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STATEMENT OF NET ASSETS

December 31, 2006

(In Thousands)

	Primary Government				Component
	Governmental Activities	Business-Type Activities	Comparative Totals		Unit
			2006	Restated 2005	Seattle Public Library Foundation
ASSETS					
<i>Current Assets</i>					
Operating Cash and Equity in Pooled Investments	\$ 503,529	\$ 187,816	\$ 691,345	\$ 618,123	\$ 4,270
Restricted Cash and Equity in Pooled Investments	-	51,396	51,396	24,273	-
Investments	-	-	-	-	42,969
Receivables, Net of Allowances	85,144	202,622	287,766	246,332	2,348
Restricted Investments	-	54,858	54,858	53,149	-
Restricted Investment Interest Receivables	-	1,041	1,041	265	-
Internal Balances	15,762	(15,946)	(184)	(1)	-
Due from Other Governments	72,250	6,638	78,888	85,360	-
Inventories	3,230	28,857	32,087	29,346	-
Prepaid and Other Current Assets	153	1,311	1,464	1,643	10
<i>Noncurrent Assets</i>					
Restricted Cash and Equity in Pooled Investments	31	49,095	49,126	54,656	-
Restricted Investments	-	35,224	35,224	-	-
Unamortized Debt Costs	2,674	15,150	17,824	18,455	-
Contracts and Notes	258,859	91	258,950	255,708	-
Capitalized Purchased Power Commitment	-	15,402	15,402	25,891	-
Deferred Conservation Costs, Net	-	176,070	176,070	157,648	-
Deferred Landfill Closure and Postclosure Costs, Net	-	33,406	33,406	35,585	-
Net Pension Asset	78,064	-	78,064	78,064	-
Deferred Muckleshoot Settlement Costs	-	3,000	3,000	18,000	-
Other Deferred Charges and Noncurrent Assets	22,373	159,408	181,781	157,312	5,036
Capital Assets, Net of Accumulated Depreciation					
Land and Land Rights	401,606	84,508	486,114	439,693	-
Plant in Service, Excluding Land	-	2,768,892	2,768,892	2,647,666	-
Buildings and Improvements	1,356,121	53,542	1,409,663	1,341,936	-
Machinery and Equipment	94,284	8,916	103,200	100,587	11
Infrastructure	479,914	-	479,914	480,294	-
Construction in Progress	245,488	230,226	475,714	411,870	-
Other Capital Assets	10,023	16,733	26,756	42,385	-
Total Assets	3,629,505	4,168,256	7,797,761	7,324,240	54,644

The accompanying notes are an integral part of these financial statements.

Government-wide Financial Statements

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STATEMENT OF NET ASSETS

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December 31, 2006

(In Thousands)

	Primary Government				Component Unit
			Comparative Totals		Seattle Public Library Foundation
	Governmental Activities	Business-Type Activities	2006	Restated 2005	
LIABILITIES					
<i>Current Liabilities</i>					
Accounts Payable	\$ 57,636	\$ 63,686	\$ 121,322	\$ 134,809	\$ 391
Salaries, Benefits, and Taxes Payable	28,461	15,064	43,525	40,535	-
Matured Bonds and Interest Payable	-	-	-	20	-
Contracts Payable	4,510	191	4,701	4,602	-
Due to Other Governments	8,540	8,046	16,586	14,969	-
Interest Payable	13,522	35,991	49,513	49,035	-
Street Refund Payable	-	7	7	3,864	-
Taxes Payable	40	10,372	10,412	9,695	-
Deposits Payable	1,012	-	1,012	1,182	-
Deferred Credits	7,505	10,233	17,738	14,049	1,013
Current Portion of Long-Term Debt					
Bonds and Revenue Anticipation Notes Payable	57,025	123,516	180,541	181,927	-
Special Assessment Bonds with Governmental Commitment	1,220	-	1,220	-	-
Accrued Interest - Deferred Interest Bonds	-	555	555	459	-
Compensated Absences Payable	13,656	2,033	15,689	15,731	-
Purchased Power Obligation	-	11,770	11,770	11,240	-
Notes and Contracts Payable	2,581	4,723	7,304	7,863	-
Claims Payable	24,113	15,110	39,223	37,248	-
Habitat Conservation Program Liability	-	3,356	3,356	-	-
Muckleshoot Settlement Liability	-	1,495	1,495	18,000	-
Landfill Closure and Postclosure Liability	-	5,410	5,410	1,610	-
Arbitrage Rebate Liability	-	-	-	-	-
Other Current Liabilities	281	2,782	3,063	2,893	-
<i>Noncurrent Liabilities</i>					
Bonds and Anticipation Notes Payable, Net of					
Unamortized Premiums, Discounts, and Other	700,908	2,595,264	3,296,172	3,264,771	-
Accrued Interest - Deferred Interest Bonds	-	3,691	3,691	3,570	-
Special Assessment Bonds with Governmental Commitment	20,705	-	20,705	-	-
Compensated Absences Payable	44,674	19,389	64,063	61,152	-
Claims Payable	35,039	24,549	59,588	71,112	-
Notes and Contracts Payable	21,928	6,220	28,148	28,836	-
Purchased Power Obligation	-	3,632	3,632	14,651	-
Landfill Closure and Postclosure Liability	-	22,873	22,873	27,672	-
Vendor Deposits Payable	31	372	403	533	-
Habitat Conservation Program Liability	-	11,447	11,447	-	-
Deferred Credits	308,865	62,008	370,873	329,932	-
Arbitrage Rebate Liability	-	-	-	106	-
Other Noncurrent Liabilities	852	1,071	1,923	1,290	-
Total Liabilities	1,353,104	3,064,856	4,417,960	4,353,356	1,404
NET ASSETS					
Invested in Capital Assets, Net of Related Debt	1,825,203	813,091	2,638,294	2,343,807	11
Restricted for					
Debt Service	25,621	7,983	33,604	38,587	-
Contingency Reserve Account	-	25,000	25,000	25,000	-
Capital Projects	136,925	-	136,925	91,319	241
Education and Development Services	15,373	-	15,373	12,472	17,382
Special Deposits	3,229	75	3,304	3,153	-
Deferred Conservation and Environmental Costs	-	7,153	7,153	53,147	-
Bonneville Power Administration Projects	-	1,872	1,872	3,676	-
Deferred External Infrastructure Costs	-	9,245	9,245	31,513	-
Muckleshoot Settlement	-	421	421	-	-
Other Deferred Charges	-	7,412	7,412	29,428	-
Other Purposes	-	-	-	-	162
Nonexpendable	2,190	-	2,190	2,196	24,482
Unrestricted	267,862	231,148	499,010	336,586	10,962
Total Net Assets	\$ 2,276,403	\$ 1,103,400	\$ 3,379,803	\$ 2,970,884	\$ 53,240

The accompanying notes are an integral part of these financial statements.

STATEMENT OF ACTIVITIES
For the Year Ended December 31, 2006
(In Thousands)

Functions/Programs	Program Expenses		Program Revenues		
	Expenses	Indirect Expenses	Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions
GOVERNMENTAL ACTIVITIES					
General Government	\$ 128,825	\$ (1,448)	\$ 51,071	\$ 11,958	\$ -
Judicial	20,344	-	17,852	507	-
Public Safety	354,827	(744)	14,422	11,587	753
Physical Environment	7,331	-	1,587	24	-
Transportation	87,103	507	25,306	13,578	30,438
Economic Environment	78,957	-	7,519	26,100	3,246
Health and Human Services	56,904	-	62	25,613	-
Culture and Recreation	215,081	-	62,768	4,484	17,736
Interest on Long-Term Debt	35,399	-	-	-	-
Total Governmental Activities	984,771	(1,685)	180,587	93,851	52,173
BUSINESS-TYPE ACTIVITIES					
Light	698,403	760	817,310	1,442	30,386
Water	161,585	358	153,171	282	6,798
Drainage and Wastewater	199,172	206	186,118	187	12,251
Solid Waste	114,414	113	112,474	461	1
Planning and Development	49,956	247	44,655	40	-
Downtown Parking Garage	8,505	-	6,608	-	-
Total Business-Type Activities	1,232,035	1,684	1,320,336	2,412	49,436
Total Government-Wide Activities	<u>\$ 2,216,806</u>	<u>\$ (1)</u>	<u>\$ 1,500,923</u>	<u>\$ 96,263</u>	<u>\$ 101,609</u>
COMPONENT UNIT	\$ 7,795	\$ -	\$ 120	\$ 4,322	\$ -

The accompanying notes are an integral part of these financial statements.

Government-wide Financial Statements

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STATEMENT OF ACTIVITIES

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For the Year Ended December 31, 2006

(In Thousands)

	Net Revenue (Expense) and Changes in Net Assets				Component Unit Seattle Public Library Foundation
	Primary Government				
	Comparative Totals				
	Governmental Activities	Business-Type Activities	2006	2005	
GOVERNMENTAL ACTIVITIES					
General Government	\$ (64,348)	\$ -	\$ (64,348)	\$ (28,548)	
Judicial	(1,985)	-	(1,985)	(1,282)	
Public Safety	(327,321)	-	(327,321)	(298,614)	
Physical Environment	(5,720)	-	(5,720)	(5,041)	
Transportation	(18,288)	-	(18,288)	(15,099)	
Economic Environment	(42,092)	-	(42,092)	(56,434)	
Health and Human Services	(31,229)	-	(31,229)	(33,013)	
Culture and Recreation	(130,093)	-	(130,093)	(118,731)	
Interest on Long-Term Debt	(35,399)	-	(35,399)	(39,539)	
Total Governmental Activities	(656,475)	-	(656,475)	(596,301)	
BUSINESS-TYPE ACTIVITIES					
Light	-	149,975	149,975	76,569	
Water	-	(1,692)	(1,692)	1,967	
Drainage and Wastewater	-	(822)	(822)	(615)	
Solid Waste	-	(1,591)	(1,591)	1,498	
Planning and Development	-	(5,508)	(5,508)	(5,706)	
Downtown Parking Garage	-	(1,897)	(1,897)	(2,234)	
Total Business-Type Activities	-	138,465	138,465	71,479	
Total Government-Wide Activities	(656,475)	138,465	(518,010)	(524,822)	
					\$ (3,353)
COMPONENT UNIT					
General Revenues					
Property Taxes	318,490	-	318,490	311,613	-
Sales Taxes	155,311	-	155,311	146,060	-
Business Taxes	311,015	-	311,015	280,139	-
Excise Taxes	58,397	-	58,397	55,507	-
Other Taxes	4,929	-	4,929	4,636	-
Penalties and Interest on Delinquent Taxes	3,349	-	3,349	2,125	-
Unrestricted Investment Earnings	22,020	16,242	38,262	21,099	5,675
Gain (Loss) on Sale of Capital Assets	35,353	1,823	37,176	3,359	-
Transfers	(9,260)	9,260	-	-	-
Total General Revenues and Transfers	899,604	27,325	926,929	824,538	5,675
Changes in Net Assets	243,129	165,790	408,919	299,716	2,322
Net Assets - Beginning of Year	2,027,895	937,610	2,965,505	2,684,926	50,918
Prior-Year Adjustments	5,379	-	5,379	(13,757)	-
Net Assets - Beginning of Year as Restated	2,033,274	937,610	2,970,884	2,671,169	50,918
Net Assets - End of Year	\$ 2,276,403	\$ 1,103,400	\$ 3,379,803	\$ 2,970,885	\$ 53,240

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