



Washington State Auditor's Office

Government that works for citizens

Financial Statements and Federal Single Audit Report

City of Seattle

King County

For the period January 1, 2015 through December 31, 2015

Published September 30, 2016

Report No. 1017656





Washington State Auditor's Office

September 30, 2016

Mayor and City Council
City of Seattle
Seattle, Washington

Report on Financial Statements and Federal Single Audit

Please find attached our report on the City of Seattle's financial statements and compliance with federal laws and regulations.

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

Sincerely,

TROY KELLEY
STATE AUDITOR
OLYMPIA, WA

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SCHEDULE OF FINDINGS AND QUESTIONED COSTS

**City of Seattle
King County
January 1, 2015 through December 31, 2015**

SECTION I – SUMMARY OF AUDITOR’S RESULTS

The results of our audit of the City of Seattle 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 financial statements of the governmental activities, the business-type activities, each major fund and the aggregate discretely presented component units 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 no deficiencies that we consider to be material weaknesses.

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

Federal Awards

Internal Control over Major Programs:

- *Significant Deficiencies:* We identified 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 City’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>CFDA No.</u>	<u>Program or Cluster Title</u>
14.218	Community Development Block Grants/Entitlement Grants
14.239	Home Investment Partnerships Program
14.267	Continuum of Care Program
16.922	Equitable Sharing Program
93.778	Medical Assistance Program

The dollar threshold used to distinguish between Type A and Type B programs, as prescribed by the Uniform Guidance, was \$2,560,323.

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

SECTION II – FINANCIAL STATEMENT FINDINGS

None reported.

SECTION III – FEDERAL AWARD FINDINGS AND QUESTIONED COSTS

See finding 2015-001 and 2015-002.

**SCHEDULE OF FEDERAL AWARD FINDINGS AND
QUESTIONED COSTS**

**City of Seattle
King County
January 1, 2015 through December 31, 2015**

2015-001 The City did not have adequate internal controls in place to ensure compliance with federal subrecipient monitoring requirements.

CFDA Number and Title:	14.218 Community Development Block Grants/Entitlement Grants
Federal Grantor Name:	U. S. Department of Housing and Urban Development
Federal Award/Contract Number:	B10MC530005, B11MC530005, B12MC530005, B13MC530005, B14MC530005, B15MC530005
Pass-through Entity Name:	NA
Pass-through Award/Contract Number:	NA
Questioned Cost Amount:	\$928,647

Description of Condition

The objective of the Community Development Block Grant program is to develop viable urban communities by providing decent housing, a suitable living environment, and expanding economic opportunities, principally for persons of low and moderate income. The City of Seattle spent \$11.6 million in grant funds from the U. S. Department of Housing and Urban Development. The City’s Human Service Department passed on \$3.8 million to five subrecipients during 2015 to provide homeless assistance to City’s residents.

Federal regulations require the City to perform risk evaluations to evaluate subrecipients’ risk of noncompliance to determine the appropriate level of monitoring. It also requires the City to monitor the subrecipients’ activities to ensure that the subawards are used for authorized purposes which can be accomplished by either requiring subrecipient invoices to contain supporting documentation or reviewing supporting documentation during on-site visits. That monitoring, particularly the on-site visits, is important to ensure that the

subrecipients' administration of programs are appropriate and in compliance with applicable requirements, including those related to allowable and supported costs.

The City requires the subrecipients to submit detailed general ledger reports as part of the request for payment and has a policy for semi-annual on-site visits to review documentation included in the report to ensure the costs are allowable and supported.

The City's process for subrecipient monitoring is not working as intended. During our audit, we found:

- The Human Service Department did not perform risk assessments for the three subrecipients we selected for review.
- For two of the three subrecipients reviewed, the Human Service Department did not obtain supporting documentation with the requests for payment, nor did they perform on-site visits, where a review of documentation to support the costs reimbursed would have been done.

We consider these deficiencies in internal controls to be significant deficiencies.

Cause of Condition

The Department was not aware that risk evaluations are required for all subrecipients receiving money from federal awards.

The Grants and Contracts Specialists who are responsible for approving subrecipient payments and performing on-site visits did not have the necessary training and resources to perform adequate reviews.

Effect of Condition and Questioned Costs

Without adequate internal controls in place, the Department cannot ensure that the subrecipients used the program funds in accordance with the grant agreement and federal requirements.

The Human Service Department paid \$928,647 to two subrecipients without performing on-site visits or requiring adequate supporting documentation for costs incurred. As a result, we are questioning the total amount paid to these subrecipients.

Recommendation

We recommend that the Department establish internal controls to ensure compliance with the subrecipient monitoring requirements including:

- Conduct a risk assessment to evaluate each subrecipient's risk of noncompliance for purposes of determining the appropriate monitoring activities.
- Provide training to program specialists to ensure they have an adequate understanding of federal subrecipient monitoring requirements and Department policies.
- Require subrecipients to provide adequate documentation to support the costs incurred or perform on-site visits that includes a review of source documentation.

City's Response

The City understands the Auditor's concerns regarding inadequate internal controls in place and is taking immediate and long-term corrective actions to ensure compliance with federal subrecipient monitoring requirements going forward.

Auditor's Remarks

We thank the City for its assistance during the audit and will follow up on corrective actions taken during the next audit.

Applicable Laws and Regulations

The American Institute of Certified Public Accountants defines significant deficiencies and material weaknesses in its *Codification of Statements on Auditing Standards*, section 935, as follows:

.11 For purposes of adapting GAAS to a compliance audit, the following terms have the meanings attributed as follows:

Deficiency in 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 on a timely basis. A deficiency in design exists when (a) a control necessary to meet the control objective is missing, or (b) an existing control is not properly designed so that, even if the control operates as designed, the control objective would not be met. A deficiency in operation exists when a properly designed control does not operate as designed or the person performing the control does not possess the

necessary authority or competence to perform the control effectively. . .

Material weakness in internal control over compliance. A deficiency, or combination of deficiencies, in internal control over compliance, such that there is a reasonable possibility that material noncompliance with a compliance requirement will not be prevented, or detected and corrected, on a timely basis. In this section, a reasonable possibility exists when the likelihood of the event is either reasonably possible or probable as defined as follows:

Reasonably possible. The chance of the future event or events occurring is more than remote but less than likely.

Remote. The chance of the future event or events occurring is slight.

Probable. The future event or events are likely to occur.

Significant deficiency in internal control over compliance. A deficiency, or a combination of deficiencies, in internal control over compliance that is less severe than a material weakness in internal control over compliance, yet important enough to merit attention by those charged with governance.

Title 2 Code of Federal Regulations Section 200.303 Internal controls.

The non-Federal entity must:

(a) Establish and maintain effective internal control over the Federal award that provides reasonable assurance that the non-Federal entity is managing the Federal award in compliance with Federal statutes, regulations, and the terms and conditions of the Federal award. These internal controls should be in compliance with guidance in “Standards for Internal Control in the Federal Government” issued by the Comptroller General of the United States or the “Internal Control Integrated Framework”, issued by the Committee of Sponsoring Organizations of the Treadway Commission (COSO).

(b) Comply with Federal statutes, regulations, and the terms and conditions of the Federal awards.

Title 2 Code of Federal Regulations Subpart D Post Federal Award Requirements
Section 200.331 Requirements for pass-through entities states in part:

All pass-through entities must:

(b) Evaluate each subrecipient's risk of noncompliance with Federal statutes, regulations, and the terms and conditions of the subaward for purposes of determining the appropriate subrecipient monitoring described in paragraphs (d) and (e) of this section, which may include consideration of such factors as:

(1) The subrecipient's prior experience with the same or similar subawards;

(2) The results of previous audits including whether or not the subrecipient receives a Single Audit in accordance with Subpart F—Audit Requirements of this part, and the extent to which the same or similar subaward has been audited as a major program;

(3) Whether the subrecipient has new personnel or new or substantially changed systems; and

(4) The extent and results of Federal awarding agency monitoring (e.g., if the subrecipient also receives Federal awards directly from a Federal awarding agency).

(d) Monitor the activities of the subrecipient as necessary to ensure that the subaward is used for authorized purposes, in compliance with Federal statutes, regulations, and the terms and conditions of the subaward; and that subaward performance goals are achieved.

Pass-through entity monitoring of the subrecipient must include:

(1) Reviewing financial and performance reports required by the pass-through entity.

(2) Following-up and ensuring that the subrecipient takes timely and appropriate action on all deficiencies pertaining to the Federal award provided to the subrecipient from the pass-through entity detected through audits, on-site reviews, and other means.

(3) Issuing a management decision for audit findings pertaining to the Federal award provided to the subrecipient

from the pass-through entity as required by §200.521 Management decision.

(e) Depending upon the pass-through entity's assessment of risk posed by the subrecipient (as described in paragraph (b) of this section), the following monitoring tools may be useful for the pass-through entity to ensure proper accountability and compliance with program requirements and achievement of performance goals:

(1) Providing subrecipients with training and technical assistance on program-related matters; and

(2) Performing on-site reviews of the subrecipient's program operations;

(3) Arranging for agreed-upon-procedures engagements as described in §200.425 Audit services.

(f) Verify that every subrecipient is audited as required by Subpart F—Audit Requirements of this part when it is expected that the subrecipient's Federal awards expended during the respective fiscal year equaled or exceeded the threshold set forth in §200.501 Audit requirements.

(g) Consider whether the results of the subrecipient's audits, on-site reviews, or other monitoring indicate conditions that necessitate adjustments to the pass-through entity's own records.

(h) Consider taking enforcement action against noncompliant subrecipients as described in §200.338 Remedies for noncompliance of this part and in program regulations.

Title 2 Code of Federal Regulations Subpart E Cost Principles Sections 200.400 through 200.403 General Provisions and Basic Considerations states in part:

§200.400 Policy guide.

The application of these cost principles is based on the fundamental premises that:

(a) The non-Federal entity is responsible for the efficient and effective administration of the Federal award through the application of sound management practices.

(b) The non-Federal entity assumes responsibility for administering Federal funds in a manner consistent with underlying agreements, program objectives, and the terms and conditions of the Federal award.

(c) The non-Federal entity, in recognition of its own unique combination of staff, facilities, and experience, has the primary responsibility for employing whatever form of sound organization and management techniques may be necessary in order to assure proper and efficient administration of the Federal award.

(d) The application of these cost principles should require no significant changes in the internal accounting policies and practices of the non-Federal entity. However, the accounting practices of the non-Federal entity must be consistent with these cost principles and support the accumulation of costs as required by the principles, and must provide for adequate documentation to support costs charged to the Federal award.

§200.402 Composition of costs.

Total cost. The total cost of a Federal award is the sum of the allowable direct and allocable indirect costs less any applicable credits.

§200.403 Factors affecting allowability of costs.

Except where otherwise authorized by statute, costs must meet the following general criteria in order to be allowable under Federal awards:

(a) Be necessary and reasonable for the performance of the Federal award and be allocable thereto under these principles.

(b) Conform to any limitations or exclusions set forth in these principles or in the Federal award as to types or amount of cost items.

(c) Be consistent with policies and procedures that apply uniformly to both federally-financed and other activities of the non-Federal entity.

(d) Be accorded consistent treatment. A cost may not be assigned to a Federal award as a direct cost if any other cost incurred for the same purpose in like circumstances has been allocated to the Federal award as an indirect cost.

(e) Be determined in accordance with generally accepted accounting principles (GAAP), except, for state and local governments and Indian tribes only, as otherwise provided for in this part.

(g) Be adequately documented. See also §§200.300 Statutory and national policy requirements through 200.309 Period of performance of this part.

**SCHEDULE OF FEDERAL AWARD FINDINGS AND
QUESTIONED COSTS**

**City of Seattle
King County
January 1, 2015 through December 31, 2015**

2015-002 The City did not have adequate internal controls in place to ensure compliance with federal subrecipient monitoring requirements.

CFDA Number and Title:	14.267 Continuum of Care Program
Federal Grantor Name:	U.S. Department of Housing and Urban Development (HUD)
Federal Award/Contract Number:	Multiple awards
Pass-through Entity Name:	NA
Pass-through Award/Contract Number:	NA
Questioned Cost Amount:	\$1,566,880

Background

The City of Seattle’s Human Service Department administers the Continuum of Care Program. This program is designed to promote communitywide commitment to the goal of ending homelessness by providing housing and supportive services to homeless individuals and families. The Department spent \$11.4 million in Continuum of Care funds, of which \$10.6 million was passed on to subrecipients who perform the primary activities of this program.

Description of Condition

Federal regulations require the City to monitor subrecipients’ activities to ensure that subwards are used for authorized purposes which can be accomplished by subrecipients submitting invoices containing supporting source documentation or reviewing supporting source documentation during on-site visits. That monitoring, particularly the on-site visits, is important to ensure that subrecipients’ administration of programs are appropriate and in compliance with federal requirements, including those related to allowable costs and activities.

During the current audit, we found:

- The Department utilized a monitoring log to track on-site visits for subrecipients by project. However, the log excluded 36 of the 82 projects during 2015. Without a complete and current log, the Department cannot ensure site visits are performed and tracked for all subrecipients' projects.
- The Department's policy is to perform semi-annual site visits; however, it did not perform on-site visits that included a fiscal review of invoices or other documentation required to support the costs incurred for eight of the 16 projects reviewed. For the fiscal reviews that were conducted, documentation was not always sufficiently complete to establish that site visits were adequately performed.

We consider these control deficiencies to be material weaknesses.

Cause of Condition

The Grants and Contracts Specialists who perform on-site visits did not have the necessary training and resources to perform adequate financial review.

Effect of Condition and Questioned Costs

By reimbursing subrecipients for costs claimed without receiving adequate documentation or otherwise monitoring the subrecipients' use of funding, the City is unable to ensure costs charged to the grant are allowable. As a result, we are questioning \$1,566,880 of costs paid to eight subrecipient projects.

Recommendation

We recommend the Department establish internal controls to ensure compliance with the subrecipient monitoring requirements including:

- Providing training to program specialists to ensure they have an adequate understanding of federal subrecipient monitoring requirements and Department policies.
- Requiring subrecipients to provide adequate documentation to support the costs incurred or perform on-site visits that includes a review of source documentation.
- Retaining sufficient documentation to demonstrate compliance with federal subrecipient monitoring requirements.

City's Response

The City understands the Auditor's concerns regarding inadequate internal controls in place and is taking immediate and long-term corrective actions to ensure compliance with federal subrecipient monitoring requirements going forward.

Auditor's Remarks

We thank the City for its assistance during the audit and will follow up on corrective actions taken during the 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) establishes reporting requirements for audit findings.

2 CFR 200.516 Audit Reporting, states in part:

(a) Audit findings reported. The auditor must report the following as audit findings in a schedule of findings and questioned costs:

(1) Significant deficiencies and material weaknesses in internal control over major programs and significant instances of abuse relating to major programs. The auditor's determination of whether a deficiency in internal control is a significant deficiency or material weakness for the purpose of reporting an audit finding is in relation to a type of compliance requirement for a major program identified in the Compliance Supplement.

(2) Material noncompliance with the provisions of Federal statutes, regulations, or the terms and conditions of Federal awards related to a major program. The auditor's determination of whether a noncompliance with the provisions of Federal statutes, regulations, or the terms and conditions of Federal awards is material for the purpose of reporting an audit finding is in relation to a type of compliance requirement for a major program identified in the compliance supplement.

The American Institute of Certified Public Accountants defines significant deficiencies and material weaknesses in its *Codification of Statements on Auditing Standards*, section 935, as follows:

.11 For purposes of adapting GAAS to a compliance audit, the following terms have the meanings attributed as follows:

Deficiency in 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 on a timely basis. A deficiency in design exists when (a) a control necessary to meet the control objective is missing, or (b) an existing control is not properly designed so that, even if the control operates as designed, the control objective would not be met. A deficiency in operation exists when a properly designed control does not operate as designed or the person performing the control does not possess the necessary authority or competence to perform the control effectively . . .

Material weakness in internal control over compliance. A deficiency, or combination of deficiencies, in internal control over compliance, such that there is a reasonable possibility that material noncompliance with a compliance requirement will not be prevented, or detected and corrected, on a timely basis. In this section, a reasonable possibility exists when the likelihood of the event is either reasonably possible or probable as defined as follows:

Reasonably possible. The chance of the future event or events occurring is more than remote but less than likely.

Remote. The chance of the future event or events occurring is slight.

Probable. The future event or events are likely to occur.

Significant deficiency in internal control over compliance. A deficiency, or a combination of deficiencies, in internal control over compliance that is less severe than a material weakness in internal control over compliance, yet important enough to merit attention by those charged with governance.

Title 2 Code of Federal Regulations Section 200.303 Internal controls.

The non-Federal entity must:

(a) Establish and maintain effective internal control over the Federal award that provides reasonable assurance that the non-Federal entity is managing the Federal award in compliance with Federal statutes, regulations, and the terms and conditions of the Federal award. These internal controls should be in compliance with guidance in “Standards for Internal Control in the Federal

Government” issued by the Comptroller General of the United States or the “Internal Control Integrated Framework”, issued by the Committee of Sponsoring Organizations of the Treadway Commission (COSO).

(b) Comply with Federal statutes, regulations, and the terms and conditions of the Federal awards.

U.S. Office of Management and Budget Circular A-133 Subpart D--Federal Agencies and Pass-Through Entities §___400 (d)

(d) Pass-through entity responsibilities. A pass-through entity shall perform the following for the Federal awards it makes:

(1) Identify Federal awards made by informing each subrecipient of CFDA title and number, award name and number, award year, if the award is R&D, and name of Federal agency. When some of this information is not available, the pass-through entity shall provide the best information available to describe the Federal award.

(2) Advise subrecipients of requirements imposed on them by Federal laws, regulations, and the provisions of contracts or grant agreements as well as any supplemental requirements imposed by the pass-through entity.

(3) Monitor the activities of subrecipients as necessary to ensure that Federal awards are used for authorized purposes in compliance with laws, regulations, and the provisions of contracts or grant agreements and that performance goals are achieved.

(4) Ensure that subrecipients expending \$300,000 (*\$500,000 for fiscal years ending after December 31, 2003*) or more in Federal awards during the subrecipient's fiscal year have met the audit requirements of this part for that fiscal year.

(5) Issue a management decision on audit findings within six months after receipt of the subrecipient's audit report and ensure that the subrecipient takes appropriate and timely corrective action.

(6) Consider whether subrecipient audits necessitate adjustment of the pass-through entity's own records.

(7) Require each subrecipient to permit the pass-through entity and auditors to have access to the records and financial statements as necessary for the pass-through entity to comply with this part.

24 CFR 85.20 Standards for Financial Management Systems.

(b) The financial management systems of other grantees and subgrantees must meet the following standards:

(1) Financial reporting. Accurate, current, and complete disclosure of the financial results of financially assisted activities must be made in accordance with the financial reporting requirements of the grant or subgrant.

(2) Accounting records. Grantees and subgrantees must maintain records which adequately identify the source and application of funds provided for financially-assisted activities. These records must contain information pertaining to grant or subgrant awards and authorizations, obligations, unobligated balances, assets, liabilities, outlays or expenditures, and income.

(3) Internal control. Effective control and accountability must be maintained for all grant and subgrant cash, real and personal property, and other assets. Grantees and subgrantees must adequately safeguard all such property and must assure that it is used solely for authorized purposes.

(4) Budget control. Actual expenditures or outlays must be compared with budgeted amounts for each grant or subgrant. Financial information must be related to performance or productivity data, including the development of unit cost information whenever appropriate or specifically required in the grant or subgrant agreement. If unit cost data are required, estimates based on available documentation will be accepted whenever possible.

(5) Allowable cost. Applicable OMB cost principles, agency program regulations, and the terms of grant and subgrant agreements will be followed in determining the reasonableness, allowability, and allowability of costs.

(6) Source documentation. Accounting records must be supported by such source documentation as cancelled checks, paid bills, payrolls, time and attendance records, contract and subgrant award documents, etc.

SUMMARY SCHEDULE OF PRIOR FEDERAL AUDIT FINDINGS

**City of Seattle
King County
January 1, 2015 through December 31, 2015**

This schedule presents the status of federal findings reported in prior audit periods. The status listed below is the representation of the City of Seattle. The State Auditor’s Office has reviewed the status as presented by the City.

Audit Period: January 1, 2014 through December 31, 2014	Report Ref. No.: 1015224	Finding Ref. No.: 2014-001	CFDA Number: 93.568
Federal Program Name and Granting Agency: U.S. Department of Health and Human Services		Pass-Through Agency Name: Washington State Department of Commerce	
Finding Caption: City of Seattle’s Office of Housing did not have adequate internal controls to ensure compliance with federal requirements for its Homewise program.			
Background: City of Seattle’s Office of Housing did not have adequate internal controls related to allocable costs and time-and-effort certifications to ensure compliance with federal requirements for its Homewise program. As a result, we reported a total of \$88,784 in questioned cost.			
Status of Corrective Action: (check one) <input type="checkbox"/> Fully Corrected <input checked="" type="checkbox"/> Partially Corrected <input type="checkbox"/> Not Corrected <input type="checkbox"/> Finding is considered no longer valid			
Corrective Action Taken: <i>The Seattle Office of Housing is currently awaiting a determination from the Washington State Department of Commerce to resolve this finding.</i> <i>The major sources of funding for the HomeWise program include Seattle City Light (SCL) and a variety of state and federal sources that flow through the Washington State Department of Commerce. In 2014, SCL represented approximately half of all HomeWise capital costs. Therefore, in 2014, the Office of Housing (OH) requested that SCL pay for half of HomeWise administrative and program support costs. Unfortunately, SCL capped the administrative amount at less than their pro-rata share, which created this issue.</i> <i>However, it is important to recognize that SCL dollars directly result in the HomeWise program’s ability to generate additional units. SCL capital funds stretch state and federal dollars further. Often, the combination of SCL capital funds and other grant funds creates a large enough subsidy to incentivize multi-family property owners to participate. Because of this</i>			

leverage, the Department of Commerce grants are reaching more units than they would otherwise.

In response to the recommendation that the cost allocation be equitably divided, OH, with the involvement of the City Budget Office, secured the commitment from SCL that they will pay their pro-rata share of administrative and program support costs. As of January 1, 2016, SCL is paying the appropriate share of these expenses. OH has also added the process of completing time and effort certifications.

STATUS OF PRIOR AUDIT FINDINGS

City of Seattle King County January 1, 2015 through December 31, 2015

This schedule presents the status of findings reported in prior audit periods. The status listed below is the representation of the City of Seattle. The State Auditor's Office has reviewed the status as presented by the City.

Audit Period: January 1, 2014 through December 31, 2014	Report Ref. No.: 1014749	Finding Ref. No.: 2014-001
Finding Caption: The Seattle City Employees' Retirement System does not have adequate internal controls in its accounting, which caused delays in its annual financial statement preparation.		
Background: The certified public accounting firm's audit identified a significant deficiency in internal controls over financial reporting related to account reconciliations. In 2013, the certified public accounting firm reported the same significant deficiency and our office reported the same issue as a finding.		
Status of Corrective Action: (check one) <input checked="" type="checkbox"/> Fully Corrected <input type="checkbox"/> Partially Corrected <input type="checkbox"/> No Corrective Action Taken <input type="checkbox"/> Finding is considered no longer valid		
Corrective Action Taken: <i>In 2015, the Seattle City Employees' Retirement System (SCERS) instituted a monthly reconciliation process with SCERS' custodial bank, BNY Mellon. This reconciliation includes monthly updates to SCERS' General Ledger to reflect the value of investment assets on a more timely basis. This change has also greatly reduced the number of journal entries required for SCERS' yearend process and reduced delays in yearend financial statement preparation.</i>		

Audit Period: January 1, 2014 through December 31, 2014	Report Ref. No.: 1014749	Finding Ref. No.: 2014-002
Finding Caption: The City's internal controls over financial reporting are not adequate to ensure the financial statements are accurate and complete.		
Background: Our audit identified deficiencies in internal controls over financial reporting that represent a significant deficiency resulting in immaterial errors. City subsequently corrected most of the errors. Control deficiencies are identified in the following areas: <ul style="list-style-type: none"> • Year-end financial statement preparation • Capital assets • Business taxes • Expenditures 		

Status of Corrective Action: (check one)

<input checked="" type="checkbox"/> Fully Corrected	<input type="checkbox"/> Partially Corrected	<input type="checkbox"/> No Corrective Action Taken	<input type="checkbox"/> Finding is considered no longer valid
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Corrective Action Taken:

The City's financial reporting team, Citywide Accounting (CWA), is taking steps to strengthen the control environment. Although staff turnover and retirements in 2015 had slowed progress these improvements will continue to be an ongoing emphasis. With the transition of staff during the current year-end production cycle management had placed emphasis on areas with an elevated level of risk and specifically those areas previously noted by the auditor.

As new staff transition into new responsibilities the City will continue to invest in training and educating our employee's responsible for financial reporting. This team is also actively participating in the ongoing redevelopment of the City's financial system. This upgrade project will have a direct impact on CWA's ability to strengthen our financial reporting controls, and provide timely, relevant information to the accountants who can ensure compliance with those internal controls.

**INDEPENDENT AUDITOR'S 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**

**City of Seattle
King County
January 1, 2015 through December 31, 2015**

Mayor and City Council
City of Seattle
Seattle, 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 aggregate discretely presented component units and remaining fund information of the City of Seattle, King County, Washington, as of and for the year ended December 31, 2015, and the related notes to the financial statements, which collectively comprise the City's basic financial statements, and have issued our report thereon dated June 28, 2016.

Our report includes a reference to other auditors who audited the financial statements of the Light, Water, Drainage and Wastewater, and Solid Waste funds and the Seattle City Employees' Retirement System, as described in our report on the City's financial statements. This report includes our consideration of the results of the other auditor's testing of internal control over financial reporting and compliance and other matters that are reported on separately by those other auditors. However, this report, insofar as it relates to the results of the other auditors, is based solely on the reports of the other auditors. The financial statements of the Water, Drainage and Wastewater, and Solid Waste funds and the Seattle City Employees' Retirement System were not audited in accordance with *Government Auditing Standards* and accordingly this report does not include reporting on internal control over financial reporting or instances of reportable noncompliance associated with the Water, Drainage and Wastewater, and Solid Waste funds and the Seattle City Employees Retirement System.

The prior year comparative information has been derived from the City's 2014 basic financial statements, on which we issued our report dated June 29, 2015.

As discussed in Note 1 to the financial statements, during the year ended December 31, 2015, the City implemented Governmental Accounting Standards Board Statement No. 68, *Accounting and Financial Reporting for Pensions – an amendment of GASB Statement No. 27*.

INTERNAL CONTROL OVER FINANCIAL REPORTING

In planning and performing our audit of the financial statements, we considered the City's internal control over financial reporting (internal control) to determine the 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 City's internal control. Accordingly, we do not express an opinion on the effectiveness of the City'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 City'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 in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

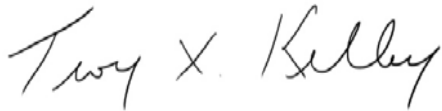
COMPLIANCE AND OTHER MATTERS

As part of obtaining reasonable assurance about whether the City's financial statements are free from material misstatement, we performed tests of the City's compliance with certain provisions of laws, regulations, contracts and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. 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*.

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 City'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 City'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.



TROY KELLEY
STATE AUDITOR
OLYMPIA, WA

June 28, 2016

**INDEPENDENT AUDITOR'S REPORT ON COMPLIANCE FOR
EACH MAJOR FEDERAL PROGRAM AND REPORT ON
INTERNAL CONTROL OVER COMPLIANCE IN ACCORDANCE
WITH THE UNIFORM GUIDANCE**

**City of Seattle
King County
January 1, 2015 through December 31, 2015**

Mayor and City Council
City of Seattle
Seattle, Washington

**REPORT ON COMPLIANCE FOR EACH MAJOR FEDERAL
PROGRAM**

We have audited the compliance of the City of Seattle, King County, Washington, with the types of compliance requirements described in the U.S. *Office of Management and Budget (OMB) Compliance Supplement* that could have a direct and material effect on each of the City's major federal programs for the year ended December 31, 2015. The City's major federal programs are identified in the accompanying Schedule of Findings and Questioned Costs.

Management's Responsibility

Management is responsible for compliance with federal statutes, regulations, and the terms and conditions of its federal awards applicable to its federal programs.

Auditor's Responsibility

Our responsibility is to express an opinion on compliance for each of the City's major federal programs based on our audit of the types of compliance requirements referred to above. We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; 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). Those standards and the Uniform Guidance require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major federal

program occurred. An audit includes examining, on a test basis, evidence about the City's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances.

We believe that our audit provides a reasonable basis for our opinion on compliance for each major federal program. Our audit does not provide a legal determination on the City's compliance.

Opinion on Each Major Federal Program

In our opinion, the City 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, 2015.

Other Matters

The results of our auditing procedures disclosed instances of noncompliance with those requirements, which are required to be reported in accordance with the Uniform Guidance and which are described in the accompanying Schedule of Federal Award Findings and Questioned Costs as Findings 2015-001 and 2015-002. We also noted certain matters that we will report to the management of the City in a separate letter dated September 29, 2016. Our opinion on each major federal program is not modified with respect to these matters.

City's Response to Findings

The City's response to the noncompliance findings identified in our audit is described in the accompanying Schedule of Federal Award Findings and Questioned Costs. The City's response was not subjected to the auditing procedures applied in the audit of compliance and, accordingly, we express no opinion on the response.

REPORT ON INTERNAL CONTROL OVER COMPLIANCE

Management of the City is responsible for establishing and maintaining effective internal control over compliance with the types of compliance requirements referred to above. In planning and performing our audit of compliance, we considered the City's internal control over compliance with the types of requirements that could have a direct and material effect on each major federal program in order to determine the auditing procedures that are appropriate in the circumstances for the purpose of expressing an opinion on compliance for each major federal program 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 internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of the City's internal control over compliance.

Our consideration of internal control over compliance was for the limited purpose described in the preceding paragraph and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies and therefore, material weaknesses or significant deficiencies may exist that were not identified. However, as discussed below, we identified certain deficiencies in internal control over compliance that we consider to be material weaknesses and significant deficiencies.

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. We consider the deficiencies in internal control over compliance described in the accompanying Schedule of Federal Award Findings and Questioned Costs as Finding 2015-002 to be a material weakness.

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. We consider the deficiencies in internal control over compliance described in the accompanying Schedule of Federal Award Findings and Questioned Costs as Finding 2015-001 to be a significant deficiency.

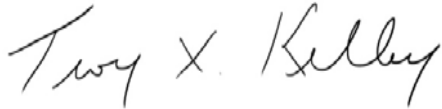
We also noted certain matters that we will report to the management of the City in a separate letter dated September 29, 2016.

City's Response to Findings

The City's response to the internal control over compliance findings identified in our audit is described in the accompanying Schedule of Federal Award Findings and Questioned Costs. The City's response was not subjected to the 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 cursive script that reads "Troy X. Kelley".

TROY KELLEY
STATE AUDITOR
OLYMPIA, WA

September 29, 2016

INDEPENDENT AUDITOR'S REPORT ON FINANCIAL STATEMENTS

City of Seattle King County January 1, 2015 through December 31, 2015

Mayor and City Council
City of Seattle
Seattle, Washington

REPORT ON THE FINANCIAL STATEMENTS

We have audited the accompanying financial statements of the governmental activities, the business-type activities, each major fund and the aggregate discretely presented component units and remaining fund information of the City of Seattle, King County, Washington, as of and for the year ended December 31, 2015, and the related notes to the financial statements, which collectively comprise the City's basic financial statements as listed on page 32.

Management's Responsibility 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; this includes 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.

Auditor's Responsibility

Our responsibility is to express opinions on these financial statements based on our audit. We did not audit the financial statements of:

- The Light Fund, Water Fund, Drainage and Wastewater Fund, and Solid Waste Fund, which are major funds that collectively represent 99 percent, 99 percent, and 97 percent, respectively, of the assets and deferred outflows, net position, and revenues of the business-type activities.
- The Seattle City Employees' Retirement System, which represents 61 percent, 76 percent, and 11 percent, respectively, of the assets and deferred outflows, net position,

and revenues of the aggregate discretely presented component units and remaining fund information.

Those financial statements were audited by other auditors whose reports thereon have been furnished to us, and our opinions, insofar as they relate to the amounts included for the Light, Water, Drainage and Wastewater, and Solid Waste funds and the Seattle City Employees' Retirement System, are based solely on the reports of the other auditors.

We conducted our audit 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. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement. The financial statements of the Water, Drainage and Wastewater, and Solid Waste funds and the Seattle City Employees' Retirement System were not audited in accordance with *Government Auditing Standards*.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the City's preparation and fair presentation of the financial statements 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 City's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

Opinion

In our opinion, based on our audit and the reports of other auditors, the 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 aggregate discretely presented component units and remaining fund information of the City of Seattle, as of December 31, 2015, and the respective changes in financial position and, where applicable, cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Matters of Emphasis

As discussed in Note 1 to the financial statements, in 2015, the City adopted new accounting guidance, Governmental Accounting Standards Board Statement No. 68, *Accounting and Financial Reporting for Pensions – an amendment of GASB Statement No. 27*. Our opinion is not modified with respect to this matter.

Other Matters

Report on Summarized Comparative Information

The financial statements include partial prior year comparative information. Such information does not include all of the information required for a presentation in conformity with accounting principles generally accepted in the United States of America. Accordingly, such information should be read in conjunction with the City's financial statements for the year ended December 31, 2014, from which such partial information was derived.

We and other auditors have previously audited the City's 2014 financial statements and, based on our audit and the reports of the other auditors, we expressed unmodified opinions on the respective financial statements of the governmental activities, business-type activities, each major fund, and the aggregately discretely presented component units and remaining fund information in our report dated June 29, 2015.

In our opinion, the summarized comparative information for the governmental activities and governmental funds presented herein as of and for the year ended December 31, 2014, is consistent, in all material respects, with the audited financial statements from which it has been derived.

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis on pages 37 through 57, budgetary comparison information on pages 177 through 180 and pension plan information on pages 181 through 189 be presented to supplement the basic financial statements. Such information, 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

FINANCIAL SECTION

**City of Seattle
King County
January 1, 2015 through December 31, 2015**

REQUIRED SUPPLEMENTARY INFORMATION

Management's Discussion and Analysis – 2015

BASIC FINANCIAL STATEMENTS

Statement of Net Position – 2015

Statement of Activities – 2015

Balance Sheet – Governmental Funds – 2015

Statement of Revenues, Expenditures and Changes in Fund Balances – Governmental
Funds – 2015

Reconciliation of the Statement of Revenues, Expenditures and Changes in Fund Balance
of Governmental Funds to the Statement of Activities – 2015

Statement of Net Position – Proprietary Funds – 2015

Statement of Revenues, Expenses and Changes in Fund Net Position – Proprietary Funds
– 2015

Statement of Cash Flows – Proprietary Funds – 2015

Statement of Fiduciary Net Position – Fiduciary Funds – 2015

Statement of Changes in Fiduciary Net Position – Fiduciary Funds – 2015

Notes to Financial Statements – 2015

REQUIRED SUPPLEMENTARY INFORMATION

Notes to Required Supplementary Information - Schedule of Revenues, Expenditures and
Changes in Fund Balances – Budget to Actual

Schedule of Revenues, Expenditures and Changes in Fund Balances – Budget and Actual
– General Fund – 2015

Schedule of Revenues, Expenditures and Changes in Fund Balances – Budget and Actual
– Transportation Fund – 2015

Schedule of Revenues, Expenditures and Changes in Fund Balances – Budget and Actual
– Low-Income Housing Fund – 2015

Notes to Required Supplementary Information - Pension Plan Information — 2015

Pension Plan Information – Schedule of Funding Progress – 2015

Pension Plan Information – Schedule of Employer Contributions – 2015

MANAGEMENT'S DISCUSSION AND ANALYSIS

The City of Seattle (City) presents this Management's Discussion and Analysis (MD&A) of its financial activities for the fiscal year ended December 31, 2015. This discussion and analysis focuses on significant financial issues, provides an overview of the City's financial activity, highlights significant changes in the City's financial position, and identifies material variances between the approved budget and actual spending.

The City encourages readers to consider the information presented here in conjunction with additional information provided in its letter of transmittal and the City's basic financial statements following this section. All dollar amount are expressed in thousands unless otherwise indicated.

OVERVIEW OF THE FINANCIAL STATEMENTS

This discussion and analysis is an introduction to the City of Seattle's basic financial statements which consist of three components: (1) government-wide financial statements, (2) fund financial statements, and (3) notes to the financial statements. The report also contains other supplementary information in addition to the basic financial statements.

Government-Wide Financial Statements

The government-wide financial statements provide a broad overview of the City's finances in a manner similar to that of private-sector business.

The Statement of Net Position presents information on all City assets, deferred outflows of resources, liabilities, deferred inflows of resources, with the difference between these elements reported as net position. Over time, increases or decreases in net position may serve as a useful indicator of the City's financial health.

The Statement of Activities presents changes in net position during the current reporting period. All changes to net position are reported as of the date of the underlying event, rather than when cash is received or disbursed. Thus, some reported revenues and expenses result in cash flows in future periods. The Statement of Activities focuses on both the gross and the net cost of the various activities of the City. The report summarizes and simplifies analysis of the revenues and expenses of the various City activities and the degree to which activities are subsidized by general revenues.

The government-wide financial statements distinguish functions of the City that are principally supported by taxes and intergovernmental revenues (governmental activities) from other functions that recover all or a significant portion of their costs through user fees and charges (business-type activities). The governmental functions of the City include general government activities, judicial activities, public safety, physical environment, transportation, economic environment, health and human services, and culture and recreation. The business-type activities of the City include an electric utility, a water utility, a waste disposal utility, a sewer and drainage utility, operations of regulatory and long-range planning and enforcement of policies and codes that include construction and land use, fiber leasing and parking facilities.

Fund Financial Statements

A fund is a group of related accounts used to maintain control over resources that are segregated for specific activities or objectives. The City, like other state and local governments, uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements. There are three categories of City funds: governmental funds, proprietary funds, and fiduciary funds.

Governmental funds account for essentially the same functions reported as governmental activities in the government-wide financial statements. Most of the City's basic services are reported in the governmental funds. These statements, however, focus on near-term inflows and outflows of spendable resources, as well as fund balances at the end of the fiscal year. Such information may be useful in assessing the City's near-term financing requirements.

Readers may better understand the long-term impact of the government's near-term financing decisions by comparing the information presented for the governmental funds with similar information presented for governmental activities in the government-wide financial statements. Both the governmental funds Balance Sheet and the governmental funds Statement of Revenues, Expenditures, and Changes in Fund Balances provide a reconciliation to facilitate the comparison.

The City maintains numerous governmental funds that are organized according to type (general, special revenue, debt service, capital projects, and permanent funds). Information for the three major governmental funds is presented separately in the governmental funds Balance Sheet and the governmental funds Statement of Revenues, Expenditures, and Changes in Fund Balances; information for the nonmajor funds is presented in the aggregate. The City's major governmental funds are the General Fund, Transportation Fund, and Low-Income Housing Fund. Information for each of the nonmajor governmental funds is provided in the combining statements in this report.

Proprietary funds account for services for which the City charges outside customers and internal City departments. Proprietary funds provide the same information as shown in the government-wide financial statements, only in more detail. The City maintains the following two types of proprietary funds.

- Enterprise funds report the same functions presented as business-type activities in the government-wide financial statements. The proprietary funds financial statements provide separate information for the Seattle City Light Fund, Water Fund, Drainage and Wastewater Fund, and Solid Waste Fund, which are considered to be major enterprise funds. Information for nonmajor enterprise funds is presented in the aggregate. Information for each of the nonmajor enterprise funds is provided in the combining statements in this report.
- Internal service funds report activities that provide supplies and services for various City programs and activities. The City uses internal service funds to account for its finance and administrative services and information technology services. Because these services largely benefit governmental rather than business-type functions, they have been included within the governmental activities in the government-wide financial statements. The internal service funds are combined into a single aggregated presentation in the proprietary funds financial statements. Information for each of the internal service funds is provided in the combining statements in this report.

Proprietary fund statements follow the governmental fund statements in this report.

Fiduciary funds account for resources held for the benefit of parties outside the government. Fiduciary funds are not reflected in the government-wide financial statements because the resources of these funds are not available to support City programs. The accounting used for fiduciary funds is similar to that used for proprietary funds. The City's fiduciary funds include the Employees' Retirement Fund, the Firemen's Pension Fund, the Police Relief and Pension Fund, the S. L. Denny Private-Purpose Trust Fund, and various agency funds.

Notes to the Financial Statements

The notes to the financial statements are an integral part of the financial statements. They provide additional disclosures that are essential to a full understanding of the information provided in the government-wide and fund financial statements. The notes to the financial statements immediately follow the basic financial statements in this report.

Required Supplementary Information

This report also contains other required supplementary information (RSI) on budgetary comparisons for major governmental funds and pension plan funding.

Combining Statements

The combining statements referred to earlier in connection with the nonmajor governmental and enterprise funds, internal service funds, and fiduciary funds are presented immediately following the required supplementary information.

Statistical Information

The statistical section provides financial statement users with additional historical perspective, context, and detail for them to use in evaluating the information contained within the financial statements, notes to the financial statements, and the required supplementary information with the goal of providing the user with a better understanding of the City's economic condition.

FINANCIAL HIGHLIGHTS

- At the end of fiscal year 2015 the City's net position totaled \$5.124 billion, with governmental activities accounting for 64.5 percent and business-type activities 35.5 percent, approximately a 2 to 1 ratio.
- Net investment in capital assets grew 4.6 percent, increasing \$224.6 million, to a total reported balance of \$5.060 billion for 2015. Of these assets the City's governmental activities controls \$3.144 billion, with the remaining \$1.916 billion supporting business-type activities.
- Restricted net position, \$615.6 million, is available to meet the City's ongoing obligations to citizens and creditors. Governmental activities accounted for 98.9 percent of the \$108.6 million increase in the restricted balances. Significant resources are restricted for the City's Capital Projects, Low-Income, Transportation, and Education programs, debt service and other purposes.
- Non-current liabilities increased \$1.502 billion between years due to the implementation of GASB statement 68 and the recognition of the City's net pension liability. This change is also reflected in the \$552.4 million deficit reported under the City's unrestricted net position.
- Expenses reported at the citywide level were up 3.1 percent year over year, totaling \$3.175 billion in 2015. Of the \$94.2 million increase in 2015's expenses only 10.9 percent can be attributed to the growth in expenses related to governmental-activities. Net program expenses for all functions within the City's governmental activities totaled \$1.547 billion for 2015, a 0.7 percent increase over 2014's costs of \$1.536 billion.
- The City's governmental funds reported a combined ending fund balance of \$850.7 million for 2015, an increase of 25.2 percent from the prior year's balance of \$679.6 million. Of the total fund balance 12.9 percent is reported as unassigned balance, totaling \$109.6 million for year end 2015. The General Fund contributed \$143.8 million but was offset by the special revenue and capital project funds which reported a combined deficit of \$34.2 million in unassigned fund balances that offset the total across the City's governmental funds.
- Revenue generated by the City's governmental funds totaled \$1.819 billion for the fiscal year ended December 31, 2015, an increase of approximately \$69.8 million, 4.0 percent, from the prior year's balance of \$1.750 billion. The increase is primarily driven by \$84.0 million of additional tax collections in 2015, a 7.3 percent increase that pushed the total tax collection to \$1.233 billion in 2015.
- The City's governmental funds received a significant contribution from other financing sources and uses, totaling \$251.5 million for 2015. These resources offset the operating deficit and directly contributed to the City's governmental fund balance which totals \$850.7 million at year end.
- Expenditures in governmental funds amounted to \$1.9 billion, an increase of approximately \$71.5 million, 3.9 percent, compared to \$1.828 billion in 2014. In the aggregate, expenditures for governmental funds exceeded revenues by approximately \$80.3 million. The City's General Fund reported an excess of revenues over expenditures totaling \$385.9 million, while the other major and nonmajor governmental funds reported a deficiency of revenues over expenditures totaling \$396.4 million.
- The General Fund is the chief operating fund of the City. For 2015 the General Fund reported a balance of \$383.9 million, 45.1 percent of the entire governmental fund balance. The General Fund accounts for 67.0 percent of revenues, and 45.6 percent of total governmental expenditures. The unassigned balance in the City's General Fund grew \$9.3 million, a 6.9 percent increase that pushed the total unassigned balance to a record level, \$143.8 million for 2015.
- In 2015 the City issued \$358.3 million in General Obligation Bonds, and \$648.5 million of Revenue Bonds. Of the amount issued in 2015, \$155.0 million was used to partially refund general obligation bonds, and \$305.4 million of revenue bonds. The City's outstanding general obligation bonds totaled \$1.019 billion and the utility revenue bonds 3.721 billion at year end 2015.

GOVERNMENT-WIDE FINANCIAL ANALYSIS

As noted earlier, net position may serve as a useful indicator of a government’s financial position. Table A-1 is a condensed version of the statement of net position for the City of Seattle.

Statement of Net Position

Table A-1 **CONDENSED STATEMENT OF NET POSITION**
(In Thousands)

	Governmental Activities		Business-Type Activities		Total	
	2015	Restated 2014	2015	2014	2015	Restated 2014
ASSETS						
Current and Other Assets	\$ 1,091,481	\$ 905,505	\$ 647,713	\$ 577,980	\$ 1,739,194	\$ 1,483,485
Capital Assets and Construction in Progress, Net of Accumulated Depreciation	4,337,252	3,989,902	6,290,342	5,923,953	10,627,593	9,913,855
Total Assets	5,428,732	4,895,407	6,938,055	6,501,933	12,366,787	11,397,340
DEFERRED OUTFLOWS OF RESOURCES	579,349	456,252	117,201	47,858	696,550	504,110
LIABILITIES						
Current Liabilities	346,715	308,485	443,050	411,184	789,765	719,669
Noncurrent Liabilities	1,835,754	1,059,202	4,647,421	3,921,491	6,483,175	4,980,692
Total Liabilities	2,182,469	1,367,687	5,090,471	4,332,674	7,272,940	5,700,361
DEFERRED INFLOWS OF RESOURCES	523,316	466,094	143,521	155,157	666,838	621,251
NET POSITION						
Net Investment in Capital Assets	3,144,486	3,085,306	1,915,893	1,750,495	5,060,379	4,835,801
Restricted	556,405	448,935	59,193	58,039	615,599	506,973
Unrestricted	(398,596)	(16,363)	(153,822)	253,427	(552,418)	237,064
Total Net Position	\$ 3,302,296	\$ 3,517,877	\$ 1,821,264	\$ 2,061,960	\$ 5,123,560	\$ 5,579,838

At the close of the current fiscal year the City’s total net position was \$5.124 billion. This is the first time in 14 years of reporting Government-wide statements that the City’s overall total net position has fallen year over year.

City’s unrestricted net position reports a deficit of \$552.4 million. This deficit reflects the City’s recognition of the net pension liability associated with the implementation of GASB statement 68. This deficit will require future resources to meet the government’s obligation to citizens and creditors.

The City’s net position reports an investment of \$5.060 billion in capital assets, such as land, buildings, and equipment, less any related outstanding debt used to acquire those assets. The City uses these capital assets to provide services to citizens; consequently, these assets are not available for future spending. Although the City’s investment in its capital assets is reported net of related debt, the resources needed to repay the debt must be provided from other funding sources, as capital assets cannot be used to liquidate these liabilities.

An additional portion of the City’s net position, \$615.6 million, 12.0 percent, represents resources that are subject to external restrictions on how they may be used. The net position for the business-type activities decreased 11.67 percent between 2014 and 2015, from \$2.062 billion to \$1.821 billion. The decrease in net position is also directly related to the recognition of the net pension liability.

Table A-2

**CHANGES IN NET POSITION RESULTING FROM
CHANGES IN REVENUES AND EXPENSES
(In Thousands)**

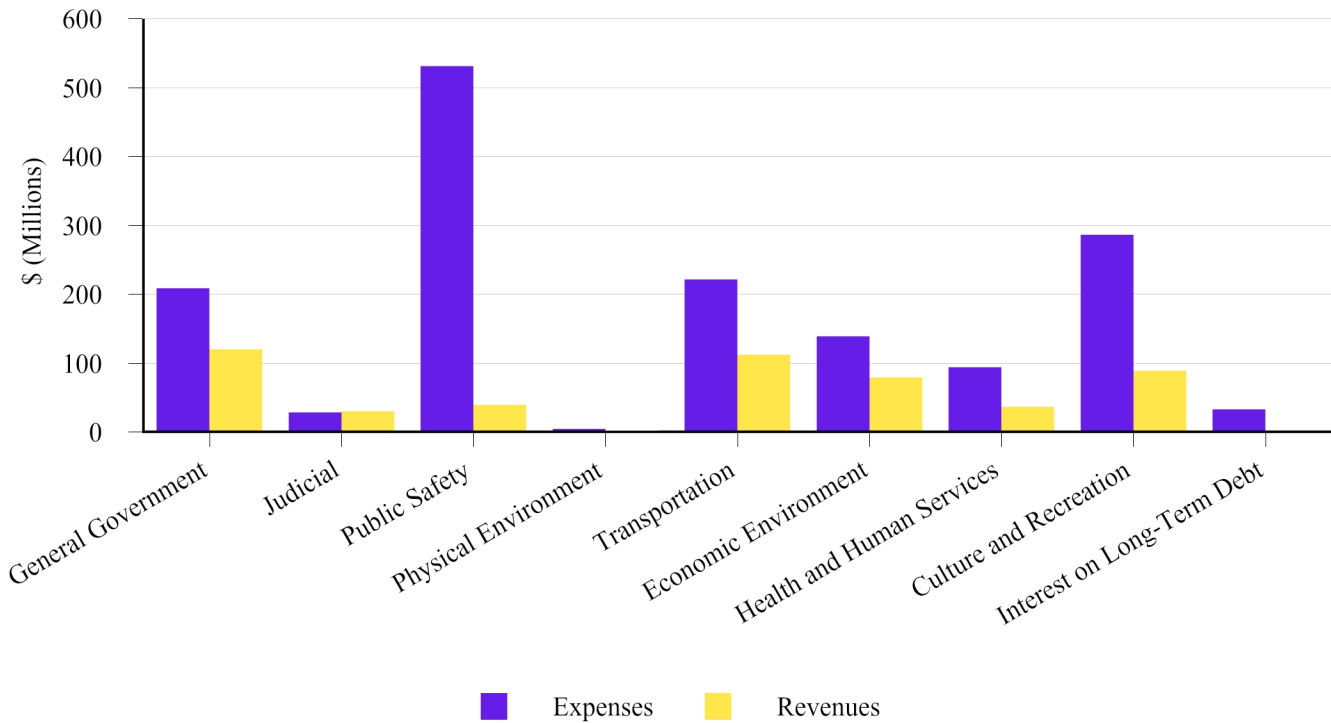
	Governmental Activities		Business-Type Activities		Total	
	2015	Restated 2014	2015	2014	2015	Restated 2014
Revenues						
Program Revenues						
Charges for Services	\$ 341,171	\$ 357,810	\$ 1,740,144	\$ 1,685,506	\$ 2,081,315	\$ 2,043,316
Operating Grants and Contributions	136,980	123,986	7,087	6,155	144,068	130,141
Capital Grants and Contributions	29,358	37,895	60,114	48,129	89,473	86,025
General Revenues						
Property Taxes	420,691	431,458	—	—	420,691	431,458
Sales Taxes	239,189	199,735	—	—	239,189	199,735
Business Taxes	454,086	431,437	—	—	454,086	431,437
Other Taxes	118,831	82,135	—	—	118,831	82,135
Other	18,273	17,642	16,705	19,013	34,978	36,655
Total Revenues	1,758,580	1,682,098	1,824,050	1,758,803	3,582,630	3,440,901
Expenses						
Governmental Activities						
General Government	208,638	189,034	—	—	208,638	189,034
Judicial	28,477	28,874	—	—	28,477	28,874
Public Safety	531,524	568,843	—	—	531,524	568,843
Physical Environment	4,351	5,853	—	—	4,351	5,853
Transportation	221,443	222,199	—	—	221,443	222,199
Economic Environment	138,878	138,169	—	—	138,878	138,169
Health and Human Services	94,122	76,562	—	—	94,122	76,562
Culture and Recreation	286,395	275,566	—	—	286,395	275,566
Interest on Long-Term Debt	32,694	31,170	—	—	32,694	31,170
Business-Type Activities						
Light	—	—	837,860	798,161	837,860	798,161
Water	—	—	228,241	221,944	228,241	221,944
Drainage and Wastewater	—	—	316,486	298,633	316,486	298,633
Solid Waste	—	—	173,312	159,501	173,312	159,501
Planning and Development	—	—	64,673	58,304	64,673	58,304
Downtown Parking Garage	—	—	7,401	7,458	7,401	7,458
Fiber Leasing	—	—	35	27	35	27
Total Expenses	1,546,521	1,536,270	1,628,008	1,544,029	3,174,529	3,080,298
Excess Before Special Item and Transfers	212,059	145,828	196,042	214,774	408,101	360,603
Special Item - Environmental Remediation	—	—	(4,975)	(4,949)	(4,975)	(4,949)
Transfers	(8,931)	(11,512)	8,931	11,512	—	—
Changes in Net Position	203,128	134,316	199,998	221,338	403,126	355,654
Net Position - Beginning of Year	3,517,878	3,386,757	2,061,960	1,840,622	5,579,838	5,227,379
Restatements/Prior-Year Adjustments	(418,709)	(3,195)	(440,694)	—	(859,403)	(3,195)
Net Position - Beginning of Year as Restated	3,099,170	3,383,562	1,621,266	1,840,622	4,720,436	5,224,184
Net Position - End of Year	\$ 3,302,297	\$ 3,517,878	\$ 1,821,264	\$ 2,061,960	\$ 5,123,561	\$ 5,579,838

Analysis of Changes in Net Position

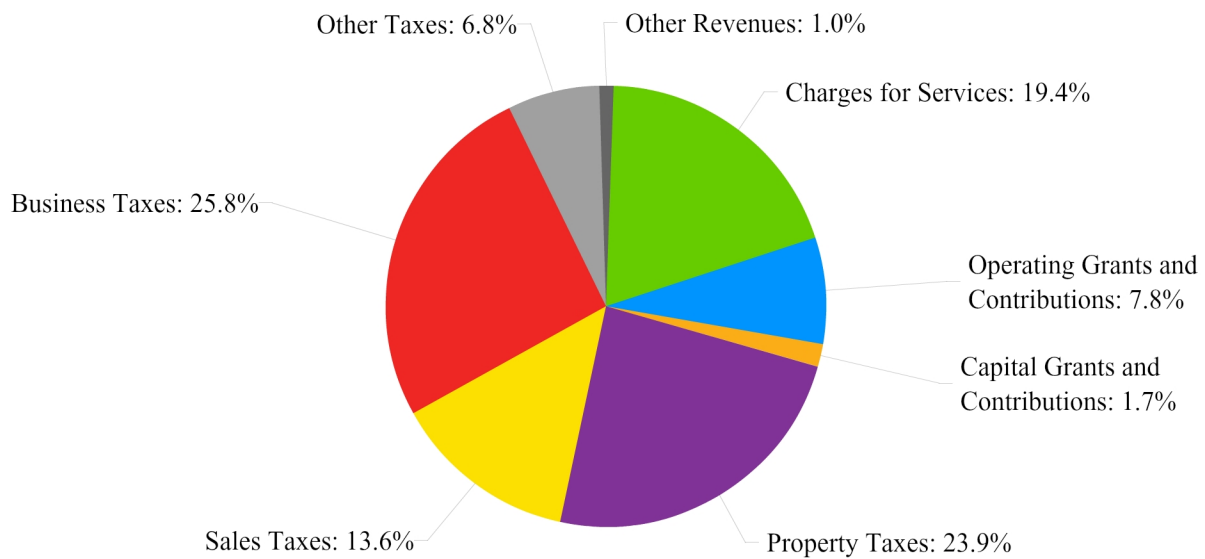
In 2015 the City's total net position decreased by \$456.3 million, 8.2 percent. The factors contributing to the decrease are explained in the following discussion of governmental and business-type activities.

Governmental Activities

Expenditures and Program Revenues - Governmental Activities



Revenues by Source - Governmental Activities



Total \$1.759 billion

Governmental Activities. The charts on the previous page present the City’s governmental expenses and revenues by function and its revenue by source.

The City's revenues reported at the citywide level were up 4.1 percent year over year, totaling \$3.583 billion in 2015. Out of the \$141.7 million of additional revenues reported in 2015, the City’s governmental activities accounted for 54.0 percent of the change. The following table lists the general revenues ranked by the size of their 2015 collections, and highlights the change in general revenues between the 2014 and 2015 financial statements.

2015 Rank	General Tax Revenues	Amount (In Millions)	Percent of Change	Amount of Change (In Millions)
1	Business Taxes	\$454.1	5.2%	\$22.6
2	Property Taxes	\$420.7	(2.5)%	\$(10.8)
3	Sales Taxes	\$239.2	19.8%	\$39.5
5	Excise Taxes	\$101.1	54.7%	\$35.7
4	Other Taxes	\$17.7	5.6%	\$1.0

The City’s tax revenues continue to provide the most significant source of revenue for governmental activities, with property, sales and business tax contributing 89.0 percent of all general revenues, and 63.3 percent of the governmental activities general and program revenue combined.

For the first time in 2015 the City's collection of business taxes replaces property taxes as the number one general tax resource. The 2.5 percent decline in property tax collected is a result of several factors. The voter approved 2008 Parks Levy which collected tax proceeds over six years expired in 2014, resulting in a \$21.3 million reduction in property tax collections. An additional voter approved levy that facilitated the Pike Place Market’s renovation also expired in 2014, contributing \$7.7 million to the decline. Offsetting the reduction from the expiring levies is \$17.1 million collected in the first year of the Seattle Preschool Services Levy.

The year over year growth in sales tax was 19.8 percent or \$39.5 million, and contributed 51.6 percent of the total revenue growth in governmental activities. Excise taxes collected by the City contributed an additional \$35.7 million to the increase, 40.5 percent of the total revenue growth in governmental activities. Both increases can be partially attributed to a voter approved proposition in November 2014 to expand Metro bus services in Seattle which is supported by a \$60 increase to vehicle license fees, and a 0.1 percent increase in the sales tax rate collected. The primary force behind the General Fund’s sales tax growth is the local construction boom, with 25 percent of sales tax receipts directly attributable to construction.

Direct program revenues collected supporting the City’s governmental activities were \$507.5 million, 32.8 percent of the the City's expenses for governmental activities, with the remaining \$1.039 billion covered by the City’s general resources. The City’s charges for services are the largest component of reported program revenues, and comprise 67.2 percent of program revenue generated by governmental activities. For governmental activities charges for services contribute 19.4 percent of total revenues, with year over year revenues collected for service charges down \$16.6 million, a 4.7 percent decrease that lowers the total service charge collection to \$341.2 million.

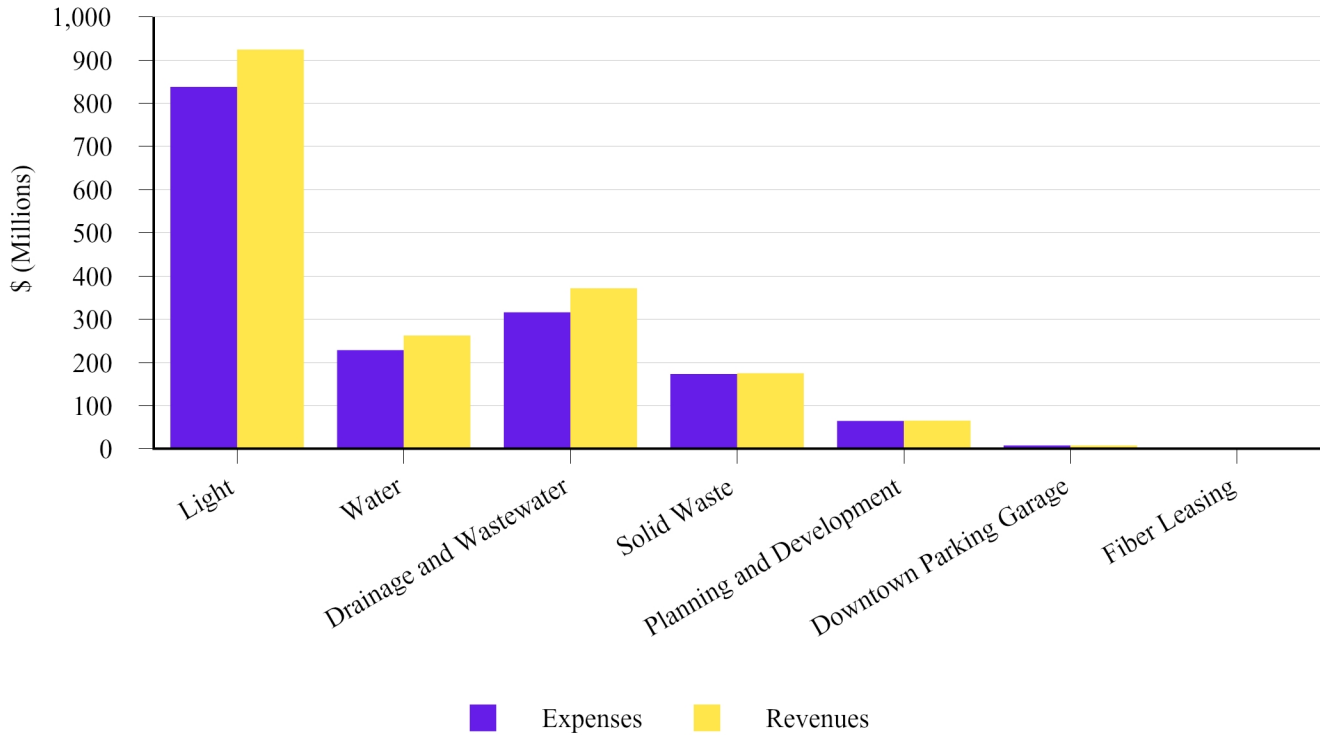
Expenses reported at the citywide level were up 3.1 percent year over year, totaling \$3.175 billion in 2015. Of the \$94.2 million increase in 2015’s expenses only 10.9 percent can be attributed to the growth in expenses related to governmental activities. Net program expenses for all functions within the City’s governmental activities totaled \$1.547 billion for 2015, a 0.7 percent increase over 2014’s costs of \$1.536 billion. The following table lists city functions and programs ranked by the size of their 2015 expenses, and highlights the growth in costs between the 2014 and 2015 financial statements.

2015 Rank	Citywide Function/Program	Amount (In Millions)	Percent of Change	Amount of Change (In Millions)
1	Public Safety	\$531.5	(6.6)%	\$(37.3)
2	Culture and Recreation	\$286.4	3.9%	\$10.8
3	Transportation	\$221.4	(0.3)%	\$(0.8)
4	General Government	\$208.6	10.4%	\$19.6
5	Economic Environment	\$138.9	0.5%	\$0.7
6	Health and Human Services	\$94.1	22.9%	\$17.6

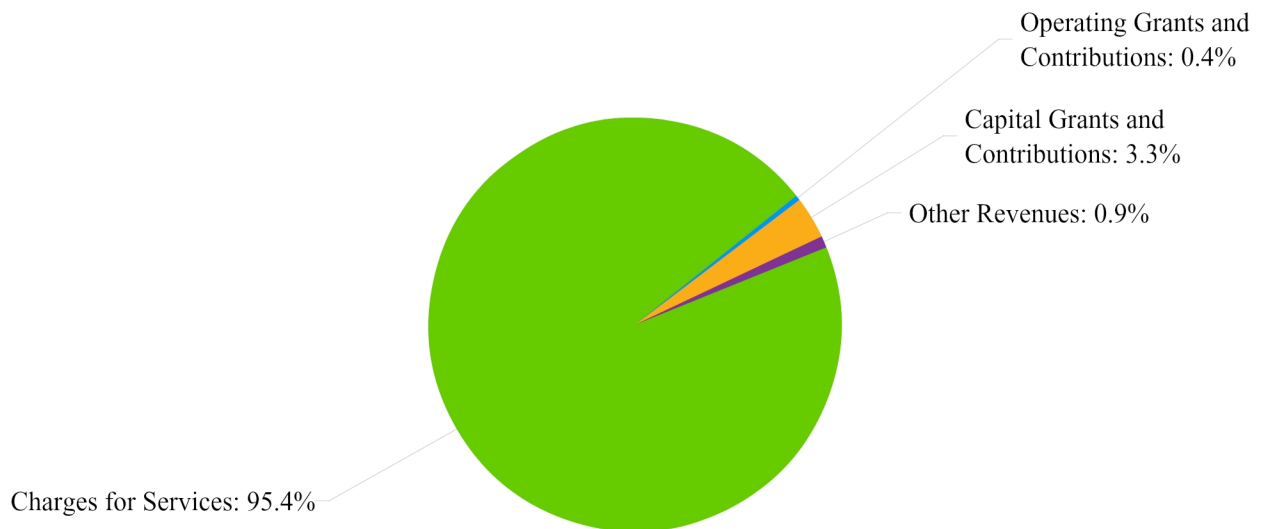
The City’s largest governmental expense continues to be the public safety function, totaling \$531.5 million for 2015, contributing 16.7 percent of all citywide expenses, and 34.4 percent of expense in the City’s governmental activities.

Business-Type Activities

Expenses and Program Revenues - Business-Type Activities



Revenues by Source - Business-Type Activities



Total \$1.824 billion

Business-Type Activities. At year end the City's net position for business-type activities was \$1.821 billion, a 11.67 percent decrease totaling \$240.7 million. Of this amount \$27.1 million reflects the consolidation of internal service fund activities related to enterprise funds. Key factors for the change are described below:

The Enterprise funds beginning net position of \$2.043 billion was adjusted to \$1.602 billion to reflect the City's implementation of GASB statement 68. The impact of this one-time \$440.7 million reduction to net position was offset by a \$191.9 million change in net position during the year.

The City Light Utility realized a \$90.5 million change in net position for 2015. The change was due in large part to lower net wholesale energy sales compared to 2014. Higher retail electric sales, transfers to and from the revenue stabilization account, and capital contributions were offset by lower power related revenues, and higher distribution, administrative and general, taxes, and depreciation, in addition to the lower net surplus power sales. Operating income generated \$110.8 million, down \$41.5 million from 2014. Operating revenues remained relatively consistent at \$882.9 million, falling only \$3.6 million. Operating expenses increased \$37.9 million, and contributed 91.4 percent of the decrease in the operating income. Retail power revenues at \$736.6 million increased \$15.8 million. Retail power revenues were higher due to the 4.2 percent across-the-board rate increase effective January 1, 2015 and the 0.9 percent Bonneville pass-through rate adjustment effective in October 2015 despite lower consumption from warmer weather during most of 2015.

The Water Utility realized a \$38.2 million change in net position for 2015. Operating income remained relatively consistent at \$58.4 million, decreasing 0.2 percent. The increase in operating revenues and expenses are very closely aligned, with additional operating revenues supporting 98.6 percent of the increase in operating expenses. Operating revenues increased approximately \$9.0 million, 3.7 percent over 2014. This change was driven by an increase in direct service revenue of \$7.1 million resulting from an increase in consumption and \$2.2 million increase in other revenues. 2015 was not a typical year for water consumption. The area experienced very dry conditions a month earlier than expected. As a result, the Fund implemented the Water Shortage Contingency Plan in coordination with other large cities in the area. This voluntary reduction plan along with cooler temperatures later in the summer pushed consumption down. However, the early summer spike was large enough to provide increased revenues.

The Drainage and Waste Water Utility realized a \$52.1 million change in net position for 2015. Operating income generated \$363.8 million, a 6.4 percent increase from 2014. Operating expenses totaled \$302.1 million, a 6.3 percent increase. The additional operating expenditures were only 82.2 percent of the increase in operating revenues. The additional revenue is due to a \$12.9 million increase in wastewater revenues from an average rate increase of 5.2 percent and an increase in consumption of 3.7 percent. The largest operating expense increase was related to Wastewater treatment costs, which increased by \$10.0 million due to a 5.6 percent increase in King County's treatment rate and a 3.7 percent increase in consumption.

The Solid Waste Utility realized a \$1.4 million change in net position for 2015. Operating income generated \$174.8 million, a 11.0 percent increase from 2014. Operating expenses totaled \$169.7 million, a 9.0 percent increase. The additional operating expenditures were only 81.3 percent of the increase in operating revenues. Current year operating revenues increased \$17.3 million compared to the prior year. There were several key factors affecting this change. There was an approximate 5.9 percent rate increase for residential and commercial garbage, and composting services effective April 1, 2015. This resulted in residential and commercial solid waste collection service revenue gains of \$9.1 million, including \$5.9 million in residential garbage collection and \$3.2 million in commercial collection revenue. The gains in residential and commercial revenues were offset by a transfer to the rate stabilization fund of \$2.5 million as compared to a \$10.5 million transfer in 2014, a reduction of \$8.0 million. Operating expenses in 2015 increased \$14.0 million compared to 2014. The largest operating expense increase was an \$8.5 million increase for the environmental cleanup of the South Park Landfill. Additional increases included \$3.2 million in collection expense directly related to increased revenues.

FINANCIAL ANALYSIS OF CITY FUNDS

As noted earlier, the City uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements.

**Table A-3 REVENUE, EXPENDITURE, AND FUND BALANCE SUMMARY
GOVERNMENTAL FUNDS
(In Thousands)**

	Major Funds					
	General Fund		Transportation Fund		Low-Income Housing Fund	
	2015	2014	2015	2014	2015	2014
Revenues						
Taxes	\$ 987,815	\$ 926,003	\$ 84,791	\$ 78,477	\$ 17,934	\$ 17,943
Licenses and Permits	27,119	25,027	6,043	5,066	—	—
Grants, Shared Revenues, and Contributions	32,198	35,666	35,320	46,244	7,001	2,840
Charges for Services	61,637	61,080	71,989	98,365	27,037	—
Fines and Forfeits	32,769	31,960	258	19	—	—
Parking Fees and Space Rent	39,154	38,223	95	84	—	—
Program Income, Interest, and Miscellaneous Revenues	38,041	42,794	513	2,235	9,526	32,660
Total Revenues	1,218,733	1,160,753	199,009	230,490	61,498	53,442
Expenditures	902,663	897,493	400,184	382,909	30,146	29,181
Other Financing Sources and Uses						
Long-Term Debt Issued and Refunding Payments, Net	—	—	—	—	—	—
Sales of Capital Assets	18,274	—	—	2,108	—	—
Transfers In (Out)	(267,679)	(255,085)	185,825	162,996	—	—
Total Other Financing Sources and Uses	(249,405)	(255,085)	185,825	165,104	—	—
Fund Balances						
Nonspendable	474	473	515	1,579	—	—
Restricted	136,626	99,991	14,001	33,816	135,079	99,003
Committed	97,296	76,493	56,481	50,952	1,692	6,415
Assigned	5,767	5,685	—	—	—	—
Unassigned	143,763	134,492	—	—	—	—
Total Fund Balances	\$ 383,927	\$ 317,135	\$ 70,997	\$ 86,348	\$ 136,771	\$ 105,419

Table A-3

**REVENUE, EXPENDITURE, AND FUND BALANCE SUMMARY
GOVERNMENTAL FUNDS (continued)
(In Thousands)**

	Nonmajor Funds			
	Special Revenue Funds		Debt Service Funds	
	2015	2014	2015	2014
Revenues				
Taxes	\$ 123,676	\$ 84,719	\$ 18,658	\$ 17,706
Licenses and Permits	976	—	—	—
Grants, Shared Revenues, and Contributions	76,149	69,986	978	979
Charges for Services	61,134	50,346	—	—
Fines and Forfeits	5,965	5,163	—	—
Parking Fees and Space Rent	27,837	25,227	348	357
Program Income, Interest, and Miscellaneous Revenues	7,765	3,533	999	718
Total Revenues	<u>303,502</u>	<u>238,974</u>	<u>20,984</u>	<u>19,760</u>
Expenditures	429,345	362,177	75,380	83,009
Other Financing Sources and Uses				
Long-Term Debt Issued and Refunding Payments, Net	—	—	—	48
Sales of Capital Assets	44	20	—	—
Transfers In (Out)	167,968	136,830	50,278	63,238
Total Other Financing Sources and Uses	<u>168,012</u>	<u>136,851</u>	<u>50,278</u>	<u>63,286</u>
Fund Balances				
Nonspendable	661	594	—	—
Restricted	128,797	87,384	11,548	15,665
Committed	10,775	3,245	—	—
Assigned	11,004	9,933	—	—
Unassigned	(11,496)	(3,582)	0	0
Total Fund Balances	<u>\$ 139,742</u>	<u>\$ 97,573</u>	<u>\$ 11,548</u>	<u>\$ 15,665</u>

	Nonmajor Funds				Total Governmental Funds	
	Capital Projects Funds		Permanent Funds		2015	2014
	2015	2014	2015	2014		
Revenues						
Taxes	\$ 259	\$ 24,272	\$ —	\$ —	\$ 1,233,134	\$ 1,149,119
Licenses and Permits	—	—	—	—	34,137	30,093
Grants, Shared Revenues, and Contributions	9,510	5,646	—	—	161,155	161,361
Charges for Services	3,260	11,396	—	—	225,056	221,187
Fines and Forfeits	16	—	—	—	39,008	37,142
Parking Fees and Space Rent	9	—	—	—	67,444	63,891
Program Income, Interest, and Miscellaneous Revenues	2,538	4,785	22	33	59,403	86,757
Total Revenues	<u>15,592</u>	<u>46,100</u>	<u>22</u>	<u>33</u>	<u>1,819,339</u>	<u>1,749,551</u>
Expenditures	61,955	73,457	11	5	1,899,684	1,828,231
Other Financing Sources and Uses						
Long-Term Debt Issued and Refunding Payments, Net	235,338	54,557	—	—	235,338	54,605
Sales of Capital Assets	912	—	—	—	19,231	2,129
Transfers In (Out)	(139,505)	(113,723)	—	—	(3,113)	(5,744)
Total Other Financing Sources and Uses	<u>96,745</u>	<u>(59,166)</u>	<u>—</u>	<u>—</u>	<u>251,456</u>	<u>50,989</u>
Fund Balances						
Nonspendable	—	—	2,050	2,050	3,700	4,697
Restricted	128,192	110,921	112	101	554,355	446,883
Committed	—	—	—	—	166,243	137,105
Assigned	—	—	—	—	16,772	15,618
Unassigned	(22,663)	(55,649)	—	—	109,605	75,261
Total Fund Balances	<u>\$ 105,529</u>	<u>\$ 55,272</u>	<u>\$ 2,162</u>	<u>\$ 2,151</u>	<u>\$ 850,675</u>	<u>\$ 679,564</u>

Governmental Funds

The focus of the City's governmental funds is to provide information on near-term inflows, outflows, and balances of resources available for spending. This information is useful in assessing the City's financing requirements. In particular, unassigned fund balance measures the City's net resources available for all purpose spending at the end of the fiscal year. Governmental funds reported by the City include the General Fund, special revenue funds, debt service funds, capital project funds, and permanent funds.

In 2015 the City's governmental funds generated \$1.819 billion in revenues, and recorded \$1.9 billion in expenditures. The 4.0 percent growth in revenue is driven by an overall increase in tax collections of \$84.0 million. Year over year expenditures remained relative consistent increasing only 3.9 percent, \$71.5 million. The City's governmental funds received a significant contribution from other financing sources and uses, totaling \$251.5 million for 2015. These resources offset the operating deficit and directly contributed to the 25.2 percent increase to the City's governmental fund balance which totals \$850.7 million at year end. Table A-3 provides a summary of activities for the governmental fund types at year-end 2015.

The General Fund accounts for 67.0 percent of revenues, and 43.8 percent of total governmental expenditures. The General Fund is the chief operating fund of the City. The Library Fund, previously reported as a special revenue fund, was determined to no longer meet the definition of a special revenue fund, as defined by GASB Statement No. 54, Fund Balance Reporting and Governmental Fund Type Definitions. As a result, the Library Fund is now reported as part of the General Fund for the GAAP reporting. For comparability, all amounts presented for fiscal year 2014 and 2015 in this discussion and analysis reflect this change unless noted otherwise. Table A-4 provides a summary of activities for the general subfunds at year-end 2015.

Consistent with prior reporting periods two of the City's special revenue funds continue to meet the criteria for reporting as major governmental funds. The Transportation Operating Fund and the Low income Housing Fund are included in the fund financial statement section of the CAFR alongside the presentation of the General Fund and the combined nonmajor governmental funds.

The Transportation Operating Fund, a special revenue fund, develops, maintains, and operates the transportation system inclusive of streets, bridges, ramps, retaining walls, sea walls, bike trails, street lights, and other road infrastructure. At the end of the fiscal year the Transportation Operating Fund reports a fund balance of \$71.0 million, 17.8 percent less than reported for 2014. While expenditures grew at 4.5 percent, revenues dropped 13.7 percent. The \$199.0 million of revenues collected include the excess property tax levy, a commercial parking tax, grants and contributions, and charges for services. The \$31.5 million decline in revenue collections relates directly to the Transportation Operating Fund's 26.8 percent drop in revenues from charges for services and 23.62 percent in the shared revenues. These revenue reductions were slightly offset by the expected growth in revenue from taxes, and licenses and permits. Transportation Operating Fund's expenditures account for nearly 21.1 percent of all governmental fund expenditures, totaling \$400.2 million for 2015. The Fund's other financing sources contributed \$185.8 million of additional resources in 2015, growing 12.6 percent, a \$20.7 million increase in support that counters the growth in expenditure and decline in revenues.

The Low-Income Housing Fund, a special revenue fund and one of the major governmental funds of the City, manages activities undertaken by the City to preserve, rehabilitate, or replace low-income housing. It also accounts for seven-year housing levies approved by voters, most recently in 2009. The 2015 fund balance of \$136.8 million reflects another year with a significant increase, \$31.4 million, over 2014's balance. The change in fund balance was driven by relative stability in the funds expenditures, growing 3.3 percent to reach \$30.1 million, combined with the continued strength of revenue collections which totaled \$61.5 million. A contributing factor of the increase is Council's passage of Ordinance 124388 which adjusted the contribution amounts for downtown affordable housing and childcare incentive programs and to establish automatic inflationary adjustments.

Revenues for the City's nonmajor governmental funds totaled \$340.1 million, increasing \$35.2 million, an 11.6 percent gain over 2014's collection of \$303.5 million. The overall net increase of revenue reported in the City's nonmajor governmental funds was a mix of both increases and decreases of revenues across the City's various nonmajor governmental fund types. The City's special revenue funds recorded an additional \$64.5 million of revenues for 2015, pushing total revenues up to \$303.5 million and accounting for 89.2 percent of all nonmajor governmental fund revenues.

For 2015 two additional funds are reported within the City's special revenue funds, increasing the number reported to 20. The newly created Wheelchair Accessible Services Fund and the Department of Education and Early Learning Fund generated a combined \$4.3 million in additional revenues for 2015. The Wheelchair Accessible Services Fund relies upon the collection of a 10-cent per ride surcharge for all rides originating in the City of Seattle with Transportation Network Companies, non-wheelchair-accessible taxis and for-hire companies. The Department of Education and Early Learning fund reported 98.2 percent of its revenues as Grants, Shared Revenues and Contributions. This was expected as the newly formed Department and fund was previously part of Office of Education within the Department of Neighborhoods operations and reported within the General Fund.

18 of the 20 special revenue funds reported contribute to 2015's growth in revenues. Only the Human Services Operating Fund and the Pike Place Market Renovation Fund report a combined \$8.6 million decline in revenues. The Pike Place Market Renovation Fund had received the proceeds of a six-year voter approved levy that facilitated the Pike Place Market's renovation. 2015 tax proceeds collected through the fund dropped from \$7.8 million to \$94 thousand, collections which now only relate to remaining delinquent collections.

Three funds were the primary driver of revenue growth for special revenue funds. With the Seattle Transportation Benefit District fund increasing revenues \$30.8 million, the Preschool Levy fund adding 14.4 million and the Parks and Recreation Fund \$12.7 million. The significant increase in revenues for the special revenue funds is offset by the 66.2 percent reduction of revenues recorded in the capital project funds.

For 2015 capital project funds reported revenues of \$15.6 million, down significantly from the \$46.1 million reported in 2014. Two funds combined to contribute to the \$33.2 million drop in revenues. Revenues generated by the Park's Mitigation and Remediation fund decreased \$11.9 million, 98.4 percent of the \$12.1 million reported in 2014.

The reduction of revenues in the Parks Mitigation and Remediation fund reflected one time mitigation payments from the State of Washington collected in 2014. The decline of revenues in in the fund was expected for 2015, and aligned with a significant reduction in expenditure activities.

The Seattle Center and Parks Multipurpose Levy experienced the most substantial decline of all capital project funds, a \$21.3 million decrease year over year. The voter approved 2008 Parks Levy, collecting tax proceeds over six years expired in 2014. 2015's tax collections subsequently dropped 99.0 percent in the fund. The fund did not reflect a substantial reduction to expenditures, and instead began to heavily rely on the remaining fund balance to provide the needed resources for ongoing projects.

Expenditures of the City's nonmajor governmental funds totaled \$568.4 million, increasing \$49.8 million, a 9.6 percent gain over 2014's expenditures of \$518.7 million. The overall net increase in reported expenditures for nonmajor governmental funds was a mix of a large increase in current operating costs, \$82.5 million, and offsetting decreases in the capital outlay and debt service expenditures, a \$32.7 million reduction. The year over year changes in expenditure classes were consistent across the City's various nonmajor governmental fund types.

**Table A-4 REVENUE, EXPENDITURE, AND FUND BALANCE SUMMARY
GENERAL FUND SUBFUNDS
(In Thousands)**

	General	Judgment/ Claims	Municipal Jail	Arts Account	Cable Television Franchise
Revenues					
Taxes	\$ 914,634	\$ —	\$ —	\$ —	\$ —
Licenses and Permits	18,607	—	—	—	8,512
Grants, Shared Revenues, and Contributions	23,594	—	—	—	—
Charges for Services	54,909	4,773	—	—	—
Fines and Forfeits	30,877	—	—	—	450
Parking Fees and Space Rent	38,309	—	—	15	—
Program Income, Interest, and Miscellaneous Revenues	4,967	2	1	41	153
Total Revenues	1,085,897	4,775	1	56	9,115
Expenditures	754,721	9,419	—	5,642	8,586
Other Financing Sources and Uses					
Sales of Capital Assets	—	—	—	—	—
Transfers In (Out)	(321,291)	—	(194)	5,954	(190)
Total Other Financing Sources and Uses	(321,291)	—	(194)	5,954	(190)
Fund Balances					
Nonspendable	95	—	—	—	—
Restricted	11,162	—	—	—	—
Committed	4,208	8,765	—	1,517	4,458
Assigned	3,791	—	—	—	—
Unassigned	44,343	—	—	—	—
Total Fund Balances	\$ 63,599	\$ 8,765	\$ —	\$ 1,517	\$ 4,458

	Cumulative Reserve	Neighborhood Matching	Bluefield Habitat Maintenance	Development Rights	Emergency
Revenues					
Taxes	\$ 73,181	\$ —	\$ —	\$ —	\$ —
Licenses and Permits	—	—	—	—	—
Grants, Shared Revenues, and Contributions	1,558	—	—	—	—
Charges for Services	1,706	—	—	—	—
Fines and Forfeits	1	—	—	—	—
Parking Fees and Space Rent	246	—	—	—	—
Program Income, Interest, and Miscellaneous Revenues	884	—	2	—	—
Total Revenues	77,576	—	2	—	—
Expenditures	30,218	3,416	—	—	—
Other Financing Sources and Uses					
Sales of Capital Assets	18,275	—	—	—	—
Transfers In (Out)	(21,744)	1,557	—	—	5,646
Total Other Financing Sources and Uses	(3,469)	1,557	—	—	5,646
Fund Balances					
Nonspendable	2	—	—	—	—
Restricted	82,381	—	—	—	—
Committed	24,492	3,302	210	22	—
Assigned	—	—	—	—	—
Unassigned	45,223	—	—	—	54,197
Total Fund Balances	\$ 152,098	\$ 3,302	\$ 210	\$ 22	\$ 54,197

**Table A-4 REVENUE, EXPENDITURE, AND FUND BALANCE SUMMARY
GENERAL FUND SUBFUNDS (continued)
(In Thousands)**

	Transit Benefit	Special Employment Program	Industrial Insurance	Unemployment Compensation	Health Care
Revenues					
Taxes	\$ —	\$ —	\$ —	\$ —	\$ —
Licenses and Permits	—	—	—	—	—
Grants, Shared Revenues, and Contributions	—	—	—	—	—
Charges for Services	—	8	—	—	—
Fines and Forfeits	—	—	—	—	—
Parking Fees and Space Rent	—	—	—	—	—
Program Income, Interest, and Miscellaneous Revenues	—	—	721	59	25,876
Total Revenues	—	8	721	59	25,876
Expenditures	—	8	—	—	15,726
Other Financing Sources and Uses					
Sales of Capital Assets	—	—	—	—	—
Transfers In (Out)	—	—	—	1,100	—
Total Other Financing Sources and Uses	—	—	—	1,100	—
Fund Balances					
Nonspendable	—	—	350	—	—
Restricted	—	—	—	—	29,980
Committed	—	124	6,091	1,396	41,787
Assigned	—	—	—	—	—
Unassigned	—	—	—	—	—
Total Fund Balances	\$ —	\$ 124	\$ 6,441	\$ 1,396	\$ 71,767

	Total General Fund			
	Group Term Life Insurance	Library ^a	2015	2014
Revenues				
Taxes	\$ —	\$ —	\$ 987,815	\$ 926,002
Licenses and Permits	—	—	27,119	25,027
Grants, Shared Revenues, and Contributions	—	7,046	32,198	35,667
Charges for Services	—	241	61,637	61,080
Fines and Forfeits	—	1,441	32,769	31,960
Parking Fees and Space Rent	—	584	39,154	38,223
Program Income, Interest, and Miscellaneous Revenues	5,161	174	38,041	42,793
Total Revenues	5,161	9,486	1,218,733	1,160,752
Expenditures	5,121	69,805	902,662	897,493
Other Financing Sources and Uses				
Sales of Capital Assets	—	—	18,275	—
Transfers In (Out)	—	61,483	(267,679)	(255,085)
Total Other Financing Sources and Uses	—	61,483	(249,404)	(255,085)
Fund Balances				
Nonspendable	—	27	474	474
Restricted	—	13,104	136,627	99,991
Committed	466	458	97,296	76,493
Assigned	—	1,976	5,767	5,685
Unassigned	—	—	143,763	134,492
Total Fund Balances	\$ 466	\$ 15,565	\$ 383,927	\$ 317,135

a As result of GASB Statement No. 54, the Library Fund no longer meets the definition for a special revenue fund and is reported as part of the General Fund for the GAAP reporting.

Proprietary Funds

The City's proprietary funds provide the same type of information found in the government-wide financial statements but in more detail.

City Light Utility. The Utility realized a change in net position of \$90.5 million in 2015 compared to \$121.3 million in 2014, a decrease of \$30.8 million, 25.4 percent. This decrease was mainly due to lower net wholesale energy sales compared to 2014. Higher retail electric sales, transfers from/(to) RSA, and capital contributions were offset by lower power related revenues. The decrease of net position was also attributed to higher distribution expenses, general and administrative, taxes and depreciation.

Net cash provided by operating activities decreased by \$69.5 million to \$228.1 million in 2015, compared to \$297.6 million in 2014. Net operating cash increased by \$24.2 million to \$152.5 million in 2015. Increased operating cash inflows was resulted from rate increase effective at the beginning of the year, Bonneville Power Administration pass-through rate adjustment, transfers from the RSA, and reimbursement from the Construction account for capital expenditures. The higher cash inflows were offset by greater debt service payments, capital construction projects, and ongoing operations. Restricted assets decreased by \$33.3 million to \$265.1 million in 2015, compared to \$298.4 million in 2014. This decrease was primarily due to the funding of ongoing capital improvement program.

Capital assets, net of accumulated depreciation and amortization, were \$2.961 billion and \$2.728 billion in 2015 and 2014, a net increase of \$233.1 million. The majority of the Utilities' capital asset additions were in the distribution plant and work-in-progress. The net increase in capital assets was partially offset by a \$59.0 million increase in accumulated depreciation and amortization.

Total liabilities were \$2.733 billion in 2015 and \$2.278 billion in 2014, the majority being revenue bonds payables. The noncurrent portion of the revenue bonds payables were \$2.091 billion in 2015 and \$1.925 billion in 2014. In July 2015, the Utility issued a total of \$271.9 million of revenue bonds. Interest expense related to these bonds was \$93.7 million in 2015 and \$89.6 million in 2014.

City Light's total net position was \$1.132 billion in 2015 and \$1.276 billion in 2014.

Water Utility. The Utility realized an operating income of \$58.4 million in 2015 compared to \$58.5 million in 2014. Operating revenues increased by \$9.0 million and operating expenses increased by \$9.2 million between 2015 and 2014. The Utility realized a net income of \$38.2 million in 2015 compared to net income of \$31.5 million in 2014. The net income in 2015 was primarily due to an increase in direct services revenue related to the very dry weather conditions driving a spike in water usage. This increase was offset by related operating expenses.

Net cash provided by operating activities increased to \$124.0 million in 2015 from \$127.9 million in 2014, a decrease of \$3.9 million. Total operating and restricted cash and investments were \$137.6 million in 2015 compared to \$100.2 million in 2014, an increase of \$37.4 million. This increase in cash and investments was primarily due to bond proceeds and transfers to the rate stabilization fund.

Utility plant, net of accumulated depreciation, and other capital assets for the year ended December 31, 2015, amounted to \$1.241 billion, an increase of \$35.8 million from 2014. Capital outlays of \$83.7 million were offset by depreciation expenses of \$50.0 million. Major capital assets additions in 2015 included infrastructure improvements, rehabilitation, facility improvements and water reservoir coverings.

The Water Utility had \$851.6 million in outstanding revenue bonds in 2015 compared to \$853.5 million at year end 2014. The decrease was due to principal payments.

The Water Utility's total net position was \$360.1 million in 2015 and \$393.0 million in 2014. The reduction resulted in part to the recording of the net pension liability as required by the GASB Statement 68 for reporting pensions.

Drainage and Wastewater Utility. The Utility realized an operating income of \$61.7 million in 2015 compared to \$57.8 million in 2014. Operating revenues increased by \$21.8 million and operating expenses increased by \$17.9 million between 2015 and 2014. The Utility realized a net income of \$52.1 million in 2015 and \$48.5 million in 2014. The increase in net income is the result of a rate increase offset by an increase in treatment costs.

Net cash provided by operating activities decreased to \$84.7 million in 2015 compared to \$88.6 million in 2014. Total operating and restricted cash and investments were \$128.5 million in 2015 compared to \$200.7 million in 2014. This decrease in cash and investments was primarily used for capital expenditures.

Utility plant, net of accumulated depreciation, and other capital assets increased to \$947.9 million in 2015 from \$843.8 million in 2014, an increase of \$104.1 million. Capital outlays of \$119.1 million were offset by depreciation expenses of \$23.5 million.

The Drainage and Wastewater Utility had \$600.7 million outstanding revenue and refunding bond liabilities in 2015, as compared to \$618.9 million in 2014. Total liabilities, including revenue bonds, were \$872.9 million in 2015 and \$812.1 million in 2014.

Total net position for the Drainage and Wastewater Utility was \$329.9 million in 2015 and \$344.1 million in 2014. The reduction resulted in part to the recording of the net pension liability as required by the GASB Statement 68 for reporting pensions.

Solid Waste Utility. The Utility realized an operating income of \$5.0 million in 2015 compared to \$1.8 million in 2014. Operating revenues increased by \$17.3 million and operating expenses increased by \$14.0 million between 2015 and 2014. The Utility realized a net income of \$1.4 million in 2015 compared to \$1.8 million in 2014. The net income in 2015 was primarily due to a rate increase offset by a transfer to the rate stabilization fund and related operating expenses.

Net cash provided by operating activities increased to \$30.8 million in 2015 compared to \$22.9 million in 2014. Total operating and restricted cash and investments were \$85.4 million in 2015 and \$81.6 million in 2014. The \$3.8 million increase in operating and restricted cash and investments is primarily due to new debt issued in 2015 offset by capital expenditures.

The Solid Waste Utility had \$197.8 million outstanding revenue bond liabilities in 2015 compared to \$166.9 million in 2014. The increase was due to new debt issued in 2015.

Total net position for the Solid Waste Utility was \$11.3 million in 2015 and \$34.2 million in 2014. The reduction resulted in part to the recording of the net pension liability as required by the GASB Statement 68 for reporting pensions.

Fiduciary Funds

The City maintains fiduciary funds for the assets of the Seattle City Employees' Retirement System (SCERS), the Firemen's Pension Fund, the Police Relief and Pension Fund, the S.L. Denny Private Purpose Trust, and various agency funds. The net position of the combined fiduciary funds at the end of 2015 is \$2.333 billion; SCERS represents 98.7 percent of this amount.

SCERS assets held in trust for the payment of future benefits does not exceed its proportionate share of the total pension liability as of December 31, 2015. The fund uses the services of both active and index fund professional money managers. SCERS net position decreased in value by \$9.7 million, 0.4 percent, during 2015. For year ending 2015 the member and employer contributions totaled \$166.9 million; net income from investment activity totaled \$6.5 million. Total benefit payment for 2015 increased by \$9.2 million to \$159.3 million. In 2015 the number of retirees and beneficiaries receiving benefits was 6222, which increased by 202, compared to 2014.

At December 31, 2015, the net positions of assets held in trust in the Firemen's Pension Fund and the Police Relief and Pension Fund for the payment of future benefits were \$14.9 million and \$4.7 million, respectively.

GENERAL FUND BUDGETARY HIGHLIGHTS

For the General Fund budgetary highlights, the Library Fund, which has its own legally adopted annual budget, is excluded from this discussion.

City Council passed the 2015 Adopted and 2016 Endorsed Budget (Ordinance 124648) authorizing a \$4.8 billion budget for the City's annual operations. The General subfund's budgeted expenditures account for 21.7 percent or \$1.045 billion of the total adopted budget. When considering additional budgets for general support transferred and other subfund expenditures reporting within the General Fund's presentation, 2015's total appropriation budget for the General Fund is \$1.345 billion, 25.8 million greater than the previous year.

Office Of Community Planning And Development, Department Of Housing And Urban Development	Continuum of Care Program	14,267	WA0010LOT0013 06	-	45,591	45,591	43,161
Office Of Community Planning And Development, Department Of Housing And Urban Development	Continuum of Care Program	14,267	WA0010LOT0014 07	-	121,270	121,270	119,631
Office Of Community Planning And Development, Department Of Housing And Urban Development	Continuum of Care Program	14,267	WA0012LOT0013 06	-	239,587	239,587	231,092
Office Of Community Planning And Development, Department Of Housing And Urban Development	Continuum of Care Program	14,267	WA0012LOT0014 07	-	190,484	190,484	188,179
Office Of Community Planning And Development, Department Of Housing And Urban Development	Continuum of Care Program	14,267	WA0013LOT0013 06	-	33,431	33,431	33,111
Office Of Community Planning And Development, Department Of Housing And Urban Development	Continuum of Care Program	14,267	WA0013LOT0014 07	-	32,709	32,709	32,146
Office Of Community Planning And Development, Department Of Housing And Urban Development	Continuum of Care Program	14,267	WA0014LOT0013 06	-	13,964	13,964	13,964
Office Of Community Planning And Development, Department Of Housing And Urban Development	Continuum of Care Program	14,267	WA0014LOT0014 07	-	14,973	14,973	14,973
Office Of Community Planning And Development, Department Of Housing And Urban Development	Continuum of Care Program	14,267	WA0015LOT0013 06	-	107,940	107,940	107,425
Office Of Community Planning And Development, Department Of Housing And Urban Development	Continuum of Care Program	14,267	WA0018LOT0013 06	-	138,713	138,713	135,585
Office Of Community Planning And Development, Department Of Housing And Urban Development	Continuum of Care Program	14,267	WA0018LOT0014 07	-	50,073	50,073	49,396
Office Of Community Planning And Development, Department Of Housing And Urban Development	Continuum of Care Program	14,267	WA0024LOT0013 06	-	65,894	65,894	63,575

The accompanying notes are an integral part of this schedule.

Office Of Community Planning And Development, Department Of Housing And Urban Development	Continuum of Care Program	14.267	WA0024L0T0014 07	-	108,342	108,342	105,635
Office Of Community Planning And Development, Department Of Housing And Urban Development	Continuum of Care Program	14.267	WA0026L0T0013 06	-	110,627	110,627	100,095
Office Of Community Planning And Development, Department Of Housing And Urban Development	Continuum of Care Program	14.267	WA0026L0T0014 07	-	679,829	679,829	668,279
Office Of Community Planning And Development, Department Of Housing And Urban Development	Continuum of Care Program	14.267	WA0027L0T0013 06	-	781,489	781,489	704,121
Office Of Community Planning And Development, Department Of Housing And Urban Development	Continuum of Care Program	14.267	WA0027L0T0014 07	-	58,457	58,457	50,841
Office Of Community Planning And Development, Department Of Housing And Urban Development	Continuum of Care Program	14.267	WA0028L0T0013 06	-	37,042	37,042	35,851
Office Of Community Planning And Development, Department Of Housing And Urban Development	Continuum of Care Program	14.267	WA0028L0T0014 07	-	13,696	13,696	13,533
Office Of Community Planning And Development, Department Of Housing And Urban Development	Continuum of Care Program	14.267	WA0029L0T0013 06	-	87,589	87,589	86,153
Office Of Community Planning And Development, Department Of Housing And Urban Development	Continuum of Care Program	14.267	WA0029L0T0014 07	-	28,008	28,008	27,675
Office Of Community Planning And Development, Department Of Housing And Urban Development	Continuum of Care Program	14.267	WA0031L0T0013 06	-	166,226	166,226	159,288
Office Of Community Planning And Development, Department Of Housing And Urban Development	Continuum of Care Program	14.267	WA0032L0T0013 06	-	443,471	443,471	432,912
Office Of Community Planning And Development, Department Of Housing And Urban Development	Continuum of Care Program	14.267	WA0037L0T0013 06	-	32,636	32,636	32,247

Office Of Community Planning And Development, Department Of Housing And Urban Development	Continuum of Care Program	14.267	WA0037L0T0013 06	-	68,416	68,416	66,129
Office Of Community Planning And Development, Department Of Housing And Urban Development	Continuum of Care Program	14.267	WA0039L0T0013 06	-	261,501	261,501	254,865
Office Of Community Planning And Development, Department Of Housing And Urban Development	Continuum of Care Program	14.267	WA0039L0T0014 07	-	136,314	136,314	134,055
Office Of Community Planning And Development, Department Of Housing And Urban Development	Continuum of Care Program	14.267	WA0040L0T0014 07	-	452,184	452,184	444,222
Office Of Community Planning And Development, Department Of Housing And Urban Development	Continuum of Care Program	14.267	WA0043L0T0012 05	-	178,743	178,743	168,471
Office Of Community Planning And Development, Department Of Housing And Urban Development	Continuum of Care Program	14.267	wa0043L0T00130 6	-	76,535	76,535	74,807
Office Of Community Planning And Development, Department Of Housing And Urban Development	Continuum of Care Program	14.267	WA0045L0T0013 06	-	13,397	13,397	13,397
Office Of Community Planning And Development, Department Of Housing And Urban Development	Continuum of Care Program	14.267	WA0045L0T0014 07	-	105,037	105,037	102,712
Office Of Community Planning And Development, Department Of Housing And Urban Development	Continuum of Care Program	14.267	WA0050L0T0013 06	-	161,632	161,632	-
Office Of Community Planning And Development, Department Of Housing And Urban Development (via King County)	Continuum of Care Program	14.267	WA0050L0T0014 07	59,754	-	59,754	-
Office Of Community Planning And Development, Department Of Housing And Urban Development	Continuum of Care Program	14.267	WA0050L0T0014 07	-	271,593	271,593	-
Office Of Community Planning And Development, Department Of Housing And Urban Development	Continuum of Care Program	14.267	WA0051L0T0013 06	-	28,079	28,079	27,047

The accompanying notes are an integral part of this schedule.

Office Of Community Planning And Development, Department Of Housing And Urban Development	Continuum of Care Program	14.267	WA0051L0T0014 07	-	233,176	233,176	227,741
Office Of Community Planning And Development, Department Of Housing And Urban Development	Continuum of Care Program	14.267	WA0052L0T0013 06	-	380,624	380,624	371,085
Office Of Community Planning And Development, Department Of Housing And Urban Development	Continuum of Care Program	14.267	WA0052L0T0014 07	-	147,345	147,345	143,208
Office Of Community Planning And Development, Department Of Housing And Urban Development	Continuum of Care Program	14.267	WA0053L0T0014 07	-	360,745	360,745	351,947
Office Of Community Planning And Development, Department Of Housing And Urban Development	Continuum of Care Program	14.267	WA0053L0T0014 07	-	191,073	191,073	188,384
Office Of Community Planning And Development, Department Of Housing And Urban Development	Continuum of Care Program	14.267	WA0061L0T0013 06	-	8,337	8,337	8,435
Office Of Community Planning And Development, Department Of Housing And Urban Development	Continuum of Care Program	14.267	WA0201L0T0013 05	-	475,803	475,803	464,791
Office Of Community Planning And Development, Department Of Housing And Urban Development	Continuum of Care Program	14.267	WA0213L0T0013 03	-	104,995	104,995	102,579
Office Of Community Planning And Development, Department Of Housing And Urban Development	Continuum of Care Program	14.267	WA0213L0T0014 04	-	23,669	23,669	23,042
Office Of Community Planning And Development, Department Of Housing And Urban Development	Continuum of Care Program	14.267	WA0214L0T0013 03	-	239,033	239,033	233,066
Office Of Community Planning And Development, Department Of Housing And Urban Development	Continuum of Care Program	14.267	WA0214L0T0014 04	-	78,087	78,087	76,642
Office Of Community Planning And Development, Department Of Housing And Urban Development	Continuum of Care Program	14.267	WA0227L0T0014 01	-	345,365	345,365	340,211

The accompanying notes are an integral part of this schedule.

Office Of Community Planning And Development, Department Of Housing And Urban Development	Continuum of Care Program	14.267	WA0228L0T0013 03	-	17,703	17,703	17,734
Office Of Community Planning And Development, Department Of Housing And Urban Development	Continuum of Care Program	14.267	WA0228L0T0014 04	-	11,818	11,818	11,573
Office Of Community Planning And Development, Department Of Housing And Urban Development	Continuum of Care Program	14.267	WA0239L0T0012 02	-	68,908	68,908	67,797
Office Of Community Planning And Development, Department Of Housing And Urban Development	Continuum of Care Program	14.267	WA0239L0T0014 04	-	203,912	203,912	200,622
Office Of Community Planning And Development, Department Of Housing And Urban Development	Continuum of Care Program	14.267	WA0242L0T0013 02	-	481,643	481,643	471,625
Office Of Community Planning And Development, Department Of Housing And Urban Development	Continuum of Care Program	14.267	WA0243L0T0013 02	-	26,045	26,045	25,409
Office Of Community Planning And Development, Department Of Housing And Urban Development	Continuum of Care Program	14.267	WA0243L0T0014 03	-	4,541	4,541	4,285
Office Of Community Planning And Development, Department Of Housing And Urban Development	Continuum of Care Program	14.267	WA0244L0T0013 01	-	229,048	229,048	222,189
Office Of Community Planning And Development, Department Of Housing And Urban Development	Continuum of Care Program	14.267	WA0244L0T0014 02	-	281,177	281,177	275,560
Office Of Community Planning And Development, Department Of Housing And Urban Development	Continuum of Care Program	14.267	WA0259L0T0013 01	-	127,178	127,178	124,078
Office Of Community Planning And Development, Department Of Housing And Urban Development	Continuum of Care Program	14.267	WA0260L0T0013 01	-	541,303	541,303	532,662
Office Of Community Planning And Development, Department Of Housing And Urban Development	Continuum of Care Program	14.267	WA0261L0T0013 01	-	110,463	110,463	108,072

Office Of Community Planning And Development, Department Of Housing And Urban Development	Continuum of Care Program	14.267	WA0287LOT001300	-	62,970	62,970	62,019
Office Of Community Planning And Development, Department Of Housing And Urban Development	Continuum of Care Program	14.267	WA295LOT001400	-	322,926	322,926	316,856
Office Of Community Planning And Development, Department Of Housing And Urban Development	Continuum of Care Program	14.267	WA296LOT001400	-	895	895	-
Office Of Community Planning And Development, Department Of Housing And Urban Development	Continuum of Care Program	14.267	WA296LOT001400	-	58,071	58,071	57,355
Office Of Community Planning And Development, Department Of Housing And Urban Development	Continuum of Care Program	14.267	WAA0043LOT001407	-	239,682	239,682	234,706
Total CFDA 14.267:				59,754	11,373,521	11,433,276	10,625,183
Office Of Fair Housing And Equal Opportunity, Department Of Housing And Urban Development	Fair Housing Assistance Program_State and Local	14.401	FF-210-K13-1006	-	45,000	45,000	-
Department of Housing and Urban Development	HUD Community Challenge Planning & DOT Tiger II Planning Grant	14.704	CCPWA0068-11	-	231,926	231,926	-
Office Of Public And Indian Housing, Department Of Housing And Urban Development (via Seattle Housing Authority)	Public and Indian Housing	14.850	9917, CHANGE ORDER 7	359,744	-	359,744	359,744
Office For Victims Of Crime, Department Of Justice	Services for Trafficking Victims	16.320	2011-VT-BX-K005	-	(6,679)	(6,679)	-
Office For Victims Of Crime, Department Of Justice	Services for Trafficking Victims	16.320	2013-VT-BX-K009	-	245,631	245,631	-
Office For Victims Of Crime, Department Of Justice	Services for Trafficking Victims	16.320	2015-VT-BX-K052	-	737	737	-
Total CFDA 16.320:				-	239,689	239,689	-
Office Of Juvenile Justice And Delinquency Prevention, Department Of Justice	Missing Children's Assistance	16.543	2012-MC-FX-K016	-	494,933	494,933	-

The accompanying notes are an integral part of this schedule.

Office Of Juvenile Justice And Delinquency Prevention, Department Of Justice	Missing Children's Assistance	16.543	2015-MC-FX-K039	-	21,379	21,379	-
			Total CFDA 16.543:	-	516,312	516,312	-
Violence Against Women Office, Department Of Justice	Grants to Encourage Arrest Policies and Enforcement of Protection Orders Program	16.590	2009-WE-AX-0008	-	265,234	265,234	230,317
Bureau Of Justice Assistance, Department Of Justice (via Washington Association of Sheriffs and Police Chiefs)	Project Safe Neighborhoods	16.609	2013-GP-BX-0004	4,701	-	4,701	-
Bureau Of Justice Assistance, Department Of Justice (via Washington Association of Sheriffs and Police Chiefs)	Project Safe Neighborhoods	16.609	PSN-2015-002	3,863	-	3,863	-
			Total CFDA 16.609:	8,564	-	8,564	-
Office Of Community Oriented Policing Services, Department Of Justice	Public Safety Partnership and Community Policing Grants	16.710	2012-ULWX-0037	-	18,461	18,461	-
Office Of Community Oriented Policing Services, Department Of Justice	Public Safety Partnership and Community Policing Grants	16.710	2013-UL-WX-0024	-	566,028	566,028	-
Office Of Community Oriented Policing Services, Department Of Justice	Public Safety Partnership and Community Policing Grants	16.710	2014-ULWX-0015	-	447,936	447,936	-
			Total CFDA 16.710:	-	1,032,425	1,032,425	-
Violence Against Women Office, Department Of Justice	Transitional Housing Assistance for Victims of Domestic Violence, Dating Violence, Stalking, or Sexual Assault	16.736	2013-WH-AX-0035	-	76,265	76,265	71,334
Bureau Of Justice Assistance, Department Of Justice	Edward Byrne Memorial Justice Assistance Grant Program	16.738	2012-DJ-BX-0526	-	98,103	98,103	98,103
Bureau Of Justice Assistance, Department Of Justice	Edward Byrne Memorial Justice Assistance Grant Program	16.738	2013-DJ-BX-0715	-	213,431	213,431	213,431

The accompanying notes are an integral part of this schedule.

Bureau Of Justice Assistance, Department Of Justice	Edward Byrne Memorial Justice Assistance Grant Program	16.738	2014-DJ-BX-1034	-	293,028	293,028	293,028
Bureau Of Justice Assistance, Department Of Justice	Edward Byrne Memorial Justice Assistance Grant Program	16.738	2015-DJ-BX-0552	-	97,975	97,975	97,975
	Total CFDA 16.738:			-	702,536	702,536	702,536
Bureau Of Justice Assistance, Department Of Justice	Byrne Criminal Justice Innovation Program	16.817	2014-NY-FX- K003	-	18,749	18,749	-
Bureau Of Justice Assistance, Department Of Justice	Byrne Criminal Justice Innovation Program	16.817	2012-AJ-BX-0006	-	391,760	391,760	-
	Total CFDA 16.817:			-	410,510	410,510	-
Criminal Division, Department Of Justice	Equitable Sharing Program	16.922	N/A	-	3,850	3,850	-
Criminal Division, Department Of Justice	Equitable Sharing Program	16.922	N/A	-	652,706	652,706	-
Criminal Division, Department Of Justice	Equitable Sharing Program	16.922	N/A	-	34,204	34,204	-
Criminal Division, Department Of Justice	Equitable Sharing Program	16.922	N/A	-	9,867	9,867	-
Criminal Division, Department Of Justice	Equitable Sharing Program	16.922	N/A	-	588,844	588,844	-
Criminal Division, Department Of Justice	Equitable Sharing Program	16.922	N/A	-	752,487	752,487	-
Criminal Division, Department Of Justice	Equitable Sharing Program	16.922	N/A	-	238,301	238,301	-
Criminal Division, Department Of Justice	Equitable Sharing Program	16.922	N/A	-	25,620	25,620	-
Criminal Division, Department Of Justice	Equitable Sharing Program	16.922	N/A	-	225,262	225,262	-
	Total CFDA 16.922:			-	2,531,141	2,531,141	-
WIA Cluster							
Employment Training Administration, Department Of Labor (via Puget Sound Regional Council)	WIA/WIOA Youth Activities	17.259	14/180-YTH	318,730	-	318,730	200,904
Employment Training Administration, Department Of Labor (via Puget Sound Regional Council)	WIA/WIOA Youth Activities	17.259	14/185-YTH	94,037	-	94,037	51,557

Employment Training Administration, Department Of Labor (via Puget Sound Regional Council)	WIA/WIOA Youth Activities	17.259	15/121-YTH	-	93,287	93,287	16,149
Highway Planning and Construction Cluster				Total WIA Cluster:	506,054	506,054	268,610
Federal Highway Administration (fhwa), Department Of Transportation (via WA Department of Transportation)	Highway Planning and Construction	20.205	BHM-1577(016)	-	434,090	434,090	-
Federal Highway Administration (fhwa), Department Of Transportation (via WA Department of Transportation)	Highway Planning and Construction	20.205	BHM-1758(002)	-	69,362	69,362	-
Federal Highway Administration (fhwa), Department Of Transportation (via WA Department of Transportation)	Highway Planning and Construction	20.205	BRM-1560(001)	-	371,605	371,605	-
Federal Highway Administration (fhwa), Department Of Transportation (via WA Department of Transportation)	Highway Planning and Construction	20.205	BRM-1613(005)	-	645,589	645,589	-
Federal Highway Administration (fhwa), Department Of Transportation (via WA Department of Transportation)	Highway Planning and Construction	20.205	BROS-1140(066)	-	30,658	30,658	-
Federal Highway Administration (fhwa), Department Of Transportation (via WA Department of Transportation)	Highway Planning and Construction	20.205	CM-1450(004)	-	38,408	38,408	-
Federal Highway Administration (fhwa), Department Of Transportation (via WA Department of Transportation)	Highway Planning and Construction	20.205	CM-TAP-1775(001)	-	837,640	837,640	-
Federal Highway Administration (fhwa), Department Of Transportation (via WA Department of Transportation)	Highway Planning and Construction	20.205	HSIP-000S(341)	-	316,096	316,096	-
Federal Highway Administration (fhwa), Department Of Transportation (via WA Department of Transportation)	Highway Planning and Construction	20.205	HSIP-1750(002)	-	50,950	50,950	-
Federal Highway Administration (fhwa), Department Of Transportation (via WA Department of Transportation)	Highway Planning and Construction	20.205	LA-7507 & LA-7509	-	112,541	112,541	-

Federal Highway Administration (fwa), Department Of Transportation (via WA Department of Transportation)	Highway Planning and Construction	20.205	POMVIP-0522(060)	373,867	-	373,867	-
Federal Highway Administration (fwa), Department Of Transportation (via WA Department of Transportation)	Highway Planning and Construction	20.205	SRTS-1140(050)	14,054	-	14,054	-
Federal Highway Administration (fwa), Department Of Transportation (via WA Department of Transportation)	Highway Planning and Construction	20.205	SRTS-1140(058)	376,976	-	376,976	-
Federal Highway Administration (fwa), Department Of Transportation (via WA Department of Transportation)	Highway Planning and Construction	20.205	SRTS-1140(062)	77,073	-	77,073	-
Federal Highway Administration (fwa), Department Of Transportation (via WA Department of Transportation)	Highway Planning and Construction	20.205	SRTS-1615(004)	143,857	-	143,857	-
Federal Highway Administration (fwa), Department Of Transportation (via WA Department of Transportation)	Highway Planning and Construction	20.205	SRTS-1730(001)	133,547	-	133,547	-
Federal Highway Administration (fwa), Department Of Transportation (via WA Department of Transportation)	Highway Planning and Construction	20.205	STPE-EN10(029)	2,342	-	2,342	-
Federal Highway Administration (fwa), Department Of Transportation (via WA Department of Transportation)	Highway Planning and Construction	20.205	STPUL-1140(054)	45	-	45	-
Federal Highway Administration (fwa), Department Of Transportation (via WA Department of Transportation)	Highway Planning and Construction	20.205	STPUL-1140(065)	4,284	-	4,284	-
Federal Highway Administration (fwa), Department Of Transportation (via WA Department of Transportation)	Highway Planning and Construction	20.205	STPUL-1201(022)	1,328,276	-	1,328,276	-
Federal Highway Administration (fwa), Department Of Transportation (via WA Department of Transportation)	Highway Planning and Construction	20.205	STPUL-1569(002)	1,991,460	-	1,991,460	-
Federal Highway Administration (fwa), Department Of Transportation (via WA Department of Transportation)	Highway Planning and Construction	20.205	STPUL-1577(017)	3,828	-	3,828	-

Federal Highway Administration (fwa), Department Of Transportation (via WA Department of Transportation)	Highway Planning and Construction	20.205	STPUL-1816(001)	5,000	-	5,000	-
Federal Highway Administration (fwa), Department Of Transportation (via WA Department of Transportation)	Highway Planning and Construction	20.205	TAP-1140(057)	18,568	-	18,568	-
Federal Highway Administration (fwa), Department Of Transportation (via WA Department of Transportation)	Highway Planning and Construction	20.205	TAP-1140(059)	31,633	-	31,633	-
Federal Highway Administration (fwa), Department Of Transportation (via WA Department of Transportation)	Highway Planning and Construction	20.205	TAP-1595(001)	24,243	-	24,243	-
Federal Highway Administration (fwa), Department Of Transportation (via WA Department of Transportation)	Highway Planning and Construction	20.205	TIGER-IV-STPUL-9999(648)	1,455,827	-	1,455,827	-
Federal Highway Administration (fwa), Department Of Transportation (via WA Department of Transportation)	Highway Planning and Construction	20.205	VPPP-1140(052)	586	-	586	-
Total Highway Planning and Construction Cluster:				8,892,404	-	8,892,404	-
Federal Transit Cluster							
Federal Transit Administration (fta), Department Of Transportation (via King County)	Federal Transit_Capital Investment Grants	20.500	WA-04-0080-00	37,243	-	37,243	-
Federal Transit Administration (fta), Department Of Transportation (via King County)	Federal Transit_Capital Investment Grants	20.500	WA-04-0099-01	2,561	-	2,561	-
Total CFDA 20.500:				39,804	-	39,804	-
Federal Transit Administration (fta), Department Of Transportation	Federal Transit_Formula Grants	20.507	WA-90-X442-03	-	375,918	375,918	-
Federal Transit Administration (fta), Department Of Transportation	Federal Transit_Formula Grants	20.507	WA-90-X442-04	-	58,926	58,926	-
Federal Transit Administration (fta), Department Of Transportation (via King County)	Federal Transit_Formula Grants	20.507	WA-90-0522-04	1,038,752	-	1,038,752	-
Federal Transit Administration (fta), Department Of Transportation	Federal Transit_Formula Grants	20.507	WA-90-0544-00	-	183,433	183,433	-

The accompanying notes are an integral part of this schedule.

Federal Transit Administration (fta), Department Of Transportation	Federal Transit_Formula Grants	20.507	WA-90-X447-04	-	24,449	24,449	-
Federal Transit Administration (fta), Department Of Transportation	Federal Transit_Formula Grants	20.507	WA-90-X474-00	-	6,110	6,110	-
Federal Transit Administration (fta), Department Of Transportation	Federal Transit_Formula Grants	20.507	WA-90-X560-00	-	515,019	515,019	-
Federal Transit Administration (fta), Department Of Transportation (via King County)	Federal Transit_Formula Grants	20.507	WA-95-X043	49,157	-	49,157	-
Federal Transit Administration (fta), Department Of Transportation (via King County)	Federal Transit_Formula Grants	20.507	WA-95-X069-02	2,442	-	2,442	-
Federal Transit Administration (fta), Department Of Transportation	Federal Transit_Formula Grants	20.507	WA-95-X070-00	-	777,822	777,822	-
Federal Transit Administration (fta), Department Of Transportation	Federal Transit_Formula Grants	20.507	WA-95-X075-00	-	704,416	704,416	-
Total CFDA 20.507:				1,090,351	2,646,093	3,736,443	-
Total Federal Transit Cluster:				1,130,155	2,646,093	3,776,248	-
Transit Services Programs Cluster							
Federal Transit Administration (fta), Department Of Transportation	New Freedom Program	20.521	WA-57-X021-00	-	168,058	168,058	-
Total Transit Services Programs Cluster:				-	168,058	168,058	-
Federal Transit Administration (fta), Department Of Transportation	Alternatives Analysis	20.522	WA-39-0006-00	-	44,501	44,501	-
Highway Safety Cluster							
National Highway Traffic Safety Administration (nhtsa), Department Of Transportation (via Traffic Safety Commission)	State and Community Highway Safety	20.600	CFDA 20.600	5,311	-	5,311	-
National Highway Traffic Safety Administration (nhtsa), Department Of Transportation (via Traffic Safety Commission)	State and Community Highway Safety	20.600	Contract WTSC	1,983	-	1,983	-
National Highway Traffic Safety Administration (nhtsa), Department Of Transportation (via Traffic Safety Commission)	State and Community Highway Safety	20.600	Contract WTSC	20,992	-	20,992	-

The accompanying notes are an integral part of this schedule.

National Highway Traffic Safety Administration (nhtsa), Department Of Transportation (via Traffic Safety Commission)	20.600	N/A	296	-	296	-
National Highway Traffic Safety Administration (nhtsa), Department Of Transportation (via Traffic Safety Commission)	20.600	PS15-02	37,482	-	37,482	-
National Highway Traffic Safety Administration (nhtsa), Department Of Transportation (via Traffic Safety Commission)	20.600	WTSC Contract	189	-	189	-
National Highway Traffic Safety Administration (nhtsa), Department Of Transportation (via Traffic Safety Commission)	20.600	WTSC Contract	13,594	-	13,594	-
		Total CFDA 20.600:	79,848	-	79,848	-
National Highway Traffic Safety Administration (nhtsa), Department Of Transportation (via Traffic Safety Commission)	20.616	CFDA 20.616	2,627	-	2,627	-
National Highway Traffic Safety Administration (nhtsa), Department Of Transportation (via Traffic Safety Commission)	20.616	Contract WTSC	407	-	407	-
		Total CFDA 20.616:	3,034	-	3,034	-
		Total Highway Safety Cluster:	82,882	-	82,882	-
Pipeline And Hazardous Materials Safety Administration, Department Of Transportation (via WA Military Department)	20.703	E15-213 FFY 2014 HMEP Training and Planning Grants	8,000	-	8,000	-
Office Of The Secretary (ost) Administration Secretariate, Department Of Transportation (via WA Department of Transportation)	20.933	TIGER-IV-STPUL-9999(648)	2,291,073	-	2,291,073	-
National Endowment For The Arts	45.024	15-5400-7072	-	10,000	-	10,000
Institute Of Museum And Library Services (via Westchester Library System)	45.312	LG-07-13-0374-13	4,968	-	4,968	-

Region 10, Environmental Protection Agency	Puget Sound Watershed Management Assistance	66.120	PO-00J09401-0	-	117,901	117,901	92,950
Region 10, Environmental Protection Agency (via Department of Ecology)	Puget Sound Action Agenda: Technical Investigations and Implementation Assistance Program	66.123	G1300084	17,583	-	17,583	-
Region 10, Environmental Protection Agency (via Department of Ecology)	Puget Sound Action Agenda: Technical Investigations and Implementation Assistance Program	66.123	G1300125	63,597	-	63,597	79,520
Region 10, Environmental Protection Agency (via Department of Ecology)	Puget Sound Action Agenda: Technical Investigations and Implementation Assistance Program	66.123	G1400223	50,000	-	50,000	-
Total CFDA 66.123:				131,180	-	131,180	79,520
Drinking Water State Revolving Fund Cluster							
Office Of Water, Environmental Protection Agency (via Office of Water)	Capitalization Grants for Drinking Water State Revolving Funds	66.468	DM13-952-135	1,442,835	-	1,442,835	-
Total Drinking Water State Revolving Fund Cluster:				1,442,835	-	1,442,835	-
Region 9, Environmental Protection Agency	Environmental Protection Consolidated Grants for the Insular Areas - Program Support	66.600	PO-00J09101	-	147,659	147,659	103,496
Department Of Energy (via State of WA Department of Commerce)	Weatherization Assistance for Low-Income Persons	81.042	F13-43103-404	154,994	-	154,994	-
Department Of Energy (via State of WA Department of Commerce)	Weatherization Assistance for Low-Income Persons	81.042	F13-43103-404	219,007	-	219,007	-
Department Of Energy (via State of WA Department of Commerce)	Weatherization Assistance for Low-Income Persons	81.042	F13-43104-404	75,606	-	75,606	-
Department Of Energy (via State of WA Department of Commerce)	Weatherization Assistance for Low-Income Persons	81.042	F13-43104-404	78,774	-	78,774	-
Department Of Energy (via State of WA Department of Commerce)	Weatherization Assistance for Low-Income Persons	81.042	F15-43103-404	22,436	-	22,436	-

Department Of Energy (via State of WA Department of Commerce)	Weatherization Assistance for Low-Income Persons	81.042	F15-43103-404	41,812	41,812	-
			Total CFDA 81.042:	592,629	592,629	-
Department Of Energy (via State of WA Department of Commerce)	Energy Efficiency and Renewable Energy Information Dissemination, Outreach, Training and Technical Analysis/Assistance	81.117	F14-52117-005	18,063	18,063	-
Department Of Energy (via State of WA Department of Commerce)	Energy Efficiency and Renewable Energy Information Dissemination, Outreach, Training and Technical Analysis/Assistance	81.117	F14-52117-013	8,500	8,500	-
			Total CFDA 81.117:	26,563	26,563	-
TRIO Cluster						
Office Of Postsecondary Education, Department Of Education	TRIO_Upward Bound	84.047	P047A120661	-	189,694	-
Office Of Postsecondary Education, Department Of Education	TRIO_Upward Bound	84.047	P047A120661-15	-	276,048	-
			Total TRIO Cluster:	465,743	465,743	-
Office Of Elementary And Secondary Education, Department Of Education	Twenty-First Century Community Learning Centers	84.287	991104	-	69,601	-
Administration For Community Living, Department Of Health And Human Services (via 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	1469-93697	18,387	-	18,387
Administration For Community Living, Department Of Health And Human Services (via Department of Social and Health Services)	Special Programs for the Aging_ Title III, Part D_Disease Prevention and Health Promotion Services	93.043	1469-93697	133,117	-	133,117
Aging Cluster						

Administration For Community Living, Department Of Health And Human Services (via Department of Social and Health Services)	93.044	1569-29892	583,594	-	583,594	119,773
Administration For Community Living, Department Of Health And Human Services (via Department of Social and Health Services)	93.044	1569-29892	1,455,287	-	1,455,287	830,421
Total CFDA 93.044:			2,038,881	-	2,038,881	950,194
Administration For Community Living, Department Of Health And Human Services (via Department of Social and Health Services)	93.045	1469-93697	1,056,504	-	1,056,504	1,022,694
Administration For Community Living, Department Of Health And Human Services (via Department of Social and Health Services)	93.045	1469-93697	2,053,277	-	2,053,277	1,910,669
Total CFDA 93.045:			3,109,781	-	3,109,781	2,933,362
Administration For Community Living, Department Of Health And Human Services (via Department of Social and Health Services)	93.053	1469-93697	572,461	-	572,461	572,461
Total Aging Cluster:			5,721,123	-	5,721,123	4,456,018
Administration For Community Living, Department Of Health And Human Services (via Department of Social and Health Services)	93.051	1469-26576	3,007	-	3,007	3,007
Administration For Community Living, Department Of Health And Human Services (via Department of Social and Health Services)	93.052	1469-93697	80,990	-	80,990	44,412
Administration For Community Living, Department Of Health And Human Services (via Department of Social and Health Services)	93.052	1469-93697	659,146	-	659,146	517,486
Total CFDA 93.052:			740,136	-	740,136	561,898
Administration For Community Living, Department Of Health And Human Services (via Department of Social and Health Services)	93.071	1369-92778	2,927	-	2,927	2,927
Administration For Community Living, Department Of Health And Human Services (via Department of Social and Health Services)	93.071	1469-28486	31,899	-	31,899	31,370

The accompanying notes are an integral part of this schedule.

				Total CFDA 93.071:	34,826	-	34,826	34,297
Centers For Disease Control And Prevention, Department Of Health And Human Services (via Public Health Seattle & King County (PHSKC))	93.331	Partnerships to Improve Community Health	CDIP3923		29,700	-	29,700	-
Centers For Disease Control And Prevention, Department Of Health And Human Services (via Department of Social and Health Services)	93.331	Partnerships to Improve Community Health	CDIP3933		52,242	-	52,242	-
			Total CFDA 93.331:	81,943	-	-	81,943	-
Administration For Community Living, Department Of Health And Human Services (via Department of Social and Health Services)	93.517	Affordable Care Act – Aging and Disability Resource Center	1369-78479		148,814	-	148,814	4,029
Administration For Children And Families, Department Of Health And Human Services (via State of WA Department of Commerce)	93.568	Low-Income Home Energy Assistance	F15-43101-404		359,431	-	359,431	-
Administration For Children And Families, Department Of Health And Human Services (via State of WA Department of Commerce)	93.568	Low-Income Home Energy Assistance	F15-43101-404		422,346	-	422,346	-
			Total CFDA 93.568:	781,777	-	-	781,777	-
Administration For Children And Families, Department Of Health And Human Services (via State of WA Department of Commerce)	93.569	Community Services Block Grant	F15-32100-005		164,769	-	164,769	-
Administration For Community Living, Department Of Health And Human Services (via Department of Social and Health Services)	93.734	Empowering Older Adults and Adults with Disabilities through Chronic Disease Self-Management Education Programs – financed by Prevention and Public Health Funds (PPHF)	1269-63897		26,168	-	26,168	14,600
Medicaid Cluster								
Centers For Medicare And Medicaid Services, Department Of Health And Human Services (via Department of Social and Health Services)	93.778	Medical Assistance Program	1469-14540		(25,185)	-	(25,185)	12,125

Centers For Medicare And Medicaid Services, Department Of Health And Human Services (via Department of Social and Health Services)	Medical Assistance Program	93.778	1469-14540	528,399	-	528,399	199,510
Centers For Medicare And Medicaid Services, Department Of Health And Human Services (via Department of Social and Health Services)	Medical Assistance Program	93.778	1469-14540	4,405,271	-	4,405,271	1,565,097
Centers For Medicare And Medicaid Services, Department Of Health And Human Services (via Department of Social and Health Services)	Medical Assistance Program	93.778	1469-14606	5,180	-	5,180	-
Centers For Medicare And Medicaid Services, Department Of Health And Human Services (via Department of Social and Health Services)	Medical Assistance Program	93.778	1469-14606	48,563	-	48,563	46,251
Centers For Medicare And Medicaid Services, Department Of Health And Human Services (via Department of Social and Health Services)	Medical Assistance Program	93.778	1469-14606	567,877	-	567,877	532,384
Centers For Medicare And Medicaid Services, Department Of Health And Human Services (via Department of Social and Health Services)	Medical Assistance Program	93.778	1569-39250	3,643	-	3,643	-
Centers For Medicare And Medicaid Services, Department Of Health And Human Services (via Department of Social and Health Services)	Medical Assistance Program	93.778	1569-39250	52,265	-	52,265	49,808
Centers For Medicare And Medicaid Services, Department Of Health And Human Services (via Department of Social and Health Services)	Medical Assistance Program	93.778	1569-39250	496,858	-	496,858	480,625
Centers For Medicare And Medicaid Services, Department Of Health And Human Services (via Department of Social and Health Services)	Medical Assistance Program	93.778	1569-41456	157,423	-	157,423	14,033
Centers For Medicare And Medicaid Services, Department Of Health And Human Services (via Department of Social and Health Services)	Medical Assistance Program	93.778	1569-41456	471,613	-	471,613	237,415

Centers For Medicare And Medicaid Services, Department Of Health And Human Services (via Department of Social and Health Services)	Medical Assistance Program	93.778	1569-41456	3,800,567	-	3,800,567	1,467,287
Centers For Medicare And Medicaid Services, Department Of Health And Human Services (via Department of Social and Health Services)	Medical Assistance Program	93.778	D37368D	2,577	-	2,577	-
Centers For Medicare And Medicaid Services, Department Of Health And Human Services (via Department of Social and Health Services)	Medical Assistance Program	93.778	UWSC8526	4,950	-	4,950	-
Total Medicaid Cluster:				10,520,001	-	10,520,001	4,604,534
Centers For Medicare And Medicaid Services, Department Of Health And Human Services (via Department of Social and Health Services)	Centers for Medicare and Medicaid Services (CMS) Research, Demonstrations and Evaluations	93.779	MW11_002A_201 4	12,955	-	12,955	9,000
Department Of Homeland Security	Non-Profit Security Program	97.008	E15-091	-	151	151	-
Department Of Homeland Security (via King County)	Boating Safety Financial Assistance	97.012	3314-FAS-140153	29,700	-	29,700	-
Department Of Homeland Security (via Pierce County)	National Urban Search and Rescue (US&R) Response System	97.025	FFY14-SHSP-SFD	880	-	880	-
Department Of Homeland Security (via Pierce County)	National Urban Search and Rescue (US&R) Response System	97.025	FUSARCON15-JULY2015	3,548	-	3,548	-
Department Of Homeland Security (via Pierce County)	National Urban Search and Rescue (US&R) Response System	97.025	FUSARDT15-JULY2015	1,299	-	1,299	-
Department Of Homeland Security (via Pierce County)	National Urban Search and Rescue (US&R) Response System	97.025	FUSARLOG15-JULY15	4,949	-	4,949	-
Department Of Homeland Security (via Pierce County)	National Urban Search and Rescue (US&R) Response System	97.025	PCEM-DHS FUNDS USAR	18,183	-	18,183	-
Department Of Homeland Security (via Pierce County)	National Urban Search and Rescue (US&R) Response System	97.025	PCEM-DHS USAR DRILL OCT 2015	3,349	-	3,349	-

Department Of Homeland Security (via Pierce County)	National Urban Search and Rescue (US&R) Response System	97.025	PCEM-DHS USAR-DEC 2015	1,885	-	1,885	-
Department Of Homeland Security (via Pierce County)	National Urban Search and Rescue (US&R) Response System	97.025	TN 14-078	2,324	-	2,324	-
Department Of Homeland Security (via Pierce County)	National Urban Search and Rescue (US&R) Response System	97.025	TN: 14-109, 10/9/15	1,375	-	1,375	-
Department Of Homeland Security (via Pierce County)	National Urban Search and Rescue (US&R) Response System	97.025	TRAINING #14- 009	2,018	-	2,018	-
Department Of Homeland Security (via Pierce County)	National Urban Search and Rescue (US&R) Response System	97.025	training #14- 027/089	7,554	-	7,554	-
Department Of Homeland Security (via Pierce County)	National Urban Search and Rescue (US&R) Response System	97.025	Training #14-055	427	-	427	-
Department Of Homeland Security (via Pierce County)	National Urban Search and Rescue (US&R) Response System	97.025	TRAINING #14- 069	908	-	908	-
Department Of Homeland Security (via Pierce County)	National Urban Search and Rescue (US&R) Response System	97.025	TRAINING #14- 083	2,483	-	2,483	-
Department Of Homeland Security (via Pierce County)	National Urban Search and Rescue (US&R) Response System	97.025	WATF-#14-110	707	-	707	-
Total CFDA 97.025:				51,890	-	51,890	-
Department Of Homeland Security (via WA Military Department)	Disaster Grants - Public Assistance (Presidentially Declared Disasters)	97.036	n/a	1,709	-	1,709	5
Department Of Homeland Security (via WA Military Department)	Disaster Grants - Public Assistance (Presidentially Declared Disasters)	97.036	1361-DR-WA	62,663	-	62,663	5
Department Of Homeland Security (via WA Military Department)	Disaster Grants - Public Assistance (Presidentially Declared Disasters)	97.036	D12-085	29,795	-	29,795	5
Department Of Homeland Security (via WA Military Department)	Disaster Grants - Public Assistance (Presidentially Declared Disasters)	97.036	DR-WA-1734	11,858	-	11,858	5

Department Of Homeland Security (via WA Military Department)	97.036	Disaster Grants - Public Assistance (Presidentially Declared Disasters)	DR-WA-1825	2,942	-	2,942	-	5
Department Of Homeland Security (via WA Military Department)	97.036	Disaster Grants - Public Assistance (Presidentially Declared Disasters)	E07-754	27,461	-	27,461	-	5
Department Of Homeland Security (via King County)	97.036	Disaster Grants - Public Assistance (Presidentially Declared Disasters)	E07-893	138,973	-	138,973	-	5
Total CFDA 97.036:				275,402	-	275,402	-	
Department Of Homeland Security (via WA Military Department)	97.042	Emergency Management Performance Grants	EMW-2014-EP-00033-S01	174,298	-	174,298	-	
Department Of Homeland Security (via WA Military Department)	97.042	Emergency Management Performance Grants	EMW-2015-EP-00028-S01	180,002	-	180,002	-	
Total CFDA 97.042:				354,299	-	354,299	-	
Department Of Homeland Security	97.044	Assistance to Firefighters Grant	EMW-2009-FO-04048	-	(20,860)	(20,860)	-	
Department Of Homeland Security	97.044	Assistance to Firefighters Grant	EMW-2013-FO-05607	-	344,952	344,952	-	
Department Of Homeland Security (via University of Arizona)	97.044	Assistance to Firefighters Grant	EMW-2013-FP-00351	33,432	-	33,432	-	
Total CFDA 97.044:				33,432	324,092	357,524	-	
Department Of Homeland Security (via WA Military Department)	97.047	Pre-Disaster Mitigation	EMS-2011-PC-0004	14,685	-	14,685	-	
Department Of Homeland Security (via Marine Exchange of Puget Sound)	97.056	Port Security Grant Program	2009-PU-T9-K044	(15,747)	-	(15,747)	-	
Department Of Homeland Security	97.056	Port Security Grant Program	DHS Contract#EMW-2013-PU-00156	-	87,851	87,851	-	
Department Of Homeland Security	97.056	Port Security Grant Program	EMW-2013-PU-00345-S01	-	1,087,841	1,087,841	-	
Department Of Homeland Security	97.056	Port Security Grant Program	EMW2013PU00407	-	531,808	531,808	-	
Department Of Homeland Security	97.056	Port Security Grant Program	EMW-2014-PU-00496	-	643,405	643,405	-	

Department Of Homeland Security	Port Security Grant Program	97.056	EMMW-2015-PU-00230	-	7,339	7,339	-
Total CFDA 97.056:				(15,747)	2,358,243	2,342,496	-
Department Of Homeland Security (via WA Military Department)	Homeland Security Grant Program	97.067	E12-165	82,948	-	82,948	-
Department Of Homeland Security (via WA Military Department)	Homeland Security Grant Program	97.067	E12-190	(26,424)	-	(26,424)	-
Department Of Homeland Security (via WA Military Department)	Homeland Security Grant Program	97.067	E14-093	417,970	-	417,970	-
Department Of Homeland Security (via WA Military Department)	Homeland Security Grant Program	97.067	E15-091	253,545	-	253,545	-
Department Of Homeland Security (via WA Military Department)	Homeland Security Grant Program	97.067	EMMW-2012-SS-00115-S01	160,295	-	160,295	-
Department Of Homeland Security (via WA Military Department)	Homeland Security Grant Program	97.067	EMMW-2013-SS-00025-S01	1,641,844	-	1,641,844	-
Department Of Homeland Security (via WA Military Department)	Homeland Security Grant Program	97.067	EMMW-2014-SS-0016-S01	301,590	-	301,590	-
Department Of Homeland Security (via King County)	Homeland Security Grant Program	97.067	FFY13-SHSP-SFD	92,650	-	92,650	-
Department Of Homeland Security (via King County)	Homeland Security Grant Program	97.067	FFY13-SHSP-SPD	24,106	-	24,106	-
Department Of Homeland Security (via King County)	Homeland Security Grant Program	97.067	FFY13-SHSP-SPD	87,289	-	87,289	-
Department Of Homeland Security (via King County)	Homeland Security Grant Program	97.067	FFY13-SHSP-SPD	129,294	-	129,294	-
Department Of Homeland Security (via King County)	Homeland Security Grant Program	97.067	FFY13-SHSP-SPD	193,841	-	193,841	-
Department Of Homeland Security (via Pierce County)	Homeland Security Grant Program	97.067	FFY14-SHSP-SFD	155,382	-	155,382	-
Department Of Homeland Security (via King County)	Homeland Security Grant Program	97.067	FFY14-SHSP-SPD	1,446	-	1,446	-
Department Of Homeland Security (via King County)	Homeland Security Grant Program	97.067	FFY14-SHSP-SPD	32,065	-	32,065	-
Department Of Homeland Security (via King County)	Homeland Security Grant Program	97.067	FFY14-SHSP-SPD	40,000	-	40,000	-
Department Of Homeland Security (via King County)	Homeland Security Grant Program	97.067	FFY14-SHSP-SPD	62,425	-	62,425	-

Department Of Homeland Security (via King County)	Homeland Security Grant Program	97.067	FFY14-SHSP- SPD	100,356	-	100,356	-
			Total CFDA 97.067:	3,750,623	-	3,750,623	-
Department Of Homeland Security (via WA Military Department)	Buffer Zone Protection Program (BZPP)	97.078	2010-BF-T0-0022	359	-	359	-
Department Of Homeland Security	Homeland Security Biowatch Program	97.091	2011-OH-091- 000028-05	-	263,465	263,465	-
Department Of Homeland Security	Homeland Security Biowatch Program	97.091	DHS-2014-OHA- BIOWATCH	-	229,874	229,874	-
			Total CFDA 97.091:	-	493,339	493,339	-
			Total Federal Awards Expended:	40,380,821	44,963,291	85,344,111	40,236,771

The accompanying notes are an integral part of this schedule.

CITY OF SEATTLE
NOTES TO SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
For the Year Ended December 31, 2015

NOTE 1 - BASIS OF ACCOUNTING

The Schedule of Expenditures of Federal Awards is prepared on the same basis of accounting as the City's financial statements. Expenditures represent only the federally funded portions of the program. The City uses the modified accrual basis in its governmental funds and the full accrual basis of accounting in its proprietary funds.

NOTE 2 - PROGRAM COST

The amounts shown as expenditures represent only the federal grant portion of the program costs. Entire program costs, including the City's portion may be more than shown.

NOTE 3 - REVOLVING LOAN - PROGRAM INCOME

The City has a revolving loan program for low income housing. Under this federal program, repayments to the City are considered program revenues (income) and loans to eligible recipients are considered expenditures.

NOTE 4 - FEDERAL LOANS

City of Seattle participates in the HUD Section 108 loan program. In the Section 108 loan program, HUD obtains funds from private investors at a very low cost (i.e., low interest rate). HUD, in turn provides loans nationwide including City of Seattle. The City re-lends the funds to private borrowers.

The City has used Section 108 loan funds in combination with proceeds from Federal Brownfields Economic Development Initiative (BEDI) grants. BEDI Grant funds have been applied to subsidize interest obligations on the Section 108 loans, provide loan loss reserves on the Section 108 loans and pay direct project costs.

The City established a \$15.5 million Section 108 loan fund with a companion \$1.75 million BEDI grant to finance six projects, known as 211 First Avenue, the Buttnick Building, the City Loan Building, Compass Center, the Cadillac Hotel and Northgate South Commons, LLC. Proceeds from this Section 108/BEDI loan fund were fully disbursed in 2008.

The City also established a \$10.0 million Section 108 loan fund with a companion \$2.0 million BEDI grant to finance four projects, known as 17th and Jackson, the Bush Hotel, Alpha Cine and Claremont Apartments. Proceeds from this Section 108/BEDI loan fund were fully disbursed in 2009.

In 2011, the City established a \$10 million Section 108 loan fund and used \$3 million of this fund to finance the INSCAPE project. In 2013, the City disbursed an additional \$1 million of that loan fund to finance what is known as the 12th Avenue Arts Project.

The City did not establish any new loans neither in 2015 nor in 2014.

In 2015, the City paid off five projects including 211 First Ave, the Buttnick Building, the City Loan Building, 17th and Jackson and the Cadillac Hotel.

The Bank of New York serves as the City's Custodian, disbursing Section 108 and BEDI funds to borrowers, receiving loan repayments from the borrowers, and making the City's loan repayments to HUD.

NOTE 5 - GRANTS FROM FEMA, DEPARTMENT OF HOMELAND SECURITY

The City reports these funds on the SEFA when grant proceeds were received rather than when expenditures were incurred due to the nature of project acceptance and reimbursement from the federal agency.

NOTE 6 – NONCASH AWARDS – FOOD VOUCHERS

The amount reported for the USDA Senior Farmers Market Nutrition Program includes \$52,040 allocated for food vouchers provided through the Washington Department of Social and Health Services. Distribution of vouchers is overseen by the City's Aging and Disability Services (ADS) Division of the Human Services Department.

**CORRECTIVE ACTION PLAN FOR FINDINGS REPORTED
UNDER UNIFORM GUIDANCE**

**City of Seattle
King County
January 1, 2015 through December 31, 2015**

This schedule presents the corrective action planned by the auditee 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). The information in this schedule is the representation of the City of Seattle.

Finding ref number: 2015-001	Finding caption: The City does did not have adequate internal controls in place to ensure compliance with federal subrecipient monitoring requirements.
Name, address, and telephone of auditee contact person: Abdiwali Mohamed 700 5 th Avenue, Suite 5800 P.O. Box 34215 Seattle, WA 98124-4215 (206) 684-4167	
Corrective action the auditee plans to take in response to the finding: <i>In response to the Auditor's above noted concerns, the Department is taking the following immediate and long-term actions:</i> <i>Immediate Action Steps (to be completed by 09-30-2017)</i> <ul style="list-style-type: none"> • <i>Ensure questioned costs by physically verifying internally and externally with subrecipients used the program funds in accordance with the grant agreement and federal requirements by 01-31-2017</i> • <i>Continue providing training to program specialists to ensure they have an adequate understanding of federal subrecipient monitoring requirements and Department policies</i> • <i>Meet our long-term plan of developing and implementing a new monitoring practice and policy manual/checklist, for how the department will ensure compliance with the grant agreement and federal requirements by 09-30-2017</i> • <i>Perform a risk-assessment by evaluating each subrecipient's risk of non-compliance to ensure appropriate monitoring activities are performed</i> • <i>Hire an Accountant/Fiscal Monitor in 2017 to perform subrecipient monitoring with Grants and Contracts Specialists.</i> 	

Long-term Actions Steps: (January 2017 through December 2018)

- *Continue to develop and implement a strategy for streamlining contracts that includes consolidating the number of contracts and moving to multi-year contracts where appropriate*
- *Develop and implement a strategy for continued separation of job functions such as the re-assignment of staff based on skills and competency*
- *Develop and implement a plan for increasing fiscal/compliance monitoring and oversight that aligns with the grant agreements and federal requirements*

Anticipated date to complete the corrective action: Immediate Action Steps by 9/30/2017 and Long-Term Action Steps by 12/31/2018

Finding ref number: 2015-002	Finding caption: The City did not have adequate internal controls in place to ensure compliance with federal subrecipient monitoring requirements.
Name, address, and telephone of auditee contact person: Abdiwali Mohamed 700 5 th Avenue, Suite 5800 P.O. Box 34215 Seattle, WA 98124-4215 (206) 684-4167	
Corrective action the auditee plans to take in response to the finding: <i>In response to the Auditor's above noted concerns, the Department is taking the following immediate and long-term actions:</i> <i>Immediate Action Steps (complete by 09-30-2017)</i> <ul style="list-style-type: none">• <i>Ensure questioned costs by physically verifying internally and externally with subrecipients used the program funds in accordance with the grant agreement and federal requirements by 01-31-2017</i>• <i>Continue providing training to program specialists to ensure they have an adequate understanding of federal subrecipient monitoring requirements and Department policies</i>• <i>Meet our long-term plan of developing and implementing a new monitoring practice and policy manual/checklist, for how the department will ensure compliance with the grant agreement and federal requirements by 09-30-2017</i>• <i>Perform a risk-assessment by evaluating each subrecipient's risk of non-compliance to ensure appropriate monitoring activities are performed</i>• <i>Hire an Accountant/Fiscal Monitor in 2017 to perform subrecipient monitoring with Grants and Contracts Specialists.</i>	

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Anticipated date to complete the corrective action: Immediate Action Steps by 9/30/2017 and Long-Term Action Steps by 12/31/2018

ABOUT THE STATE AUDITOR'S OFFICE

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

We work with our audit clients and citizens to achieve our vision of government that works for citizens, by helping governments work better, cost less, deliver higher value, and earn greater public trust.

In fulfilling our mission to hold state and local governments accountable for the use of public resources, we also hold ourselves accountable by continually improving our audit quality and operational efficiency and developing highly engaged and committed employees.

As an elected agency, the State Auditor's Office has the independence necessary to objectively perform audits and investigations. Our audits are designed to comply with professional standards as well as to satisfy the requirements of federal, state, and local laws.

Our audits look at financial information and compliance with state, federal and local laws on the part of all local governments, including schools, and all state agencies, including institutions of higher education. In addition, we conduct performance audits of state agencies and local governments as well as [fraud](#), state [whistleblower](#) and [citizen hotline](#) investigations.

The results of our work are widely distributed through a variety of reports, which are available on our [website](#) and through our free, electronic [subscription](#) service.

We take our role as partners in accountability seriously, and provide training and technical assistance to governments, and have an extensive quality assurance program.

Contact information for the State Auditor's Office	
Public Records requests	PublicRecords@sao.wa.gov
Main telephone	(360) 902-0370
Toll-free Citizen Hotline	(866) 902-3900
Website	www.sao.wa.gov