECTION AGENCY (via WA Department of Health)	Geographic Programs - Puget Sound Action Agenda: Technical Investigations and Implementation Assistance Program	66.123	GVL25404-2	198,100	-	198,100	-	
Total ALN 66.123:				402,334	-	402,334	-	
ENVIRONMENTAL PROTECTION AGENCY, ENVIRONMENTAL PROTECTION AGENCY (via Puget Sound Partnership)	National Estuary Program	66.456	2022-23	89,175	-	89,175	-	
ENVIRONMENTAL PROTECTION AGENCY, ENVIRONMENTAL PROTECTION AGENCY (via Puget Sound Partnership)	National Estuary Program	66.456	2023-26	18,216	-	18,216	-	
ENVIRONMENTAL PROTECTION AGENCY, ENVIRONMENTAL PROTECTION AGENCY (via Department of Ecology)	National Estuary Program	66.456	SEANWS-2021- SnCoPW-00005	38,480	-	38,480	-	
Total ALN 66.456:				145,871	-	145,871	-	
ENERGY, DEPARTMENT OF, ENERGY, DEPARTMENT OF (via WA State Department of Commerce)	Weatherization Assistance for Low- Income Persons	81.042	F21-53103-422	126,787	-	126,787	84,378	

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ENERGY, DEPARTMENT OF, ENERGY, DEPARTMENT OF (via WA State Department of Commerce)	Weatherization Assistance for Low- Income Persons	81.042	F22-53103-422	112,670	-	112,670	64,434	
			Total ALN 81.042:	239,457	-	239,457	148,812	
Bonneville Power Administraton (BPA) (via WA State Department of Commerce)	BPA Weatherization Assistance Program	81.U01	F21-53104-422	164,902	-	164,902	99,474	
OFFICE OF SPECIAL EDUCATION AND REHABILITATIVE SERVICES, EDUCATION, DEPARTMENT OF (via WA State Department of Children, Youth and Families)	COVID 19 - Special Education-Grants for Infants and Families	84.181	22-1189-02	137,688	-	137,688	130,803	
OFFICE OF SPECIAL EDUCATION AND REHABILITATIVE SERVICES, EDUCATION, DEPARTMENT OF (via WA State Department of Children, Youth and Families)	Special Education- Grants for Infants and Families	84.181	22-1189-02	995,993	-	995,993	615,618	
			Total ALN 84.181:	1,133,681	-	1,133,681	746,421	
ADMINISTRATION FOR COMMUNITY LIVING (ACL), HEALTH AND HUMAN SERVICES, DEPARTMENT OF (via WA State Department of Social and Health Services)	Special Programs for the Aging, Title VII, Chapter 3, Programs for Prevention of Elder Abuse, Neglect, and Exploitation	93.041	2269-38388	1,162	-	1,162	1,162	

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ADMINISTRATION FOR COMMUNITY LIVING (ACL), HEALTH AND HUMAN SERVICES, DEPARTMENT OF (via WA State Department of Social and Health Services)	COVID 19 - Special Programs for the Aging, Title VII, Chapter 2, Long Term Care Ombudsman Services for Older Individuals	93.042	2069-80548	7,007	-	7,007	7,007	
ADMINISTRATION FOR COMMUNITY LIVING (ACL), HEALTH AND HUMAN SERVICES, DEPARTMENT OF (via WA State Department of Social and Health Services)	Special Programs for the Aging, Title III, Part D, Disease Prevention and Health Promotion Services	93.043	2169-97593	43,293	-	43,293	43,293	
ADMINISTRATION FOR COMMUNITY LIVING (ACL), HEALTH AND HUMAN SERVICES, DEPARTMENT OF (via WA State Department of Social and Health Services)	Special Programs for the Aging, Title III, Part D, Disease Prevention and Health Promotion Services	93.043	2269-38388	33,584	-	33,584	33,584	
Total ALN 93.043:				76,877	-	76,877	76,877	
Aging Cluster								
ADMINISTRATION FOR COMMUNITY LIVING (ACL), HEALTH AND HUMAN SERVICES, DEPARTMENT OF (via WA State Department of Social and Health Services)	COVID 19 - Special Programs for the Aging, Title III, Part B, Grants for Supportive Services and Senior Centers	93.044	2169-30888	139,411	-	139,411	123,007	
ADMINISTRATION FOR COMMUNITY LIVING (ACL), HEALTH AND HUMAN SERVICES, DEPARTMENT OF (via WA State Department of Social and Health Services)	COVID 19 - Special Programs for the Aging, Title III, Part B, Grants for Supportive Services and Senior Centers	93.044	2069-80548	55,039	-	55,039	49,912	

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ADMINISTRATION FOR COMMUNITY LIVING (ACL), HEALTH AND HUMAN SERVICES, DEPARTMENT OF (via WA State Department of Social and Health Services)	Special Programs for the Aging, Title III, Part B, Grants for Supportive Services and Senior Centers	93.044	2169-97593	146,559	-	146,559	121,215	
ADMINISTRATION FOR COMMUNITY LIVING (ACL), HEALTH AND HUMAN SERVICES, DEPARTMENT OF (via WA State Department of Social and Health Services)	COVID 19 - Special Programs for the Aging, Title III, Part B, Grants for Supportive Services and Senior Centers	93.044	2169-97593	86,071	-	86,071	77,454	
ADMINISTRATION FOR COMMUNITY LIVING (ACL), HEALTH AND HUMAN SERVICES, DEPARTMENT OF (via WA State Department of Social and Health Services)	Special Programs for the Aging, Title III, Part B, Grants for Supportive Services and Senior Centers	93.044	2269-38388	335,984	-	335,984	273,578	
ADMINISTRATION FOR COMMUNITY LIVING (ACL), HEALTH AND HUMAN SERVICES, DEPARTMENT OF (via WA State Department of Social and Health Services)	COVID 19 - Special Programs for the Aging, Title III, Part B, Grants for Supportive Services and Senior Centers	93.044	2269-40263	1,593	-	1,593	1,144	
Total ALN 93.044:				764,657	-	764,657	646,310	
ADMINISTRATION FOR COMMUNITY LIVING (ACL), HEALTH AND HUMAN SERVICES, DEPARTMENT OF (via WA State Department of Social and Health Services)	COVID 19 - Special Programs for the Aging, Title III, Part C, Nutrition Services	93.045	2169-30888	191,376	-	191,376	173,928	

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ADMINISTRATION FOR COMMUNITY LIVING (ACL), HEALTH AND HUMAN SERVICES, DEPARTMENT OF (via WA State Department of Social and Health Services)	COVID 19 - Special Programs for the Aging, Title III, Part C; Nutrition Services	93.045	2169-30888	254,959	-	254,959	232,781	
ADMINISTRATION FOR COMMUNITY LIVING (ACL), HEALTH AND HUMAN SERVICES, DEPARTMENT OF (via WA State Department of Social and Health Services)	Special Programs for the Aging, Title III, Part C; Nutrition Services	93.045	2169-97593	665,839	-	665,839	603,253	
ADMINISTRATION FOR COMMUNITY LIVING (ACL), HEALTH AND HUMAN SERVICES, DEPARTMENT OF (via WA State Department of Social and Health Services)	Special Programs for the Aging, Title III, Part C; Nutrition Services	93.045	2269-38388	121,812	-	121,812	113,168	
ADMINISTRATION FOR COMMUNITY LIVING (ACL), HEALTH AND HUMAN SERVICES, DEPARTMENT OF (via WA State Department of Social and Health Services)	Special Programs for the Aging, Title III, Part C; Nutrition Services	93.045	2169-97593	315,018	-	315,018	294,859	
ADMINISTRATION FOR COMMUNITY LIVING (ACL), HEALTH AND HUMAN SERVICES, DEPARTMENT OF (via WA State Department of Social and Health Services)	Special Programs for the Aging, Title III, Part C; Nutrition Services	93.045	2269-38388	441,962	-	441,962	404,111	
Total ALN 93.045:				1,990,966	-	1,990,966	1,822,100	

The accompanying notes are an integral part of this schedule.

Snohomish County
Schedule of Expenditures of Federal Awards
For the Year Ended December 31, 2022

Federal Agency (Pass-Through Agency)	Federal Program	ALN Number	Other Award Number	Expenditures			Passed through to Subrecipients	Note
				From Pass- Through Awards	From Direct Awards	Total		
ADMINISTRATION FOR COMMUNITY LIVING (ACL), HEALTH AND HUMAN SERVICES, DEPARTMENT OF (via WA State Department of Social and Health Services)	Nutrition Services Incentive Program	93.053	2169-97593	23,463	-	23,463	23,463	
ADMINISTRATION FOR COMMUNITY LIVING (ACL), HEALTH AND HUMAN SERVICES, DEPARTMENT OF (via WA State Department of Social and Health Services)	Nutrition Services Incentive Program	93.053	2269-38388	137,822	-	137,822	137,822	
Total ALN 93.053:				161,285	-	161,285	161,285	
Total Aging Cluster:				2,916,908	-	2,916,908	2,629,695	
ADMINISTRATION FOR COMMUNITY LIVING (ACL), HEALTH AND HUMAN SERVICES, DEPARTMENT OF (via WA State Department of Social and Health Services)	COVID 19 - Special Programs for the Aging, Title IV, and Title II, Discretionary Projects	93.048	2069-84886	40,356	-	40,356	36,127	
ADMINISTRATION FOR COMMUNITY LIVING (ACL), HEALTH AND HUMAN SERVICES, DEPARTMENT OF (via WA State Department of Social and Health Services)	COVID 19 - Special Programs for the Aging, Title IV, and Title II, Discretionary Projects	93.048	2169-23665	7,493	-	7,493	6,423	
Total ALN 93.048:				47,849	-	47,849	42,550	
ADMINISTRATION FOR COMMUNITY LIVING (ACL), HEALTH AND HUMAN SERVICES, DEPARTMENT OF (via WA State Department of Social and Health Services)	National Family Caregiver Support, Title III, Part E	93.052	2169-97593	163,689	-	163,689	149,086	

The accompanying notes are an integral part of this schedule.

Snohomish County
Schedule of Expenditures of Federal Awards
For the Year Ended December 31, 2022

Federal Agency (Pass-Through Agency)	Federal Program	ALN Number	Other Award Number	Expenditures			Passed through to Subrecipients	Note
				From Pass- Through Awards	From Direct Awards	Total		
ADMINISTRATION FOR COMMUNITY LIVING (ACL), HEALTH AND HUMAN SERVICES, DEPARTMENT OF (via WA State Department of Social and Health Services)	COVID 19 - National Family Caregiver Support, Title III, Part E	93.052	2169-30888	9,272	-	9,272	-	
ADMINISTRATION FOR COMMUNITY LIVING (ACL), HEALTH AND HUMAN SERVICES, DEPARTMENT OF (via WA State Department of Social and Health Services)	National Family Caregiver Support, Title III, Part E	93.052	2269-38388	131,964	-	131,964	113,918	
Total ALN 93.052:				304,925	-	304,925	263,004	
ADMINISTRATION FOR CHILDREN AND FAMILIES, HEALTH AND HUMAN SERVICES, DEPARTMENT OF (via WA State Department of Social and Health Services)	Child Support Enforcement	93.563	2110-80559	268,804	-	268,804	-	
ADMINISTRATION FOR CHILDREN AND FAMILIES, HEALTH AND HUMAN SERVICES, DEPARTMENT OF (via WA State Department of Social and Health Services)	Child Support Enforcement	93.563	2110-80559	807,750	-	807,750	-	
ADMINISTRATION FOR CHILDREN AND FAMILIES, HEALTH AND HUMAN SERVICES, DEPARTMENT OF (via WA State Department of Social and Health Services)	Child Support Enforcement	93.563	2110-80559	2,269,780	-	2,269,780	-	
Total ALN 93.563:				3,346,334	-	3,346,334	-	

The accompanying notes are an integral part of this schedule.

Snohomish County
Schedule of Expenditures of Federal Awards
For the Year Ended December 31, 2022

Federal Agency (Pass-Through Agency)	Federal Program	ALN Number	Other Award Number	Expenditures			Passed through to Subrecipients	Note
				From Pass- Through Awards	From Direct Awards	Total		
ADMINISTRATION FOR CHILDREN AND FAMILIES, HEALTH AND HUMAN SERVICES, DEPARTMENT OF (via WA State Department of Social and Health Services)	Refugee and Entrant Assistance State/Replacement Designee Administered Programs	93.566	2263-39512	1,272,747	-	1,272,747	1,223,940	
ADMINISTRATION FOR CHILDREN AND FAMILIES, HEALTH AND HUMAN SERVICES, DEPARTMENT OF (via WA State Department of Commerce)	Low-Income Home Energy Assistance	93.568	F19-53101-422	166,441	-	166,441	146,326	
ADMINISTRATION FOR CHILDREN AND FAMILIES, HEALTH AND HUMAN SERVICES, DEPARTMENT OF (via WA State Department of Commerce)	Low-Income Home Energy Assistance	93.568	F21-53101-422	351,734	-	351,734	200,858	
ADMINISTRATION FOR CHILDREN AND FAMILIES, HEALTH AND HUMAN SERVICES, DEPARTMENT OF (via WA State Department of Commerce)	Low-Income Home Energy Assistance	93.568	F21-5310C-422	641,725	-	641,725	361,237	
ADMINISTRATION FOR CHILDREN AND FAMILIES, HEALTH AND HUMAN SERVICES, DEPARTMENT OF (via WA State Department of Commerce)	Low-Income Home Energy Assistance	93.568	21-32606-081	1,843,049	-	1,843,049	-	

The accompanying notes are an integral part of this schedule.

Snohomish County
Schedule of Expenditures of Federal Awards
For the Year Ended December 31, 2022

Federal Agency (Pass-Through Agency)	Federal Program	ALN Number	Other Award Number	Expenditures			Passed through to Subrecipients	Note
				From Pass- Through Awards	From Direct Awards	Total		
ADMINISTRATION FOR CHILDREN AND FAMILIES, HEALTH AND HUMAN SERVICES, DEPARTMENT OF (via WA State Department of Commerce)	Low-Income Home Energy Assistance	93.568	21-32607-081	354,388	-	354,388	-	
ADMINISTRATION FOR CHILDREN AND FAMILIES, HEALTH AND HUMAN SERVICES, DEPARTMENT OF (via WA State Department of Commerce)	COVID 19 - Low- Income Home Energy Assistance	93.568	21-3260A-081	4,079,070	-	4,079,070	-	
Total ALN 93.568:				7,436,407	-	7,436,407	708,421	
ADMINISTRATION FOR CHILDREN AND FAMILIES, HEALTH AND HUMAN SERVICES, DEPARTMENT OF (via WA State Department of Commerce)	COVID 19 - Community Services Block Grant	93.569	F20-3210C-026	477,407	-	477,407	315,534	
ADMINISTRATION FOR CHILDREN AND FAMILIES, HEALTH AND HUMAN SERVICES, DEPARTMENT OF (via WA State Department of Commerce)	Community Services Block Grant	93.569	F21-32101-026	495,166	-	495,166	-	
ADMINISTRATION FOR CHILDREN AND FAMILIES, HEALTH AND HUMAN SERVICES, DEPARTMENT OF (via WA State Department of Commerce)	Community Services Block Grant	93.569	F22-32101-026	169,775	-	169,775	-	
Total ALN 93.569:				1,142,348	-	1,142,348	315,534	
Head Start Cluster								

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Snohomish County
Schedule of Expenditures of Federal Awards
For the Year Ended December 31, 2022

Federal Agency (Pass-Through Agency)	Federal Program	ALN Number	Other Award Number	Expenditures			Passed through to Subrecipients	Note
				From Pass- Through Awards	From Direct Awards	Total		
ADMINISTRATION FOR CHILDREN AND FAMILIES, HEALTH AND HUMAN SERVICES, DEPARTMENT OF	COVID 19 - Head Start	93.600	-	-	6,023	6,023	-	
ADMINISTRATION FOR CHILDREN AND FAMILIES, HEALTH AND HUMAN SERVICES, DEPARTMENT OF	Head Start	93.600	-	-	1,176,952	1,176,952	-	
ADMINISTRATION FOR CHILDREN AND FAMILIES, HEALTH AND HUMAN SERVICES, DEPARTMENT OF	COVID 19 - Head Start	93.600	-	-	67,188	67,188	-	
Total Head Start Cluster:				-	1,250,163	1,250,163	-	
Medicaid Cluster								
CENTERS FOR MEDICARE AND MEDICAID SERVICES, HEALTH AND HUMAN SERVICES, DEPARTMENT OF (via WA State Department of Social and Health Services)	Medical Assistance Program	93.778	2169-20179	111,217	-	111,217	24,174	
CENTERS FOR MEDICARE AND MEDICAID SERVICES, HEALTH AND HUMAN SERVICES, DEPARTMENT OF (via WA State Department of Social and Health Services)	Medical Assistance Program	93.778	2169-20179	2,346,485	-	2,346,485	-	
CENTERS FOR MEDICARE AND MEDICAID SERVICES, HEALTH AND HUMAN SERVICES, DEPARTMENT OF (via WA State Department of Social and Health Services)	Medical Assistance Program	93.778	2269-43432	127,681	-	127,681	36,840	

The accompanying notes are an integral part of this schedule.

Snohomish County
Schedule of Expenditures of Federal Awards
For the Year Ended December 31, 2022

Federal Agency (Pass-Through Agency)	Federal Program	ALN Number	Other Award Number	Expenditures			Passed through to Subrecipients	Note
				From Pass- Through Awards	From Direct Awards	Total		
CENTERS FOR MEDICARE AND MEDICAID SERVICES, HEALTH AND HUMAN SERVICES, DEPARTMENT OF (via WA State Department of Social and Health Services)	Medical Assistance Program	93.778	2269-43432	2,956,828	-	2,956,828	-	
	Total Medicaid Cluster:			5,542,211	-	5,542,211	61,014	
CENTERS FOR MEDICARE AND MEDICAID SERVICES, HEALTH AND HUMAN SERVICES, DEPARTMENT OF (via WA State Department of Social and Health Services)	Money Follows the Person Rebalancing Demonstration	93.791	2169-20179	7,771	-	7,771	-	
CENTERS FOR MEDICARE AND MEDICAID SERVICES, HEALTH AND HUMAN SERVICES, DEPARTMENT OF (via WA State Department of Social and Health Services)	Money Follows the Person Rebalancing Demonstration	93.791	2269-43432	12,664	-	12,664	-	
			Total ALN 93.791:	20,435	-	20,435	-	
SUBSTANCE ABUSE AND MENTAL HEALTH SERVICES ADMINISTRATION, HEALTH AND HUMAN SERVICES, DEPARTMENT OF (via North Sound Behavioral Health Administrative Services Organization)	Block Grants for Community Mental Health Services	93.958	North Sound BH-ASO- Snohomish County ICCN- 20	45,071	-	45,071	-	

The accompanying notes are an integral part of this schedule.

Snohomish County
Schedule of Expenditures of Federal Awards
For the Year Ended December 31, 2022

Federal Agency (Pass-Through Agency)	Federal Program	ALN Number	Other Award Number	Expenditures			Passed through to Subrecipients	Note
				From Pass- Through Awards	From Direct Awards	Total		
SUBSTANCE ABUSE AND MENTAL HEALTH SERVICES ADMINISTRATION, HEALTH AND HUMAN SERVICES, DEPARTMENT OF (via WA State Health Care Authority)	Block Grants for Prevention and Treatment of Substance Abuse	93.959	K5738	1,083,487	-	1,083,487	1,083,487	
SUBSTANCE ABUSE AND MENTAL HEALTH SERVICES ADMINISTRATION, HEALTH AND HUMAN SERVICES, DEPARTMENT OF (via North Sound Behavioral Health Administrative Services Organization)	COVID 19 - Block Grants for Prevention and Treatment of Substance Abuse	93.959	North Sound BH-ASO-Snohomish County ICCN-20	19,440	-	19,440	-	
SUBSTANCE ABUSE AND MENTAL HEALTH SERVICES ADMINISTRATION, HEALTH AND HUMAN SERVICES, DEPARTMENT OF (via North Sound Behavioral Health Administrative Services Organization)	Block Grants for Prevention and Treatment of Substance Abuse	93.959	North Sound BH-ASO-Snohomish County ICCN-20	134,127	-	134,127	-	
Total ALN 93.959:				1,237,054	-	1,237,054	1,083,487	
EXECUTIVE OFFICE OF THE PRESIDENT, EXECUTIVE OFFICE OF THE PRESIDENT	High Intensity Drug Trafficking Areas Program	95.001		-	5,652	5,652	-	
EXECUTIVE OFFICE OF THE PRESIDENT, EXECUTIVE OFFICE OF THE PRESIDENT	High Intensity Drug Trafficking Areas Program	95.001		-	101,229	101,229	-	
EXECUTIVE OFFICE OF THE PRESIDENT, EXECUTIVE OFFICE OF THE PRESIDENT	High Intensity Drug Trafficking Areas Program	95.001		-	130,210	130,210	-	
Total ALN 95.001:				-	237,091	237,091	-	

The accompanying notes are an integral part of this schedule.

Snohomish County
Schedule of Expenditures of Federal Awards
For the Year Ended December 31, 2022

Federal Agency (Pass-Through Agency)	Federal Program	ALN Number	Other Award Number	Expenditures			Passed through to Subrecipients	Note
				From Pass- Through Awards	From Direct Awards	Total		
U.S. COAST GUARD, HOMELAND SECURITY, DEPARTMENT OF (via WA State Parks and Recreation Commission)	Boating Safety Financial Assistance	97.012	MLE-1236	12,302	-	12,302	-	
FEDERAL EMERGENCY MANAGEMENT AGENCY, HOMELAND SECURITY, DEPARTMENT OF (via WA State Military Department)	Flood Mitigation Assistance	97.029	E19-130	78,203	-	78,203	-	
FEDERAL EMERGENCY MANAGEMENT AGENCY, HOMELAND SECURITY, DEPARTMENT OF (via WA State Military Department)	Flood Mitigation Assistance	97.029	E20-185	206,274	-	206,274	-	
Total ALN 97.029:				284,477	-	284,477	-	
FEDERAL EMERGENCY MANAGEMENT AGENCY, HOMELAND SECURITY, DEPARTMENT OF (via WA State Military Department)	Disaster Grants - Public Assistance (Presidentially Declared Disasters)	97.036	D16-647	119,656	-	119,656	-	4
FEDERAL EMERGENCY MANAGEMENT AGENCY, HOMELAND SECURITY, DEPARTMENT OF (via WA State Military Department)	Hazard Mitigation Grant	97.039	D21-029	2,889	-	2,889	-	
FEDERAL EMERGENCY MANAGEMENT AGENCY, HOMELAND SECURITY, DEPARTMENT OF (via WA State Military Department)	Hazard Mitigation Grant	97.039	D21-030	3,751	-	3,751	-	

The accompanying notes are an integral part of this schedule.

Snohomish County
Schedule of Expenditures of Federal Awards
For the Year Ended December 31, 2022

Federal Agency (Pass-Through Agency)	Federal Program	ALN Number	Other Award Number	Expenditures			Passed through to Subrecipients	Note
				From Pass- Through Awards	From Direct Awards	Total		
FEDERAL EMERGENCY MANAGEMENT AGENCY, HOMELAND SECURITY, DEPARTMENT OF (via WA State Military Department)	Hazard Mitigation Grant	97.039	D22-006	303,094	-	303,094	-	
FEDERAL EMERGENCY MANAGEMENT AGENCY, HOMELAND SECURITY, DEPARTMENT OF (via WA State Military Department)	Hazard Mitigation Grant	97.039	D22-023	19,597	-	19,597	-	
Total ALN 97.039:				329,331	-	329,331	-	
FEDERAL EMERGENCY MANAGEMENT AGENCY, HOMELAND SECURITY, DEPARTMENT OF (via WA State Military Department)	Emergency Management Performance Grants	97.042	E21-155	74,004	-	74,004	-	
FEDERAL EMERGENCY MANAGEMENT AGENCY, HOMELAND SECURITY, DEPARTMENT OF (via WA State Military Department)	Emergency Management Performance Grants	97.042	E22-281	31,619	-	31,619	-	
FEDERAL EMERGENCY MANAGEMENT AGENCY, HOMELAND SECURITY, DEPARTMENT OF (via WA State Military Department)	Emergency Management Performance Grants	97.042	E22-171	327,501	-	327,501	-	
FEDERAL EMERGENCY MANAGEMENT AGENCY, HOMELAND SECURITY, DEPARTMENT OF (via WA State Military Department)	Emergency Management Performance Grants	97.042	E23-196	80,164	-	80,164	-	

The accompanying notes are an integral part of this schedule.

Snohomish County
Schedule of Expenditures of Federal Awards
For the Year Ended December 31, 2022

Federal Agency (Pass-Through Agency)	Federal Program	ALN Number	Other Award Number	Expenditures			Passed through to Subrecipients	Note
				From Pass- Through Awards	From Direct Awards	Total		
FEDERAL EMERGENCY MANAGEMENT AGENCY, HOMELAND SECURITY, DEPARTMENT OF (via WA State Military Department)	Emergency Management Performance Grants	97.042	E22-171	96,000	-	96,000	-	
			Total ALN 97.042:	609,288	-	609,288	-	
FEDERAL EMERGENCY MANAGEMENT AGENCY, HOMELAND SECURITY, DEPARTMENT OF (via WA State Military Department)	BRIC: Building Resilient Infrastructure and Communities	97.047	E19-171	8,781	-	8,781	-	
FEDERAL EMERGENCY MANAGEMENT AGENCY, HOMELAND SECURITY, DEPARTMENT OF (via WA State Military Department)	Homeland Security Grant Program	97.067	E20-068	162,048	-	162,048	-	
FEDERAL EMERGENCY MANAGEMENT AGENCY, HOMELAND SECURITY, DEPARTMENT OF (via WA State Military Department)	Homeland Security Grant Program	97.067	E20-101	347,818	-	347,818	50,401	
FEDERAL EMERGENCY MANAGEMENT AGENCY, HOMELAND SECURITY, DEPARTMENT OF (via WA State Military Department)	Homeland Security Grant Program	97.067	E21-096	138,683	-	138,683	101,953	
FEDERAL EMERGENCY MANAGEMENT AGENCY, HOMELAND SECURITY, DEPARTMENT OF (via WA State Military Department)	Homeland Security Grant Program	97.067	E21-101	296,995	-	296,995	-	
			Total ALN 97.067:	945,544	-	945,544	152,354	

The accompanying notes are an integral part of this schedule.

Snohomish County
Schedule of Expenditures of Federal Awards
For the Year Ended December 31, 2022

Federal Agency (Pass-Through Agency)	Federal Program	ALN Number	Other Award Number	Expenditures			Passed through to Subrecipients	Note
				From Pass- Through Awards	From Direct Awards	Total		
FEDERAL EMERGENCY MANAGEMENT AGENCY, HOMELAND SECURITY, DEPARTMENT OF	Regional Catastrophic Preparedness Grant Program (RCPGP)	97.111		-	549,649	549,649	-	
Total Federal Awards Expended:				84,962,728	91,797,818	176,760,546	100,556,672	

The accompanying notes are an integral part of this schedule.

NOTES TO THE SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS

NOTE 1 - BASIS OF ACCOUNTING

The Schedule of Expenditures of Federal Awards is prepared on the same basis of accounting as the County's financial statements. The County uses the modified accrual basis for its governmental fund types and the accrual basis of accounting for the proprietary and fiduciary fund types.

NOTE 2 – INDIRECT COST RATE

For 2022, Snohomish County has elected to use the 10% de minimis indirect cost rate allowed under the Uniform Guidance.

NOTE 3 - PROGRAM COSTS

The amounts shown as current year expenditures represent only the federal award portion of the program costs. Entire program costs, including the County's portion, are more than shown. Such expenditures are recognized following the cost principles contained in Title 2 U.S. Code of Federal Regulations Part 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards, wherein certain types of expenditures are not allowable or are limited as to reimbursement.

NOTE 4 – PRIOR YEAR GRANT EXPENDITURES

For 2022, Snohomish County reported \$119,656 of FEMA grant expenditures that were not reported in prior years.

CORRECTIVE ACTION PLAN FOR FINDINGS REPORTED UNDER UNIFORM GUIDANCE

Snohomish County
January 1, 2022 through December 31, 2022

This schedule presents the corrective action planned by the County for findings reported in this report in accordance with Title 2 *U.S. Code of Federal Regulations* (CFR) Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance).

Finding ref number: 2022-001	Finding caption: The County's internal controls were inadequate for ensuring major funds were properly presented in its financial statements.
Name, address, and telephone of County contact person: Teresa Levine 3000 Rockefeller Avenue, Everett, WA 98201 (425) 388-3308	
Corrective action the auditee plans to take in response to the finding: <i>The County confirms that the Emergency Communications Systems & Facilities Fund should have been reported as a major fund in the 2022 financial statements. The County originally presented it in the "Other Governmental Funds" column on the Governmental Fund Statement, rather than a separate major fund column. The financial statement classification was corrected immediately and is reflected accurately in the financial statements. County staff reviewed the calculation in depth, however the formula error was not caught in our new ACFR reporting software. This has now been corrected in our new system.</i>	
Anticipated date to complete the corrective action: Corrected in 2022 ACFR	

Finding ref number: 2022-002	Finding caption: The County had inadequate internal controls for ensuring compliance with the Housing Quality Standards inspection requirements of its Home Investment Partnerships Program.
Name, address, and telephone of County contact person: Jackie Anderson 3000 Rockefeller Avenue, Everett, WA 98201 (425) 388-3237	
Corrective action the auditee plans to take in response to the finding: <p><i>The County disagrees that there were inadequate controls. The County has had and does have procedures for conducting physical inspections in conformance with statutory and regulatory guidance and maintains a database for tracking inspections due and completed. Those procedures were suspended as a direct result of the COVID-19 pandemic and associated federal, state, and local directives and guidance. The County has been fully aware of the institution of U.S. Department of Housing and Urban Development (HUD) waiver of the requirement to conduct physical inspections of HOME units as well as their notification that inspections should be resumed. The County communicated with HUD regarding the suspension of HOME inspections during the public health emergency and continuing COVID-19 protocols that impacted the timing for resuming inspections. The County planned for the resumption of inspections and updated those plans based on the COVID-19 emergency and protocols at the federal, state, and local levels which did not align with the end of the HUD waiver nationally. The County and state COVID-19 health emergency did not end until October 31, 2022 and the federal COVID-19 National Public Health emergency did not end until May 11, 2023. The County planned for safely resuming physical inspections at the end of the federal emergency declaration taking into consideration the risk for County staff, agency staff, and tenants to best address the regulatory requirements during this global pandemic. The County communicated with the HUD Seattle Field Office on the planned resumption of HOME unit inspections. In addition to communications with HUD, the information was included in the HUD Consolidated Annual Performance and Evaluation Report (CAPER). The CAPER provides annual reporting on performance, including the HOME Program. HUD approved the 2021 (July 2021 – June 2022) CAPER which indicated the County did not perform inspections during this timeframe due to the COVID 19 pandemic. The 2022 CAPER (July 2022 -June 2023) is currently in the public comment phase to be submitted in September 2023. It includes an update on inspections consistent with the information provided to HUD that the County was still under COVID 19 protocols during almost all of that timeframe and planned to resume inspections in 2023 as was to be included in the 2022 CAPER in conformance with HUD guidance. The County resumed HOME inspections in June 2023 utilizing our standard protocols and controls.</i></p>	
Anticipated date to complete the corrective action: The County has resumed HOME inspections as of June 2023.	

Finding ref number: 2022-003	Finding caption: The County did not have adequate internal controls for ensuring federal match contributions from subrecipients were adequately supported.
Name, address, and telephone of County contact person: Jackie Anderson 3000 Rockefeller Avenue, Everett, WA 98201 (425) 388-3237	
Corrective action the auditee plans to take in response to the finding: <p><i>The County does have established internal controls for matching requirements. These controls include remote review of Program Income and Match Reports (summary, GL for cash match, in-kind summary sheet), first and last month review of source documentation, additional requests for backup documentation if concerns are identified, monthly staff review of match report sheet breaking down reported match amounts by eligible category for each agency providing in-kind match, and onsite review of match source documentation for selected months other than first/last month. The County's contract language for agencies to provide the match documentation was further detailed in a memo to CoC agencies. The memo identified the types of documentation agencies are to submit, and that the agencies are not expected to provide all source documentation on months 2-11. The County wrote the contract language to generally require match documentation monthly and implemented its intent specifically through the memo.</i></p> <p><i>CFR part 578.73 requires the recipient or subrecipient to document and maintain match documentation. The County as recipient and CoC subrecipients maintained source documentation. One of the agencies for which supporting documentation was requested during the audit, did not have adequate time to provide the documentation, as the agency had moved offices and most of the support documentation had not been unboxed. Another factor was some of the support documentation contains HIPAA-covered personal identifiable information (PII) that needs to be handled and maintain under strict confidential requirements. This would require additional time to redact PII to maintain confidentiality. The agency was able to provide most but not all of the support documentation by the deadline under these statutory restrictions.</i></p> <p><i>While we do have established internal controls, the County was unable to perform onsite match monitoring during 2022 due to staff turnover and Covid-19 restrictions. Labor market conditions during 2022 were extremely challenging, and as a result it took a considerable amount of time to fill the Housing and Community Services Financial Compliance Officer 1 (FCO1) position. The FCO1 performs remote and onsite monitoring activities for cash and in-kind match and works closely with program staff and fiscal staff. The position was filled with onboarding and training occurring in the later part of 2022 and first part of 2023. Onsite and remote FCO1 match monitoring resumed in 2023 and the FCO1 will review current practices to recommend possible improvements for implementation.</i></p>	
Anticipated date to complete the corrective action: June 30, 2024.	

ABOUT THE STATE AUDITOR'S OFFICE

The State Auditor's Office is established in the Washington State Constitution and is part of the executive branch of state government. The State Auditor is elected by the people of Washington and serves four-year terms.

We work with state agencies, local governments and the public to achieve our vision of increasing trust in government by helping governments work better and deliver higher value.

In fulfilling our mission to provide citizens with independent and transparent examinations of how state and local governments use public funds, we hold ourselves to those same standards by continually improving our audit quality and operational efficiency, and by developing highly engaged and committed employees.

As an agency, the State Auditor's Office has the independence necessary to objectively perform audits, attestation engagements and investigations. Our work is designed to comply with professional standards as well as to satisfy the requirements of federal, state and local laws. The Office also has an extensive quality control program and undergoes regular external peer review to ensure our work meets the highest possible standards of accuracy, objectivity and clarity.

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