



COMPREHENSIVE ANNUAL FINANCIAL REPORT

For The Fiscal Year Ended
December 31, 2018

Kitsap County, Washington



**KITSAP COUNTY
COMPREHENSIVE
ANNUAL
FINANCIAL
REPORT**

County Auditor
Honorable Paul Andrews

Internal Auditor
David Schureman, CPA

Financial Analyst
Susanne Yost, CPA

For The Fiscal Year
Ended December 31, 2018

Prepared by the Auditor's Office

KITSAP COUNTY, WASHINGTON
 Comprehensive Annual Financial Report
 For the Fiscal Year Ended December 31, 2018

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Introductory Section

Kitsap County Auditor | Financial Division

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July 29, 2019

The County Auditor's Office is pleased to present the Comprehensive Annual Financial Report (CAFR) of Kitsap County for the year ended December 31, 2018.

The CAFR presents financial statements in accordance with the provisions of the Revised Code of Washington Title 36 – COUNTIES 36.22 County auditor, and in conformity with generally accepted accounting principles (GAAP) and audited in accordance with generally accepted auditing standards by independent auditors from the Office of the Washington State Auditor. This version is designed to provide comprehensible financial information to legislative bodies, creditors, investors, teachers, and students of public finance and the public.

The Independent Auditor's Report is located at the front of the financial section of this report and provides an introduction, overview, and analysis of the basic financial statements. Management's Discussion and Analysis (MD&A) immediately follows the Independent Auditor's Report and should be read together.

Management assumes full responsibility for the integrity of the information contained in this report. Every reasonable effort is made to ensure accuracy that this material does not contain misstatements.

INTERNAL CONTROLS

Internal controls as defined in **accounting** and auditing, are processes put in place for assuring achievement of an organization's objectives in operational effectiveness and efficiency, reliable financial reporting, and compliance with laws, regulations and policies. Management is responsible for developing and maintaining effective internal controls. No matter how well-designed internal controls can only provide reasonable assurance that objectives have been achieved.

MAJOR INITIATIVES

The citizens of Kitsap County deserve services that are enriching, convenient and affordable. The Board of County Commissioners do this by focusing on:

- Secure and Healthy Communities
- Protecting Natural Resources and Systems
- Supporting a Prosperous Local Economy
- Providing Inclusive Government
- Effective and Efficient Services



The opioid epidemic continues to lead national headlines and that is why the Board of County Commissioners will continue to invest sustained funding to aggressively combat drug abuse, violent crimes and property crimes by enforcement and prevention tactics. Emphasis on secure communities is evidenced by the large percentage of the General Fund budget going to the Law and Justice Programs. Expenditures in these programs were \$70.9 million in 2018 or 74% of general fund expenditures.

Other priorities include identifying and securing lands and shorelines that should be protected and investing in transportation systems (roads, trails, transit, and ferries). The County spent over \$44.9 million on road maintenance and construction in 2018 and has a budget of over \$34.8 million for road maintenance and construction in 2019. Over the past eight years, the County has issued more than \$61 million in Revenue bonds to pay for the upgrade of sewer systems. The county also issued over \$99 million in Refunding bonds to take advantage of low-interest rates.

Kitsap County's strong fiscal management remains its hallmark. Moody's Investors Service assigned a bond credit rating of Aa2 to Kitsap County in early 2019. In January 2019, Standard and Poor's assigned a rating of AA for Kitsap County's General Obligation and Refunding Bonds. The County's highly favorable ratings are proof of how smart government works to your benefit.

THE COUNTY

Incorporated in 1857 as a county prescribed by the state statute, Kitsap County is a special place-triangulated between Seattle to the East, Tacoma to the South and Hood Canal and the Olympic Mountains to the West. The topography is mostly rolling hills separated by valleys and bays, with altitudes from sea level to the 1,761 feet of the Green and Gold Mountains.

The Revised Code of Washington Title 36, Chapter 36.40 establishes the rules for Kitsap County's budget process. From that, the annual budget becomes the guide for Kitsap County's financial planning and control to work with the Board of County Commissioners to adopt a final budget by no later than the close of the fiscal year.

The benefits provided by Kitsap County are public safety; construction and maintenance of highways, streets, and other infrastructure; judicial administration; planning and development; parks and recreation; health and social services; sewer services; conveying the people's voice in selecting their representative government and ensuring the integrity of the people's historic birth, death, marriage, real estate and election records; and general administrative services defined by statute.

Locally elected officials include the County Assessor, Auditor, Clerk, Prosecuting Attorney, Sheriff, Treasurer, eight Superior Court Judges, four District Court Judges, and a three-member Board of County Commissioners. Policy-making and legislative authority are vested in the governing Board of County Commissioners, which are all elected at-large on a partisan basis for four-year terms and the chair is elected by the majority vote of the Board members. The Board appoints the County Administrator. The County Administrator serves the Board by overseeing its departments and providing leadership for the general administration of the County.



LOCAL ECONOMY

The information presented in the financial statements is highlighted by five main categories that the County operates.

Population. Kitsap County has the seventh largest population of Washington State's 39 counties. In 2018, the County's population increased to an estimated 269,805 which was up over 5,000 from last year. We have the third highest population density in the state of Washington, only surpassed by King and Clark Counties.

Employment. Unemployment was stable at 5.2%, an increase of .5% from last year, however, all employment categories experienced minor decreases in 2018. In 2018, Total employment was 126,601, an increase of 6,453 from 2017. Kitsap County remains strong due to the availability of a well-trained, highly motivated workforce.

Construction. New construction property values climbed to \$418.76 million which was up 22% from last year. The assessed value of all properties in Kitsap County totaled \$33.83 billion which was up 10% from last year. New construction is an important economic indicator that affects county planning. For example, the County issued 3,001 building permits which was up 17% from last year. These positive trends are used to forecast future growth in the County property tax base.

Sales Tax Revenue. The overall condition of the economy led to an increase in consumer confidence, which led to increased retail sales and sales tax for 2018. Sales tax revenue was \$51.20 million which was a 37% increase from last year. The increase is due to continued economic growth and accrual of additional tax revenues in 2018. The tax accruals were implemented over a two-year period beginning in 2017 in order to comply with revenue recognition standards.

Growth in Expenses. There have been concerns that growth in revenues will not keep up with growth in expenses, even during this economic rebound. This is an issue that will be monitored closely, along with annexations by cities, because this will impact the County's operations, services and programs.

Long-term planning is detailed in the MD&A immediately following the Independent Auditor's Report and should be read together.

County leadership approved making the county guarantor on certain Kitsap County Consolidated Housing Authority (now Housing Kitsap) loans back in 2005 totaling approximately \$57 million. The County issued General Obligation refunding bonds to retire the remaining \$17.03 million balance of these bonds in 2013.

The refunding bonds also paid off the remaining balance of the Kitsap County Consolidated Housing Authority Revenues bonds from 2003, which was also part of the earlier \$57 million guarantee. In return, Housing Kitsap pledged to pay back the County. A receivable from Housing Kitsap was recorded



with a balance of \$15.57 million as of December 31, 2017. The balance grew slightly in 2018 to \$15.69 million as accrued interest exceeded payments in 2018.

AWARDS AND ACKNOWLEDGEMENTS

For the twenty-first year, Kitsap County was awarded the Certificate of Achievement for Excellence in Financial Reporting from the Government Finance Officers Association of the United States and Canada (GFOA). We are proud of the recognition we received on the Comprehensive Annual Financial Report (CAFR) for the fiscal year ended December 31, 2017.

The preparation of this report would not have been possible without the dedicated services of the entire staff of the Auditor's Financial Division. We also owe a great debt to many others within the County, especially the Treasurer's and Assessor's staff. And we are grateful for the professional efforts of Washington State Auditor's Office in their audit, and in the direction and advice they provide to us throughout the year.

Finally, we express our appreciation to the Board of County Commissioners for their leadership and continued support in planning the financial affairs of Kitsap County.

Respectfully submitted,

A handwritten signature in black ink, appearing to read "Paul Andrews", written over a horizontal line.

Paul Andrews, County Auditor

A handwritten signature in blue ink, appearing to read "David G. Schureman", written over a horizontal line.

David G. Schureman, CPA
Internal Auditor

A handwritten signature in black ink, appearing to read "Susanne Yost", written over a horizontal line.

Susanne Yost, CPA
Financial Analyst



Government Finance Officers Association

Certificate of
Achievement
for Excellence
in Financial
Reporting

Presented to

Kitsap County
Washington

For its Comprehensive Annual
Financial Report
for the Fiscal Year Ended

December 31, 2017

Christopher P. Morill

Executive Director/CEO

KITSAP COUNTY
List of Elected and Appointed Officials
December 31, 2018

Elected Officials

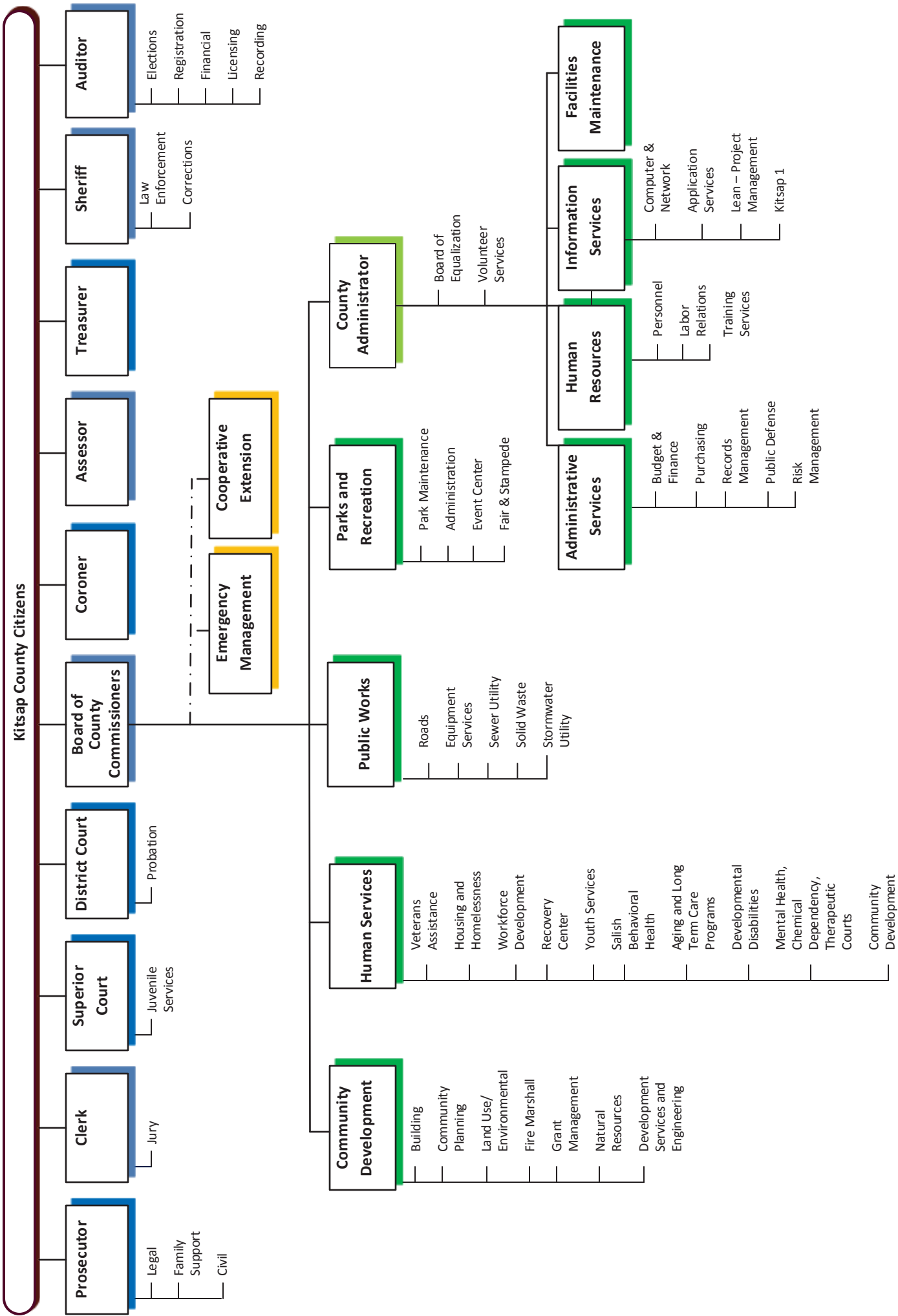
<u>TITLE</u>	<u>INCUMBENT</u>	<u>END OF TERM</u>
<u>Commissioners</u>		
Commissioner, District #1	Robert Gelder	12/31/20
Commissioner, District #2	Charlotte Garrido	12/31/20
Commissioner, District #3	Ed Wolfe	12/31/18
 <u>Judges</u>		
Superior Court Judge, #1	Jeanette Dalton	12/31/20
Superior Court Judge, #2	Michelle Adams	12/31/20
Superior Court Judge, #3	Melissa A. Hemstreet	12/31/20
Superior Court Judge, #4	William C. Houser	12/31/20
Superior Court Judge, #5	Jeffrey P. Bassett	12/31/20
Superior Court Judge, #6	Kevin D. Hull	12/31/20
Superior Court Judge, #7	Jennifer A. Forbes	12/31/20
Superior Court Judge, #8	Sally F. Olsen	12/31/20
District Court Judge, #1	Claire A. Bradley	12/31/18
District Court Judge, #2	Jeffrey J. Jahns	12/31/18
District Court Judge, #3	Marilyn Paja	12/31/18
District Court Judge, #4	Kevin P. Kelly	12/31/18
Assessor	Phil Cook	12/31/18
Auditor	Dolores Gilmore	12/31/18
Clerk	Alison H. Sonntag	12/31/18
Coroner	Greg Sandstrom	12/31/18
Prosecuting Attorney	Tina R. Robinson	12/31/18
Sheriff	Gary Simpson	12/31/18
Treasurer	Meredith R. Green	12/31/18

Appointed Officials

<u>TITLE</u>	<u>INCUMBENT</u>
County Administrator	Karen Goon
Director of Administrative Services	Amber D'Amato
Director of Community Development	Vacant
Director of Emergency Management	Elizabeth Klute
Director of Human Resources	Nancy Buonanno Grennan
Director of Human Services	Doug Washburn
Director of Information Services & Facilities	Craig Adams
Director of Juvenile Services	Michael Merringer
Director of Parks and Recreation	Jim Dunwiddie
Director of Public Works	Andrew Nelson



Kitsap County, Washington Functional Organization Chart - 2018



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Financial Section

Kitsap County Auditor | Financial Division

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

INDEPENDENT AUDITOR'S REPORT ON FINANCIAL STATEMENTS

July 29, 2019

Board of Commissioners
Kitsap County
Port Orchard, 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 Kitsap County, as of and for the year ended December 31, 2018, and the related notes to the financial statements, which collectively comprise the County's basic financial statements as listed in the table of contents.

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 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.

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 County'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 County'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, 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 Kitsap County, as of December 31, 2018, and the respective changes in financial position and, where applicable, cash flows thereof, and the respective budgetary comparison for the General, County Roads, Real Estate Excise Tax and Mental Health Medicaid funds 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 2018, the County adopted new accounting guidance, Governmental Accounting Standards Board Statement No. 75, *Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions*. Our opinion is not modified with respect to this matter.

Other Matters

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis and required supplementary information listed in the table of contents 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 express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Supplementary and Other Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the County's basic financial statements. The Combining and Individual Fund Financial Statements and Schedules are presented for the purposes of additional analysis and is not a required part of the basic financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the financial statements. This information has been subjected to auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the information is fairly stated, in all material respects, in relation to the basic financial statements taken as a whole.

Our audit was conducted for the sole purpose of forming opinions on the financial statements that collectively comprise the County's basic financial statements as a whole. The Introductory and Statistical Sections is presented for purposes of additional analysis and is not a required part of the basic financial statements of the County. Such information has not been subjected to the auditing procedures applied in the audit of the basic financial statements and, accordingly, we do not express an opinion or provide any assurance on it.

OTHER REPORTING REQUIRED BY GOVERNMENT AUDITING STANDARDS

In accordance with *Government Auditing Standards*, we will also issue our report dated July 29, 2019, on our consideration of the County's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements and other matters. That report will be issued under separate cover in the County's Single Audit Report. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the County's internal control over financial reporting and compliance.

Sincerely,



Pat McCarthy
State Auditor
Olympia, WA

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Management's Discussion and Analysis

Kitsap County Auditor | Financial Division

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Kitsap County, Washington

Management's Discussion and Analysis For the Year Ended December 31, 2018

As management of Kitsap County, we offer readers of Kitsap County's financial statements this narrative overview and analysis of the financial activities of the County for the fiscal year ended December 31, 2018. We encourage readers to consider the information presented here in conjunction with additional information that we have furnished in our letter of transmittal, which can be found section II of this report. All amounts, unless otherwise indicated, are expressed in millions of dollars.

Financial Highlights

- The assets of Kitsap County exceeded its liabilities and deferred inflows at the close of the most recent fiscal year by \$635.77 (net position). Of this amount, \$154.81 (unrestricted net position) may be used to meet the government's ongoing obligations to citizens and creditors.
- The government's total net position increased \$39.39 with an \$16.60 net change on the Governmental side which included a \$10.20 decrease in beginning net position resulting from implementing GASB 75. The Business-Type side had a \$22.79 increase. The economy continues to improve but most of the change on the governmental side was due to the reduction in the pension liability.
- As of the close of the current fiscal year, Kitsap County's governmental funds reported combined ending fund balances of \$128.81 an increase of \$2.82 from the prior year. Approximately \$28.81 of this amount is available for spending at the government's discretion (unassigned fund balance).
- At the end of the current fiscal year, unassigned fund balance for the general fund was \$28.91 or 30 percent of the total general fund expenditures. \$1.99 of this balance was from funds formerly reported as special revenue funds that no longer qualified under GASB Statement No. 54, *Fund Balance Reporting and Governmental Fund Type Definitions*.
- Kitsap County's total general obligation debt decreased by \$6.3 (10 percent) during the current fiscal year. This represents 2018 principle payments.

Overview of the Financial Statements

This discussion and analysis is intended to serve as an introduction to Kitsap County's basic financial statements. Kitsap County's basic financial statements are comprised of three components: 1) government-wide financial statements, 2) fund financial statements, and 3) notes to the financial statements. This report also contains other supplementary information in addition to the basic financial statements themselves.

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

Kitsap County, Washington

Management's Discussion and Analysis For the Year Ended December 31, 2018

The *statement of net position* presents information on all of Kitsap County's assets and liabilities, with the difference between the two reported as net position. Over time, increases or decreases in net position may serve as a useful indicator of whether the financial position of Kitsap County is improving or deteriorating.

The *statement of activities* presents information showing how the government's net position changed during the most recent fiscal year. All changes in net position are reported as soon as the underlying event giving rise to the change occurs, regardless of the timing of the related cash flows. Thus, revenues and expenses are reported in this statement for some items that will result in cash flows in future fiscal periods (e.g., uncollected taxes and earned but unused vacation leave).

Both of the government-wide financial statements distinguish functions of Kitsap County that are principally supported by taxes and intergovernmental revenues (governmental activities) from other functions that are intended to recover all or a significant portion of their costs through user fees and charges (business-type activities). The governmental activities of Kitsap County include general government, public safety, highways and streets, economic development, and culture and recreation. The business-type activities of Kitsap County include solid waste, sewer and surface water operations.

The government-wide financial statements can be found on pages 35 - 36 of this report.

Fund financial statements. A *fund* is a grouping of related accounts that is used to maintain control over resources that have been segregated for specific activities or objectives. Kitsap County, like other local governments, uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements. All of the funds of Kitsap County can be divided into three categories: governmental funds, proprietary funds, and fiduciary funds.

Governmental funds. *Governmental funds* are used to account for essentially the same functions reported as *governmental activities* in the government-wide financial statements. However, unlike the government-wide financial statements, governmental fund financial statements focus on near-term inflows and outflows of spendable resources, as well as on balances of spendable resources available at the end of the fiscal year. Such information may be useful in evaluating a government's near-term financing requirements.

Because the focus of governmental funds is narrower than that of the government-wide financial statements, it is useful to compare the information presented for governmental funds with similar information presented for governmental activities in the government-wide financial statements. By doing so, readers may better understand the long-term impact of the government's near-term financial decisions. Both the governmental fund balance sheet and the governmental fund statement of revenues, expenditures, and changes in fund balances provide a reconciliation to facilitate this comparison between governmental funds and governmental activities.

Kitsap County, Washington

Management's Discussion and Analysis For the Year Ended December 31, 2018

Kitsap County maintains ninety-four individual governmental funds. Information is presented separately in the governmental fund balance sheet and in the governmental fund statement of revenues, expenditures, and changes in fund balances for the general fund, county roads fund, real estate excise tax fund, mental health Medicaid fund and KC LTGO 2013 Refunding Bond fund, all of which are considered major funds.

Fourteen funds were rolled up into the general fund because they did not meet the Special Revenue Fund criteria as stated in GASB Statement No. 54 (also see Note 1.E.14). Data from the other seventy-five governmental funds is combined into a single, aggregated presentation. Individual fund data for each of these nonmajor governmental funds is provided in the form of combining statements elsewhere in this report.

Kitsap County adopts an annual appropriated budget for all its funds, with the exception of those listed in the notes to the financial statements, see Note 1.E.1. A budgetary comparison statement has been provided for each of the major funds to demonstrate compliance with this budget. The basic governmental fund financial statements can be found on pages 37 - 44 of this report.

Proprietary funds. Kitsap County maintains two different types of proprietary funds. *Enterprise funds* are used to report the same functions presented as business-type activities in the government-wide financial statements. Kitsap County uses enterprise funds to account for its Sanitary Sewer operations, Solid Waste activities and Surface Water Utility activities. *Internal service funds* are an accounting device used to accumulate and allocate costs internally among the County's various functions. Kitsap County uses internal service funds to account for its management information systems, self-insurance activities, elections activities, employer medical benefits, building repair & replacement and fleet of equipment. Because all these services predominantly benefit governmental rather than business-type functions, they have been included within the governmental activities in the government-wide financial statements.

Proprietary funds provide the same type of information as the government-wide financial statements, only in more detail. The proprietary fund financial statements provide separate information for the Solid Waste, and Sewer funds and Surface Water Utility, which are considered major funds of Kitsap County. Conversely, all the internal service funds are combined into single, aggregated presentation in the proprietary fund financial statements. Individual fund data for the internal service funds is provided in the form of combining statements elsewhere in this report. The basic proprietary fund financial statements can be found on pages 49 - 51 of this report.

Fiduciary funds. Fiduciary funds are used to 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 Kitsap County's own programs. The accounting used for fiduciary funds is much like that used for proprietary funds. The basic fiduciary fund financial statements can be found on page 52 – 53 of this report.

Kitsap County, Washington

Management's Discussion and Analysis For the Year Ended December 31, 2018

Notes to financial statements. The notes provide additional information that is essential to a full understanding of the data provided in the government-wide and fund financial statements. The notes to the financial statements can be found on pages 55 - 125 of this report.

The combining statements referred to earlier in connection with nonmajor governmental funds and internal service funds are presented immediately following the required supplementary information on pensions. Combining and individual fund statements and schedules can be found on pages 139 - 229 of this report.

Government-wide Financial Analysis

As noted earlier, net position may serve over time as a useful indicator of a government's financial position. In the case of Kitsap County, assets exceeded liabilities by \$635.77 at the close of the most recent fiscal year. The County's fiscal condition remains stable.

The largest portion of Kitsap County's net position (73 percent) reflects its investment in capital assets (e.g., land, buildings, machinery, and equipment), less any related debt used to acquire those assets to provide services to citizens; consequently, these assets are not available for future spending. Although Kitsap County's investment in its capital assets is reported net of related debt, it should be noted that the resources needed to repay this debt must be provided from other sources, since the capital assets themselves cannot be used to liquidate these liabilities.

Kitsap County's Net Position						
	Governmental Activities		Business-type Activities		Total Primary Government	
	2017	2018	2017	2018	2017	2018
Assets:						
Current & other assets	\$ 211.36	\$ 220.96	\$ 71.18	\$ 81.41	\$ 282.54	\$ 302.37
Capital assets	397.39	400.97	153.55	163.04	550.94	564.01
Total assets	608.75	621.92	224.73	244.45	833.48	866.38
Deferred outflows	7.41	6.82	0.92	0.85	8.33	7.67
Liabilities						
Other liabilities	31.37	35.24	6.53	3.97	37.90	39.21
Long-term liabilities	126.16	112.29	69.16	67.70	195.32	179.99
Total liabilities	\$ 157.53	\$ 147.53	\$ 75.69	\$ 71.68	\$ 233.22	\$ 219.21
Deferred inflows	11.05	17.03	1.14	2.03	12.19	19.06
Net position						
Net investment in capital assets	347.09	356.32	96.67	108.14	443.76	464.47
Restricted	11.93	11.90	4.52	4.60	16.45	16.50
Unrestricted	88.55	95.95	47.61	58.86	136.16	154.81
Total net position	\$ 447.57	\$ 464.17	\$ 148.81	\$ 171.60	\$ 596.37	\$ 635.77

An additional portion of Kitsap County's net position (3.0 percent) represents resources that are subject to external restrictions on how they may be used. The remaining balance of unrestricted net position (\$154.81) may be used to meet the government's ongoing obligations to citizens and creditors.

Kitsap County, Washington

Management's Discussion and Analysis For the Year Ended December 31, 2018

At the end of the current fiscal year, Kitsap County is able to report positive balances in all three categories of net position, both for the government as a whole, as well as for its separate governmental and business-type activities. The same situation held true last fiscal year.

The government's net position increased by \$39.39 during the current fiscal year. The change was partially propelled by the reduction in the pension liability for the County. In addition, the economy continued to rebound. We also saw major increases in our proprietary operations.

Refer to the Notes to the Financial Statements (Note 5) for a more in-depth discussion of capital assets.

The government's restricted net position increased from \$16.45 in 2017 to \$16.50 in 2018. This was caused by an overall reduction in outstanding debt. Unrestricted net position jumped to \$154.81 due to the decrease in the net pension payable.

Governmental activities. Governmental activities increased the County's net position by \$16.60. The key element of this net change was the decrease in pension liability which dropped by over \$15.

Kitsap County, Washington

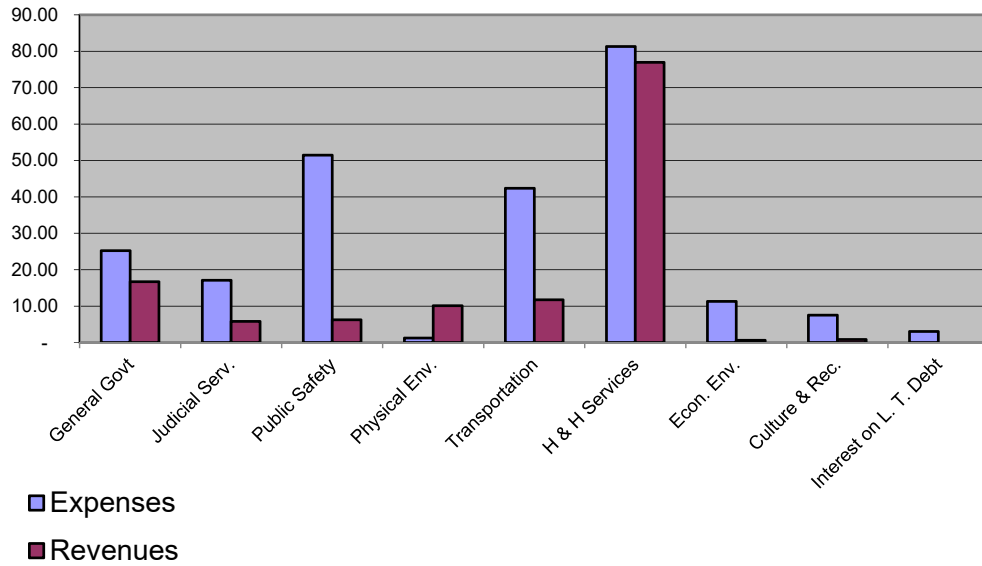
Management's Discussion and Analysis For the Year Ended December 31, 2018

	Governmental Activities		Business-type Activities		Total Primary Government	
	2017	2018	2017	2018	2017	2018
Revenues:						
Program revenues						
Charges for services	\$ 25.47	\$ 27.40	\$ 49.00	\$ 58.21	\$ 74.47	\$ 85.61
Operating grants	87.78	98.76	4.10	11.65	91.88	110.41
Capital grants	9.42	2.87	1.69	1.75	11.11	4.62
General revenues						
Property taxes	61.72	63.40	-	-	61.72	63.40
Sales taxes	37.38	51.20	-	-	37.38	51.20
Other taxes	12.77	12.52	-	-	12.77	12.52
Investment earnings	2.84	4.35	0.66	1.10	3.50	5.45
Other income	7.34	4.17	-	(0.00)	7.34	4.16
Total revenues	244.72	264.66	55.45	72.70	300.15	337.36
Expenses						
General government	26.39	25.23	-	-	26.39	25.23
Judicial services	16.27	17.10	-	-	16.27	17.10
Public safety	44.06	50.18	-	-	44.06	50.18
Physical environment	0.98	1.22	-	-	0.98	1.22
Transportation	41.25	42.39	-	-	41.25	42.39
Health & human services	69.62	81.32	-	-	69.62	81.32
Economic environment	8.61	11.30	-	-	8.61	11.30
Culture & recreation	7.21	7.49	-	-	7.21	7.49
Interest on LT debt	3.36	3.05	-	-	3.36	3.05
Utilities	-	-	46.78	49.65	46.78	49.65
Total expenses	217.75	239.28	46.78	49.65	264.54	288.93
Incr (decr) in net position before	26.95	25.38	8.66	23.05	35.62	48.43
Transfers	0.40	0.26	(0.40)	(0.26)	-	-
Special items	-	-	-	-	-	-
Incr (decr) in net position	27.35	25.64	8.26	22.79	35.62	48.43
Beginning Net position	413.07	447.57	140.12	148.81	553.19	596.38
Prior period adjustments	7.15	1.16	0.43	-	7.58	1.16
Change in accounting principle		(10.20)				(10.20)
Ending Net position	\$ 447.57	\$ 464.17	\$ 148.81	\$ 171.60	\$ 596.39	\$ 635.77

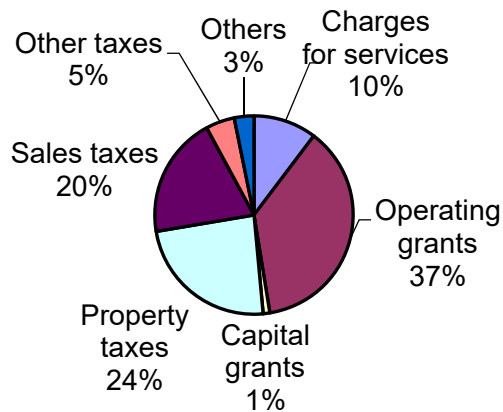
Kitsap County, Washington

Management's Discussion and Analysis For the Year Ended December 31, 2018

Expenses and Program Revenues - Governmental Activities



Revenues by Source – Governmental Activities



Business-type activities. Business-type activities increased the County's net position by \$22.80. The primary elements of this increase were:

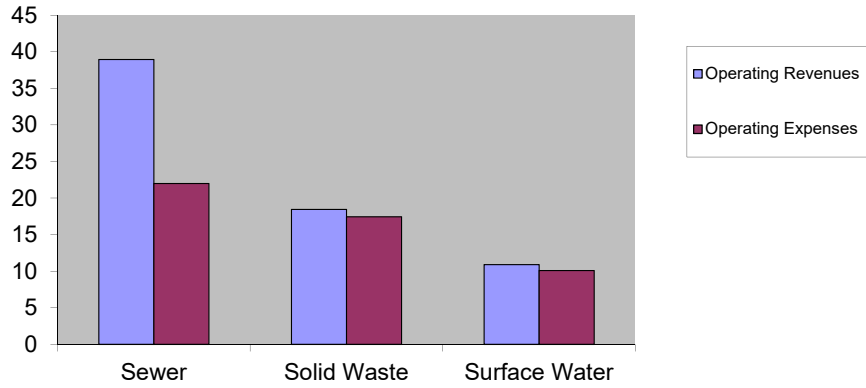
- Profitability of the Sanitary Sewer operation \$17.33

Kitsap County, Washington

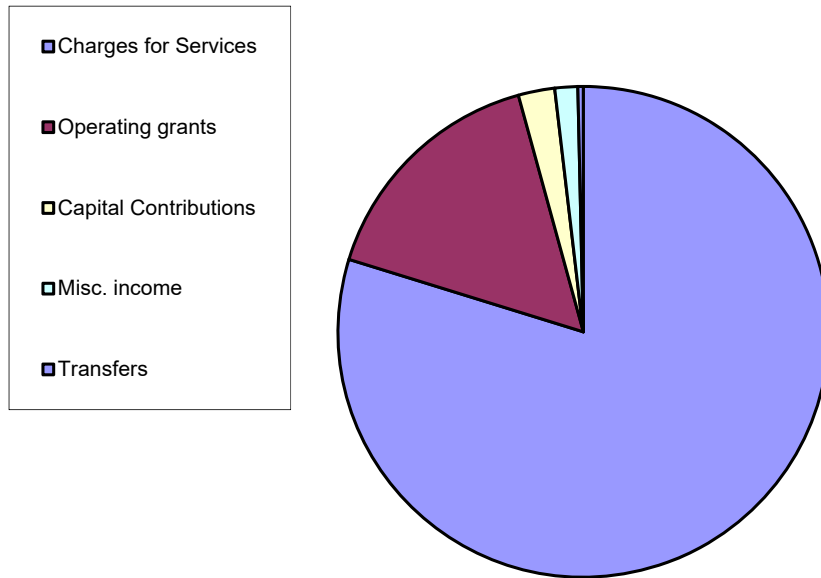
Management's Discussion and Analysis For the Year Ended December 31, 2018

- Profitability of the Surface Water utility \$3.99

Expenses and Program Revenues – Business-type Activities



Business –type Activity Revenues



Kitsap County, Washington

Management's Discussion and Analysis For the Year Ended December 31, 2018

Financial Analysis of the Government's Funds

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

Governmental funds. The focus of Kitsap County's governmental funds is to provide information on near-term inflows, outflows, and balances of spendable resources. Such information is useful in assessing the County's financial requirements. In particular, unassigned fund balance may serve as a useful measure of a government's net resources available for spending at the end of the fiscal year.

As of the end of the current fiscal year, Kitsap County's governmental funds reported combining ending fund balances of \$128.81, an increase of \$2.82 in comparison with the prior year.

The general fund is the chief operating fund of Kitsap County. At the end of the current fiscal year, unassigned fund balance of the general fund increased to \$28.91, while the total fund balance increased to \$29.37. As a measure of the general fund's liquidity, it may be useful to compare unassigned fund balance to total fund expenditures. Unassigned fund balance represents 30 percent of the total general fund expenditures.

County Roads fund balance decreased by \$8.11 primarily due to large capital projects.

Real Estate Excise Tax fund balance continued to grow from \$12.01 in 2017 to \$16.42 in 2018. The fund does not qualify as a major fund but is included in the category because it is an important economic indicator for the county. Major commercial property sales activity continued in 2018 resulting in continued increases in Real Estate Excise Tax collected.

Mental Health Medicaid fund had a balance of \$5.83 in 2018 slightly less than the 2017 balance. This is just a timing issue as the program is funded by Medicaid funds.

The major debt service fund has a total fund balance of \$2.87, all of which is reserved for the payment of debt service. Fund balance increased by \$1.10 in 2018.

Proprietary funds. Kitsap County's proprietary funds provide the same type of information found in the government-wide financial statements, but in more detail.

The Sewer fund's total net position was \$109.91 in 2018, up \$17.32 from 2017. The increase was due to utility rate increases and timing of major capital projects.

Solid Waste fund's total net position was \$28.12 for 2018, up \$1.47 from 2017. Utility rate increases were the major contributing factor to the increase in net position, as well as a temporary lull in construction activity.

Surface Water fund's total net position was \$33.57 for 2018 up \$3.99 from 2017, primarily due to utility rate increases.

Kitsap County, Washington

Management's Discussion and Analysis For the Year Ended December 31, 2018

General Fund Budgetary Highlights

Actual general fund revenues exceeded final budgeted revenues by \$6.95 during fiscal year 2018. The biggest reasons for this were sales taxes exceeding budget by \$3.67 and investment earnings exceeding budget by \$1.93.

Budget amendments and supplemental appropriations are typically made during the year to prevent budget overruns and to increase appropriations for unanticipated expenditures after adoption of the original budget.

During the year there was a \$3.51 increase in appropriations between the original and final amended budget, however, the actual expenditures of the general fund came in well under the final budget total of \$97.38 with a total of \$95.95.

Capital Assets

At the end of fiscal year 2018, Kitsap County's investment in capital assets for its governmental activities was \$848.89 (and \$400.97 net of accumulated depreciation) as reflected in the following schedule, which represents a net increase of \$19.76 or 3 percent from last year. See Note 5 to the financial statements for further details on Capital Assets.

Change in Capital Assets (millions)

	Governmental Activities		Business-type Activities		Total	
	2017	2018	2017	2018	2017	2018
Land	\$ 74.75	\$ 74.76	\$ 4.68	\$ 4.68	\$ 79.43	\$ 79.44
Infrastructure	527.90	535.94	-	-	527.90	535.94
Building	117.08	117.37	63.96	72.54	181.04	189.92
Building Improv	37.47	40.13	136.44	145.85	173.91	185.98
Machinery & Equipment	48.04	50.91	25.29	25.20	73.33	76.11
Construction in progress	23.89	29.78	30.01	30.30	53.90	60.08
Total	829.13	848.89	260.38	278.57	1,089.51	1,127.46
Less: accumulated depreciation	431.75	447.93	106.83	115.53	538.58	563.46
Net capital assets	\$ 397.39	\$ 400.97	\$ 153.55	\$ 163.04	\$ 550.93	\$ 564.01

Governmental activities.

Following are the major additions to Capital Assets for Governmental Activities:

- Various infrastructure projects were completed during the year at a cost of \$8.03;
- Various Parks projects at South Kitsap Regional Park including a waterless restroom and a skatepark \$2.08

Kitsap County, Washington

Management's Discussion and Analysis For the Year Ended December 31, 2018

- Equipment Rental Fleet was updated at a cost of \$3.71.

Business-type activities.

Following are the major activities in this area in 2018:

- Infrastructure continues to make up the majority of construction in progress, with on-going projects at \$18.56.
- Pump stations \$5.73
- Ridgetop Green Street Phase 1 \$3.49

Long-term Liabilities

At year-end, the County had \$189.87 in long-term liabilities versus \$215.45 last year, a net decrease of \$25.58 and 12 percent.

Long-term liabilities, at Year-End:

	2017	Additions	Reductions	2018
Government activities:				
Capital leases	\$ 0.11	\$ 0.01	\$ 0.11	\$ 0.02
Bonds Payable	72.28	-	6.25	66.03
Compensated absences - Gov	5.51	0.19	-	5.69
Compensated absences - Int Serv	0.46	0.04	-	0.50
Notes Payable	1.79	-	0.09	1.70
Net OPEB Obligation (1)	18.67	-	0.61	18.05
Net Pension Liability - Gov	40.77	-	12.88	27.88
Net Pension Liability - Int Serv	3.48	-	1.45	2.03
Other items	0.19	-	0.05	0.14
Total	\$ 143.24	\$ 0.24	\$ 21.44	\$ 122.04
Enterprise activities:				
Bonds Payable	\$ 56.88	\$ -	\$ 1.98	\$ 54.90
Compensated absences	0.68	0.04	-	\$ 0.73
Net Pension Liability	5.47	-	1.51	3.96
Other items	9.17	0.02	0.96	8.24
Total	\$ 72.20	\$ 0.06	\$ 4.45	\$ 67.83
Total Debt	\$ 215.45	\$ 0.30	\$ 25.88	\$ 189.87

(1) Restated due to implementation of GASB 75: see Notes to Financial Statements 17 & 21.

GASB Statement No. 68, Accounting and Financial Reporting for Pensions continued to impact the County in 2018. The County's net pension liability decreased by over \$15 in 2018.

Kitsap County, Washington

Management's Discussion and Analysis For the Year Ended December 31, 2018

GASB Statement No. 75, *Accounting and Financial Reporting for Other Post-Employment Benefits (OPEB)* impacted the County in 2018, requiring the County to increase the net OPEB liability to over \$18 million, an increase of more than \$10.

The Standard and Poor's Corporation and provided a bond rating of AA for Kitsap County's sewer debt. Moody's Investors Service provided a bond rating of Aa2 for the Kitsap County's general obligation debt. Both ratings were as of January 2019.

The State limits the amount of general obligation debts the County can issue without the vote of the people to 1.5% of the total assessed value. As of the end of the fiscal year, the County has \$444.78 remaining in debt capacity (non-voted). More detail information on capital assets and long-term debt are provided in the Notes to the Financial Statements (Notes 5, 8 and 10).

ECONOMIC FACTORS

The economy of the County is based mostly on government services. The largest employer by far is Kitsap Naval Base with over 33,800 employees including military personnel. Kitsap County has the only shipyard on the West Coast capable of overhauling nuclear aircraft carriers. Harrison Medical Center is next, employing over 1,950, and Washington State Government is third employing over 1,700.

Long-term Financial Planning

The County has the following capital investments over the next six years:

- \$13.2 million for regional parks, trails and open spaces
- \$11.39 for Solid Waste projects, including an expansion of the existing Solid Waste transfer station and developing a north end household waste collection facility.
- \$16 million for water and sewer improvements.
- A part of the Capital Facilities Plan, the six-year Transportation Plan includes \$70.7 million for roads, bridges, sidewalks, bike lanes and other roadway features.
- \$34 million planned to be spent on various county buildings with \$31.6 million to be spent on the new Courthouse.

Kitsap County, Washington

Management's Discussion and Analysis For the Year Ended December 31, 2018

Contacting the County's Financial Management

This financial report is designed to provide our citizens, taxpayers, customers, investors, and creditors with a general overview of the County's finances and to demonstrate the County's accountability for the money it receives.

If you have questions about this report or need additional financial information, contact

Dave Schureman, Internal Auditor
Kitsap County Auditor's Office
619 Division Street, MS-31
Port Orchard, Washington, 98366

Telephone (360) 337-7132 or visit the County's web site at www.kitsapgov.com

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Basic Financial Statements

Kitsap County Auditor | Financial Division

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KITSAP COUNTY, WASHINGTON

Statement of Net Position December 31, 2018

	Governmental Activities	Business-type Activities	Total	Component Unit PFD
ASSETS				
Cash and Cash equivalents	\$ 141,499,554	\$ 7,583,866	\$ 149,083,420	225,433
Deposits with fiscal agents	-	-	-	-
Investments	11,124,498	63,414,057	74,538,555	2,121,644
Receivables(net)				
Property taxes	2,070,186	-	2,070,186	-
Sales taxes	10,032,220	-	10,032,220	-
Special assessments	1,622	27,793	29,415	-
Accounts	15,264	3,555,158	3,570,422	-
Others	969,580	-	969,580	-
Due from agency agency fund	-	-	-	-
Internal balances	700,100	(700,100)	0	-
Due from other governments	6,962,848	2,553,743	9,516,591	-
Interfund loan receivable	-	-	-	-
Prepayments	368,019	-	368,019	-
Inventories	1,945,346	218,770	2,164,116	-
Restricted assets:				
Cash and cash equivalents	3,201,600	282,946	3,484,546	-
Deposits with fiscal agents	-	-	-	250,000
Investments	2,826,505	4,317,858	7,144,363	-
Notes/Contracts	9,514,928	-	9,514,928	-
Special Assessment Receivable	-	157,404	157,404	-
Long-term Receivable from Comp. Unit	5,795,000	-	5,795,000	-
Long-term Receivable from KCCHA	15,588,320	-	15,588,320	-
Capital assets, net (Note 5)				
Land	74,760,845	4,676,399	79,437,244	-
Infrastructure	189,524,942	-	189,524,942	-
Buildings	68,406,201	28,346,731	96,752,932	-
Improvements & Other Buildings	18,343,494	85,961,990	104,305,484	-
Machinery & Equipment	20,155,328	13,753,066	33,908,394	-
Construction In Progress	29,775,395	30,300,556	60,075,951	-
Net pension asset	8,336,243	-	8,336,243	-
Total assets	<u>621,918,038</u>	<u>244,450,237</u>	<u>866,368,275</u>	<u>2,597,077</u>
DEFERRED OUTFLOWS				
Deferred outflows related to pensions & OPEB	6,815,141	852,942	7,668,083	-
Total assets and deferred outflows	<u>628,733,179</u>	<u>245,303,179</u>	<u>874,036,358</u>	<u>2,597,077</u>
LIABILITIES				
Accounts payable and accrued expenses	6,938,622	2,575,815	9,514,437	-
Due to agency fund	-	-	-	-
Due to other governments	2,400,895	259,808	2,660,703	-
Other liabilities	12,491,564	824,989	13,316,553	10,219
Debt interest payable	-	197,683	197,683	-
Unearned revenue	3,655,483	-	3,655,483	-
Non current Liabilities (Note 10):				
Due within one year	9,751,066	2,979,465	12,730,531	635,000
Due in more than one year	64,325,482	60,882,020	125,207,502	5,160,000
Net pension liability	29,914,835	3,957,591	33,872,426	-
Net OPEB liability	18,054,866	-	18,054,866	-
Total liabilities	<u>147,532,813</u>	<u>71,677,371</u>	<u>219,210,184</u>	<u>5,805,219</u>
DEFERRED INFLOWS				
Deferred inflows related to pensions	15,329,352	2,028,001	17,357,353	-
Golf course service concession arrangement	1,700,246	-	1,700,246	-
Total deferred inflows	<u>17,029,598</u>	<u>2,028,001</u>	<u>19,057,599</u>	<u>-</u>
Total liabilities and deferred inflows	<u>164,562,411</u>	<u>73,705,372</u>	<u>238,267,783</u>	<u>5,805,219</u>
NET POSITION				
Net investment in capital assets	356,324,527	108,138,601	464,463,128	-
Restricted:				
Capital Projects	2,802,980	-	2,802,980	-
Debt service	9,094,171	4,600,804	13,694,975	-
Unrestricted	95,949,090	58,858,402	154,807,492	(3,208,142)
Total net position	<u>\$ 464,170,769</u>	<u>\$ 171,597,807</u>	<u>\$ 635,768,576</u>	<u>\$ (3,208,142)</u>

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

KITSAP COUNTY, WASHINGTON

Statement of Activities

For the Year Ended December 31, 2018

Functions/Programs	Expenses	Program Revenues			Net (Expense) Revenue and Changes in Net Position			Component Unit Public Facility District
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Primary Government			
					Governmental Activities	Business-Type Activities	Total	
Primary Government:								
Governmental Activities								
General Government	\$ 25,225,689	\$ 10,050,033	\$ 6,665,246	\$ -	\$ (8,510,410)	\$ -	\$ (8,510,410)	\$ -
Judicial Services	17,101,908	3,868,036	1,941,200	-	(11,292,672)	-	(11,292,672)	-
Public Safety	50,182,444	1,585,027	4,650,672	-	(43,946,745)	-	(43,946,745)	-
Physical Environment	1,220,847	8,125,176	2,006,302	-	8,910,631	-	8,910,631	-
Transportation	42,392,612	2,401,772	6,463,597	2,872,898	(30,654,346)	-	(30,654,346)	-
Health & Human Services	81,318,816	590,019	76,371,394	-	(4,357,403)	-	(4,357,403)	-
Economic Environment	11,298,591	-	612,853	-	(10,685,738)	-	(10,685,738)	-
Culture & Recreation	7,490,035	775,237	44,903	-	(6,669,895)	-	(6,669,895)	-
Interest on Long-term Debt	3,049,795	-	-	-	(3,049,795)	-	(3,049,795)	-
Total Governmental Activities	239,280,737	27,395,300	98,756,167	2,872,898	(110,256,372)	0	(110,256,372)	-
Business-type Activities								
Solid Waste	17,445,500	18,130,579	327,354	-	-	1,012,433	1,012,433	-
Sewer Utility	22,098,015	29,156,936	7,995,466	1,746,374	-	16,800,761	16,800,761	-
Surface Water	10,109,134	10,923,308	3,327,240	-	-	4,141,414	4,141,414	-
Total business-type activities	49,652,649	58,210,823	11,650,060	1,746,374	-	21,954,608	21,954,608	-
Total Primary Government	\$ 288,933,386	\$ 85,606,123	\$ 110,406,227	\$ 4,619,272	(110,256,372)	21,954,608	(88,301,764)	-
Component Units:								
Public Facility District(PFD)	444,896	-	-	-	-	-	-	(444,896)
General revenues:								
Taxes:								
Property taxes, levied for general purposes					63,397,267	-	63,397,267	-
Property taxes, levied for debt service					-	-	-	-
Sales & use taxes					51,202,614	-	51,202,614	1,707,652
Other taxes					12,521,584	-	12,521,584	-
Investment earnings					4,348,402	1,099,590	5,447,992	31,563
Miscellaneous					4,165,290	(2,362)	4,162,928	-
Transfers					262,173	(262,173)	-	-
Total general revenues, special items, and transfers					135,897,331	835,055	136,732,386	1,739,215
Change in net position					25,640,959	22,789,663	48,430,622	1,294,319
Net position - beginning					447,570,524	148,808,146	596,378,670	(4,502,460)
Prior Period Adjustments					1,161,171	-	1,161,171	-
Decrease in beginning net position resulting from change in accounting principle					(10,201,885)	-	(10,201,885)	-
Net position - ending					\$ 464,170,769	\$ 171,597,807	\$ 635,768,576	\$ (3,208,142)

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

Balance Sheet
Governmental Funds
December 31, 2018

	General Fund	Special Revenue Funds	
		County Roads	Real Estate Excise Tax
ASSETS			
Cash and Cash equivalents	\$ 24,214,685	\$ 18,776,504	\$ 14,912,870
Investments	449,302	2,770,321	1,514,849
Receivables(net)			
Property taxes	1,307,412	716,728	-
Sales taxes	5,908,882	824,162	-
Special assessments	-	1,622	-
Accounts	7,447	-	-
Notes/Contracts	-	1,196	3,625,004
Others	1,884	192,867	-
Due from other funds	140,929	602,018	-
Due from other governments	1,591,626	986,989	-
Interfund loan receivable	-	-	-
Prepayments	182,617	-	-
Advance to other funds	280,000	-	-
Total assets	\$ 34,084,783	\$ 24,872,408	\$ 20,052,723
DEFERRED OUTFLOWS			
	-	-	-
Total assets and deferred outflows	\$ 34,084,783	\$ 24,872,408	\$ 20,052,723
LIABILITIES AND FUND BALANCES			
Liabilities			
Accounts payable	1,062,481	770,058	-
Due to other funds	240,105	382,280	-
Due to other governments	-	-	-
Other liabilities	2,099,071	636,044	-
Advance from other fund	-	-	-
Revenues collected in advance	5,579	400	3,632,484
Unearned revenues	-	-	-
Interfund loan payable	-	-	-
Other long term liabilities	-	-	-
Total liabilities	3,407,236	1,788,782	3,632,484
DEFERRED INFLOWS (Note 15)	1,309,427	718,351	-
Fund balances			
Nonspendable	464,500	-	-
Restricted	-	-	16,420,239
Committed	-	22,365,275	-
Assigned	-	-	-
Unassigned	28,903,620	-	-
Total fund balance	29,368,120	22,365,275	16,420,239
Total inflows, liabilities & fund balances	\$ 34,084,783	\$ 24,872,408	\$ 20,052,723

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

Balance Sheet

Governmental Funds
December 31, 2018

	Special Revenue Funds	Debt Service Funds
	Mental Health Medicaid Fund	KCLTGO 2013 Refund
ASSETS		
Cash and Cash equivalents	\$ 4,860,453	\$ 1,494,612
Investments	1,475,708	1,126,528
Receivables(net)		
Property taxes	-	-
Sales taxes	-	-
Special assessments	-	-
Accounts	-	-
Notes/Contracts	-	15,588,320
Others	-	-
Due from other funds	-	-
Due from other governments	1,308,150	250,000
Interfund loan receivable	-	-
Prepayments	-	-
Advance to other funds	-	-
Total assets	\$ 7,644,311	\$ 18,459,460
DEFERRED OUTFLOWS		
	\$ 7,644,311	\$ 18,459,460
LIABILITIES AND FUND BALANCES		
Liabilities		
Accounts payable	1,681,855	-
Due to other funds	78,522	-
Due to other governments	-	-
Other liabilities	49,472	-
Advance from other fund	-	-
Revenues collected in advance	-	-
Unearned revenues	-	-
Interfund loan payable	-	-
Other long term liabilities	-	-
Total liabilities	1,809,849	-
DEFERRED INFLOWS (Note 15)	-	15,588,320
Fund Balances		
Nonspendable	-	-
Restricted	5,834,462	2,871,140
Committed	-	-
Assigned	-	-
Unassigned	-	-
Total fund balances	5,834,462	2,871,140
Total inflows, liabilities and fund balances	\$ 7,644,311	\$ 18,459,460

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

Balance Sheet
Governmental Funds
December 31, 2018

	Other Governmental Funds	Total Governmental Funds
ASSETS		
Cash and Cash equivalents	\$ 39,425,322	\$ 103,684,446
Investments	6,613,400	13,950,107
Receivables(net)		
Property taxes	46,045	2,070,186
Sales taxes	3,299,177	10,032,220
Special assessments	-	1,622
Accounts	7,816	15,264
Notes/Contracts	11,683,728	30,898,248
Others	54,490	249,241
Due from other funds	704,825	1,447,772
Due from other governments	2,655,166	6,791,932
Interfund loan receivable	-	-
Prepayments	243	182,860
Advance to other funds	-	280,000
Total assets	\$ 64,490,213	\$ 169,603,898
DEFERRED OUTFLOWS		
	-	-
	\$ 64,490,213	\$ 169,603,898
LIABILITIES AND FUND BALANCES		
Liabilities		
Accounts payable	2,745,881	6,260,275
Due to other funds	454,772	1,155,679
Due to other governments	2,400,895	2,400,895
Other liabilities	544,492	3,329,079
Advance from other fund	280,000	280,000
Revenues collected in advance	17,020	3,655,483
Unearned revenues	-	-
Interfund loan payable	-	-
Other long term liabilities	255,022	255,022
Total liabilities	6,698,081	17,336,433
DEFERRED INFLOWS (Note 15)	5,837,590	23,453,687
Fund Balances		
Nonspendable	5,900,000	6,364,500
Restricted	38,886,700	64,012,541
Committed	7,257,725	29,623,000
Assigned	-	-
Unassigned	(89,882)	28,813,738
Total fund balances	51,954,542	128,813,778
Total inflows, liabilities and fund balances	\$ 64,490,213	\$ 169,603,898

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

KITSAP COUNTY

RECONCILIATION OF THE BALANCE SHEET OF GOVERNMENTAL FUNDS TO THE GOVERNMENT WIDE STATEMENT OF NET POSITION December 31, 2018

Fund balances of governmental funds - page 39 \$ 128,813,778

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

Capital assets net of depreciation have not been included as financial resources in governmental fund activity.

Capital assets	848,891,583	
Accum Depreciation	(447,925,379)	
Capital assets net of depreciation		400,966,204

Long term debt and compensated absences that have not been included in the governmental fund activity.

Capital lease	15,874	
Bond payable	66,025,000	
Compensated absences	6,193,666	
Notes payable	1,700,246	
OPEB Liability	18,054,866	
PWTF Loans	141,760	
Net pension liability	29,914,836	
Other liabilities	-	
Long-term debt		(122,046,248)

Other assets not available to pay for current-period expenditures and, therefore, are deferred in the funds.

Taxes/Assessments receivable	2,081,639
Housing Kitsap receivable	15,588,320
Loans receivable CDBG and HOME programs	4,083,482
Net pension asset	8,336,243

Pension adjustments (8,514,211)

Internal service funds are used by management to charge the costs of certain activities, such as equipment management and self-insurance, to individual funds. The assets and liabilities of the internal service funds must be added to the statement of net position.

Assets	44,603,260	129,480
Liabilities	(9,871,178)	

Assets less liabilities 34,732,082

Net position of governmental activities - page 35 \$ 464,170,769

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

KITSAP COUNTY, WASHINGTON

Statement of Revenue, Expenditures, and Changes in Fund Balances

Governmental Funds

For the Year Ended December 31, 2018

	General Fund	Special Revenue Funds	
		County Roads	Real Estate Excise Tax
REVENUES:			
Property taxes	\$ 35,295,113	\$ 25,397,952	\$ -
Retail sales & use taxes	32,407,762	-	-
Other taxes	5,129,565	49,022	7,342,164
Licenses and permits	167,764	219,929	-
Intergovernmental	10,996,569	9,336,495	-
Charges for services	9,154,567	1,004,617	-
Fines & forfeits	2,006,158	-	-
Investment earnings	3,195,623	50,596	169,307
Miscellaneous	1,430,212	98,277	165,000
Total revenues	<u>99,783,332</u>	<u>36,156,887</u>	<u>7,676,471</u>
EXPENDITURES:			
Current:			
General government	27,263,422	-	-
Judicial Services	16,944,196	-	-
Public safety	44,538,781	-	-
Physical Environment	-	-	-
Transportation	-	30,374,444	-
Health & Human Services	-	-	-
Economic Environment	2,115,030	-	-
Culture & recreation	5,080,619	-	-
Debt service			
Principal	-	47,253	-
Interest and other charges	8,643	945	1,800
Capital outlay	185,208	14,485,894	-
Total expenditures	<u>96,135,900</u>	<u>44,908,536</u>	<u>1,800</u>
Excess(deficiency) of revenues over expenditures	<u>3,647,432</u>	<u>(8,751,649)</u>	<u>7,674,671</u>
OTHER FINANCING SOURCES (USES):			
Sale of capital assets	-	-	-
Transfers in	4,537,466	2,675,434	-
Transfers out	(5,221,084)	(2,900,047)	(3,429,298)
Total other financing sources & uses	<u>(683,618)</u>	<u>(224,613)</u>	<u>(3,429,298)</u>
Net change in fund balance	<u>2,963,814</u>	<u>(8,976,262)</u>	<u>4,245,373</u>
Fund balances-beginning	26,280,705	30,475,139	12,009,866
Prior period adjustments	123,601	866,398	165,000
Fund balances	<u>\$ 29,368,120</u>	<u>\$ 22,365,275</u>	<u>\$ 16,420,239</u>

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

Statement of Revenue, Expenditures, and Changes in Fund Balances

Governmental Funds

For the Year Ended December 31, 2018

	Special Revenue Funds	Debt Service Funds
	Mental Health Medicaid Fund	KCLTGO 2013 Refund
REVENUES:		
Property taxes	\$ -	\$ -
Retail sales & use taxes	-	
Other taxes	-	
Licenses and permits	-	
Intergovernmental	52,290,558	(14,013)
Charges for services	-	
Fines & forfeits	-	
Investment earnings	26,894	174,418
Miscellaneous	-	
Total revenues	<u>52,317,452</u>	<u>160,406</u>
EXPENDITURES:		
Current:		
General government	-	
Judicial Services	-	
Public safety	-	
Physical Environment	-	-
Transportation	-	
Health & Human Services	51,745,652	
Economic Environment	-	
Culture & recreation	-	
Debt service		
Principal	-	2,280,000
Interest and other charges	-	1,470,675
Capital outlay	-	
Total expenditures	<u>51,745,652</u>	<u>3,750,675</u>
Excess(deficiency) of revenues over expenditures	<u>571,800</u>	<u>(3,590,270)</u>
OTHER FINANCING SOURCES (USES):		
Sale of capital assets		
Transfers in	32,539	4,685,958
Transfers out	(1,332,721)	-
Total other financing sources & uses	<u>(1,300,182)</u>	<u>4,685,958</u>
Net change in fund balance	<u>(728,381)</u>	<u>1,095,688</u>
Fund balances-beginning	6,562,843	1,775,452
Prior period adjustments	-	-
Fund balances-ending	<u>\$ 5,834,462</u>	<u>\$ 2,871,140</u>

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

KITSAP COUNTY, WASHINGTON

Statement of Revenue, Expenditures, and Changes in Fund Balances Governmental Funds For the Year Ended December 31, 2018

	Other Governmental Funds	Total Governmental Funds
REVENUES:		
Property taxes	\$ 2,701,327	\$ 63,394,391
Retail sales & use taxes	18,794,853	51,202,614
Other taxes	3,385	12,524,136
Licenses and permits	6,073,700	6,461,393
Intergovernmental	29,018,282	101,627,891
Charges for services	5,651,372	15,810,556
Fines & forfeits	170,462	2,176,620
Investment earnings	726,388	4,343,226
Miscellaneous	2,471,180	4,164,669
	<u>65,610,948</u>	<u>261,705,496</u>
EXPENDITURES:		
Current:		
General government	3,825,376	31,088,799
Judicial Services	137,723	17,081,918
Public safety	9,194,865	53,733,646
Physical Environment	1,281,808	1,281,808
Transportation	60,569	30,435,013
Health & Human Services	29,492,370	81,238,022
Economic Environment	9,180,324	11,295,354
Culture & recreation	1,126,129	6,206,747
Debt service		
Principal	4,868,997	7,196,251
Interest and other charges	1,566,891	3,048,954
Capital outlay	934,518	15,605,620
Total expenditures	<u>61,669,570</u>	<u>258,212,133</u>
	<u>3,941,378</u>	<u>3,493,362</u>
OTHER FINANCING SOURCES (USES):		
Sale of capital assets	8,652	8,652
Transfers in	7,179,180	19,110,576
Transfers out	(8,070,737)	(20,953,887)
Total other financing sources & uses	<u>(882,905)</u>	<u>(1,834,658)</u>
Net change in fund balance	<u>3,058,473</u>	<u>1,658,703</u>
Fund balances-beginning	48,889,899	125,993,904
Prior period adjustments	6,171	1,161,171
Fund balances-ending	<u>\$ 51,954,542</u>	<u>\$ 128,813,778</u>

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

KITSAP COUNTY

RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES OF GOVERNMENTAL FUNDS TO THE GOVERNMENT WIDE STATEMENT OF ACTIVITIES YEAR ENDED DECEMBER 31, 2018

Net change in fund balances-total governmental funds - page 43 \$ 1,658,703

Amounts reported for governmental activities in the statement of activities differs from the amounts reported in the statement of activities because:

Governmental funds report capital outlays as expenditures. However, in the statement of activities the cost of those assets is allocated over their estimated useful lives and reported as depreciation expense. This is the amount by which capital outlays exceeded depreciation in the current period.

Capital outlay	15,605,620
Depreciation	(17,497,606)
Investment in CIP not recognized in governmental funds	5,974,188
Capital Asset Transactions:	
Gain (loss) on the sale and disposition of governmental capital assets	-

Pension transactions	
Pension adjustments	583,678

The issuance of long-term debt (e.g. bonds, leases) provides current financial resources to governmental funds, while the repayment of the principal of long-term debt consumes the current financial resources of governmental funds. Neither transaction, however, has any effect on net position. This amount is the net effect of these differences in the treatment of long-term debt and related items

Bond principal	6,250,000
Capital lease principal	109,217
Net OPEB Obligation adjustments	614,570
Note payable	89,135

Revenues in statement of activities that do not provide current financial resources are not reported as revenues in the funds.

Accounts Receivable - Housing Kitsap	(14,013)
Property taxes receivable	2,024,140
Special Assessments	2,122
Compensated absences	188,635

Internal services Activities	
Net Transfers	2,105,489
Depreciation already included above	2,997,581
Net profit	4,686,880

Indirect charges within governmental activities	262,620
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Change in net position of governmental activities - page 36	\$ 25,640,959
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The notes to the financial statements are an integral part of this statement.

KITSAP COUNTY, WASHINGTON

Statement of Revenues, Expenditures, and Changes in Fund Balances - Budget and Actual

General Fund

Year Ended December 31, 2018

2018

	Original Budget	Final Budget	Actual	Variance With Final Budget	Budget to GAAP Basis Differences	Actual GAAP Basis
REVENUES:						
Property taxes	\$ 35,358,767	\$ 35,358,767	\$ 35,295,077	\$ (63,690)	\$ 36	\$ 35,295,113
Retail sales & use taxes	27,468,900	28,741,870	32,407,762	3,665,892	-	32,407,762
Other taxes	4,933,609	4,933,609	5,125,054	191,445	4,511	5,129,565
Licenses and permits	143,000	143,000	167,764	24,764	-	167,764
Intergovernmental	9,962,421	10,299,243	10,996,335	697,092	234	10,996,569
Charges for services	8,901,854	9,138,555	9,154,567	16,012	-	9,154,567
Fines & forfeits	1,710,418	1,710,418	2,001,644	291,226	4,514	2,006,158
Investment Earnings	1,260,600	1,260,600	3,187,833	1,927,233	7,790	3,195,623
Miscellaneous	906,205	908,746	1,114,389	205,643	315,823	1,430,212
	<u>90,645,774</u>	<u>92,494,808</u>	<u>99,450,424</u>	<u>6,955,616</u>	<u>332,908</u>	<u>99,783,332</u>
EXPENDITURES:						
Current:						
Administrative Services	\$ 755,641	\$ 755,641	\$ 734,369	\$ 21,272	\$ -	734,369
Assessor	2,592,776	2,628,484	2,555,565	72,919	-	2,555,565
Auditor	2,132,998	2,132,998	2,115,380	17,618	-	2,115,380
Commissioners	1,781,775	1,791,775	1,772,658	19,117	-	1,772,658
General Administration	3,583,180	4,392,034	5,940,972	(1,548,938)	-	5,940,972
Human resources	1,601,462	1,662,212	1,593,631	68,581	-	1,593,631
Prosecuting attorney	9,727,805	9,771,477	9,521,940	249,537	-	9,521,940
Facilities Maintenance	1,869,894	1,919,894	1,848,368	71,526	-	1,848,368
Treasurer	1,246,810	1,285,310	1,180,539	104,771	-	1,180,539
Total general government	<u>25,292,341</u>	<u>\$ 26,339,825</u>	<u>27,263,422</u>	<u>(923,597)</u>	<u>-</u>	<u>27,263,422</u>
Judicial Services						
Clerk	\$ 3,756,338	\$ 3,836,338	\$ 3,719,946	\$ 116,392	\$ -	3,719,946
District court	3,238,143	3,265,921	3,181,859	84,062	-	3,181,859
Superior court	3,392,487	3,472,722	3,288,412	184,310	-	3,288,412
Juvenile	3,024,990	3,075,481	2,910,160	165,321	-	2,910,160
Public defense	2,937,487	3,794,613	3,843,818	(49,205)	-	3,843,818
Total Judicial services	<u>16,349,445</u>	<u>17,445,075</u>	<u>16,944,196</u>	<u>500,879</u>	<u>-</u>	<u>16,944,196</u>
Public safety						
Sheriff	\$ 37,696,628	\$ 38,730,869	\$ 38,225,511	\$ 505,358	\$ 6,444	38,231,955
Juvenile	5,309,039	5,388,242	4,770,880	617,362	-	4,770,880
Coroner	1,289,879	1,289,879	1,264,550	25,329	-	1,264,550
Human services	289,963	313,963	271,396	42,567	-	271,396
Total Public Safety	<u>44,585,509</u>	<u>45,722,953</u>	<u>44,532,338</u>	<u>1,190,615</u>	<u>6,444</u>	<u>44,538,781</u>
Economic Environment						
Community Development	\$ 2,130,855	\$ 2,174,288	\$ 2,115,030	\$ 59,258	\$ -	\$ 2,115,030
Total Economic Environment	<u>2,130,855</u>	<u>2,174,288</u>	<u>2,115,030</u>	<u>59,258</u>	<u>-</u>	<u>2,115,030</u>
Culture and Recreation						
Parks	\$ 4,716,648	\$ 4,746,148	4,457,915	\$ 288,233	\$ 176,840	4,634,756
Cooperative Extension	472,565	483,565	445,863	37,702	-	445,863
Total Culture and Recreation	<u>5,189,213</u>	<u>5,229,713</u>	<u>4,903,778</u>	<u>325,935</u>	<u>176,840</u>	<u>5,080,619</u>
Interest and other charges	8,600	8,600	8,209	391	434	8,643
Capital outlay	315,000	464,150	185,208	278,942	-	185,208
Total expenditures	<u>93,870,963</u>	<u>97,384,604</u>	<u>95,952,182</u>	<u>1,373,165</u>	<u>183,718</u>	<u>96,135,900</u>
Excess(deficiency) of revenues over expenditures	(3,225,189)	(4,889,796)	3,498,242	8,388,038	149,190	3,647,432
OTHER FINANCING SOURCES (USES):						
Transfers in	4,723,496	4,963,996	4,537,466	(426,530)	-	4,537,466
Transfers out	(1,498,307)	(5,878,790)	(5,218,748)	660,042	(2,336)	(5,221,084)
Proceeds from Sales of Assets	-	-	-	-	-	-
Total other financing sources & uses	<u>3,225,189</u>	<u>(914,794)</u>	<u>(681,282)</u>	<u>233,512</u>	<u>(2,336)</u>	<u>(683,618)</u>
Net change in fund balance	-	(5,804,590)	2,816,960	8,621,550	146,854	2,963,814
Fund balances-beginning	25,065,219	25,065,219	25,065,219	-	1,215,486	26,280,705
Prior period adjustments			123,068	123,068	534	123,601
Fund balances-ending	<u>25,065,219</u>	<u>19,260,629</u>	<u>28,005,247</u>	<u>8,744,618</u>	<u>1,362,874</u>	<u>29,368,120</u>

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

KITSAP COUNTY, WASHINGTON

County Roads Fund 101 & 102

Statement of Revenues, Expenditures, and Changes in Fund Balances - Budget and Actual
For the Year Ended December 31, 2018

	Budget		Actual	Variance with Final Budget
	Original	Final		
REVENUES:				
Property taxes	\$ 25,292,587	\$ 25,292,587	\$ 25,397,952	\$ 105,365
Other taxes	50,000	50,000	49,022	(978)
Licenses and permits	160,000	160,000	219,929	59,929
Intergovernmental	7,297,725	7,297,725	9,336,495	2,038,770
Charges for services	653,000	653,000	1,004,617	351,617
Investment earnings	462,212	462,212	50,597	(411,615)
Miscellaneous	5,000	5,000	98,277	93,277
Total revenues	<u>33,920,524</u>	<u>33,920,524</u>	<u>36,156,888</u>	<u>2,236,364</u>
EXPENDITURES:				
Current:				
Transportation	31,364,813	31,356,828	30,374,444	982,384
Debt service				
Principal	47,260	47,260	47,253	7
Interest and other charges	1,600	1,600	945	655
Capital outlay	11,245,500	11,245,500	14,485,894	(3,240,394)
Total expenditures	<u>42,659,173</u>	<u>42,651,188</u>	<u>44,908,536</u>	<u>(2,257,348)</u>
Excess(deficiency) of revenues over expenditures	<u>(8,738,649)</u>	<u>(8,730,664)</u>	<u>(8,751,649)</u>	<u>(20,985)</u>
OTHER FINANCING SOURCES (USES):				
Transfers in	4,500,000	4,750,000	2,675,434	(2,074,566)
Transfers out	<u>(3,883,738)</u>	<u>(3,903,738)</u>	<u>(2,900,047)</u>	<u>1,003,691</u>
Total other financing sources & uses	<u>616,262</u>	<u>846,262</u>	<u>(224,613)</u>	<u>(1,070,875)</u>
Net change in fund balance	<u>(8,122,387)</u>	<u>(7,884,402)</u>	<u>(8,976,261)</u>	<u>(1,091,859)</u>
Fund balances-beginning	30,475,139	30,475,139	30,475,139	-
Prior period adjustments	-	-	866,398	866,398
Fund balances-ending	<u>\$ 22,352,752</u>	<u>\$ 22,590,737</u>	<u>\$ 22,365,276</u>	<u>\$ (225,461)</u>

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

KITSAP COUNTY, WASHINGTON

Real Estate Excise Tax Fund 131

Statement of Revenues, Expenditures, and Changes in Fund Balances - Budget and Actual
For the Year Ended December 31, 2018

	Budget		Actual	Variance with Final Budget
	Original	Final		
REVENUES:				
Other taxes	\$ 7,355,504	\$ 7,355,504	\$ 7,342,164	(13,340)
Investment earnings	150,922	150,922	169,307	18,385
Miscellaneous	165,000	165,000	165,000	-
Total revenues	<u>7,671,426</u>	<u>7,671,426</u>	<u>7,676,471</u>	<u>5,045</u>
EXPENDITURES:				
Debt service				
Principal	-	-	-	-
Interest and other charges	-	-	1,800	(1,800)
Total expenditures	<u>-</u>	<u>-</u>	<u>1,800</u>	<u>(1,800)</u>
Excess(deficiency) of revenues over expenditures	<u>7,671,426</u>	<u>7,671,426</u>	<u>7,674,671</u>	<u>3,245</u>
OTHER FINANCING SOURCES (USES):				
Transfers in	-	-	-	-
Transfers out	(6,849,953)	(7,525,622)	(3,429,298)	4,096,324
Total other financing sources & uses	<u>(6,849,953)</u>	<u>(7,525,622)</u>	<u>(3,429,298)</u>	<u>4,096,324</u>
Net change in fund balance	<u>821,473</u>	<u>145,804</u>	<u>4,245,373</u>	<u>4,099,569</u>
Fund balances-beginning	9,528,288	9,528,288	12,009,866	2,481,578
Prior period adjustments	-	-	165,000	165,000
Fund balances-ending	<u>\$ 10,349,761</u>	<u>\$ 9,674,092</u>	<u>\$ 16,420,239</u>	<u>\$ 6,746,147</u>

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

KITSAP COUNTY, WASHINGTON

Mental Health Medicaid 187

Statement of Revenues, Expenditures, and Changes in Fund Balances - Budget and Actual
For the Year Ended December 31, 2018

	Budget		Actual	Variance with Final Budget
	Original	Final		
REVENUES:				
Intergovernmental	\$ 48,500,000	\$ 53,567,461	\$ 52,290,558	\$ (1,276,903)
Investment earnings	10,000	10,000	26,894	16,894
Total revenues	<u>48,510,000</u>	<u>53,577,461</u>	<u>52,317,453</u>	<u>(1,260,008)</u>
EXPENDITURES:				
Current:				
Health & Human Services	46,739,120	54,519,120	51,745,652	2,773,468
Total expenditures	<u>46,739,120</u>	<u>54,519,120</u>	<u>51,745,652</u>	<u>2,773,468</u>
Excess(deficiency) of revenues over expenditures	<u>1,770,880</u>	<u>(941,659)</u>	<u>571,801</u>	<u>1,513,460</u>
OTHER FINANCING SOURCES (USES):				
Transfers in	-	32,539	32,539	-
Transfers out	(1,770,880)	(1,770,880)	(1,332,721)	438,159
Total other financing sources & uses	<u>(1,770,880)</u>	<u>(1,738,341)</u>	<u>(1,300,182)</u>	<u>438,159</u>
Net change in fund balance	-	(2,680,000)	(728,381)	1,951,619
Fund balances-beginning	6,562,843	6,562,843	6,562,843	-
Prior period adjustments	-	-	-	-
Fund balances-ending	<u>\$ 6,562,843</u>	<u>\$ 3,882,843</u>	<u>\$ 5,834,462</u>	<u>\$ 1,951,619</u>

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

KITSAP COUNTY, WASHINGTON

Statement of Net Position Proprietary Funds December 31, 2018

	Sanitary Sewer	Solid Waste	Surface Water Utility	Total	Governmental Activities Internal Service Funds
ASSETS					
Current assets:					
Cash and Cash equivalents	\$ 3,797,633	\$ 3,173,666	\$ 612,567	\$ 7,583,866	\$ 41,016,711
Deposits with fiscal agents	-	-	-	-	-
Investments	33,248,105	25,656,786	4,509,166	63,414,057	-
Receivables(net)					720,339
Special assessments	27,793	-	-	27,793	-
Accounts	2,166,369	1,190,754	198,035	3,555,158	-
Due from other funds	194,787	8,853	55,912	259,552	564,789
Due from other governments	865,536	10,927	1,677,280	2,553,743	170,916
Prepayments	-	-	-	-	185,159
Inventories	218,770	-	-	218,770	1,945,346
Restricted assets:					
Cash and cash equivalents	282,946	-	-	282,946	-
Deposits with fiscal agents	-	-	-	-	-
Investments	4,317,858	-	-	4,317,858	-
Total current assets	45,119,797	30,040,986	7,052,960	82,213,743	44,603,260
Noncurrent assets					
Special Assessment Receivable-Deferred	157,404			157,404	-
Capital assets					
Land	1,563,386	472,444	2,640,569	4,676,399	-
Buildings	71,500,830	802,991	239,211	72,543,032	1,659,927
Improvements & Other Buildings	116,113,295	1,175,134	28,561,643	145,850,072	1,168,580
Machinery & Equipments	24,828,759	96,281	270,074	25,195,114	40,308,026
Construction In Progress	22,642,903	223,306	7,434,347	30,300,556	93,144
Less accumulated depreciation	(104,498,103)	(1,515,529)	(9,512,799)	(115,526,431)	(23,150,364)
Total noncurrent assets	132,308,474	1,254,627	29,633,045	163,196,146	20,079,313
Total assets	\$ 177,428,271	\$ 31,295,613	\$ 36,686,005	\$ 245,409,889	\$ 64,682,573
DEFERRED OUTFLOWS					
Deferred Outflows Related to Pensions	446,599	165,061	241,282	852,942	438,012
Total assets and deferred outflows	\$ 177,874,870	\$ 31,460,674	\$ 36,927,287	\$ 246,262,831	\$ 65,120,585
LIABILITIES					
Current liabilities:					
Accounts payable and accrued expenses	1,213,791	1,025,057	336,967	2,575,815	678,347
Due to other funds	74,638	171,602	713,412	959,652	157,330
Due to other governments	9,447	72,689	177,672	259,808	-
Other liabilities	476,380	88,634	259,975	824,989	8,985,616
Debt interest payable	197,683	-	-	197,683	-
Current portion of long term liabilities	2,905,381	56,380	17,704	2,979,465	49,885
Total current liabilities	4,877,320	1,414,362	1,505,730	7,797,412	9,871,178
Noncurrent Liabilities					
Net Pension Liability	2,072,186	765,872	1,119,533	3,957,591	2,032,345
Due in more than one year	59,951,739	770,949	159,332	60,882,020	448,961
Total noncurrent liabilities	62,023,925	1,536,821	1,278,865	64,839,611	2,481,306
Total liabilities	\$ 66,901,245	\$ 2,951,183	\$ 2,784,595	\$ 72,637,023	\$ 12,352,484
DEFERRED INFLOWS					
Deferred Inflows Related to Pensions	1,061,857	392,458	573,686	2,028,001	1,041,442
Total liabilities and deferred inflows	\$ 67,963,102	\$ 3,343,641	\$ 3,358,281	\$ 74,665,024	\$ 13,393,926
NET POSITION					
Net investment in capital assets	77,250,929	1,254,627	29,633,045	108,138,601	20,079,313
Restricted:					
Debt service	4,600,804	-	-	4,600,804	-
Unrestricted	28,060,035	26,862,406	3,935,961	58,858,402	31,647,346
Total net position	\$ 109,911,768	\$ 28,117,033	\$ 33,569,006	\$ 171,597,807	\$ 51,726,659

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

KITSAP COUNTY, WASHINGTON

Statement of Revenues, Expenses, and Changes in Fund Net Position

Proprietary Funds

For the Year Ended December 31, 2018

	Sanitary Sewer	Solid Waste	Surface Water Utility	Total	Governmental Activities Internal Service Funds
Operating revenues:					
Charges for services	\$ 29,148,750	\$ 18,080,416	\$ 10,919,395	\$ 58,148,561	\$ 43,240,820
Miscellaneous	8,186	50,163	3,913	62,262	8,651
Total operating revenues	<u>29,156,936</u>	<u>18,130,579</u>	<u>10,923,308</u>	<u>58,210,823</u>	<u>43,249,471</u>
Operating expenses:					
Personal services	6,300,329	2,415,919	3,567,896	12,284,144	7,939,654
Contractual services	2,457,856	1,974,345	2,778,709	7,210,910	17,940,495
Utilities	1,730,524	12,182,402	72,941	13,985,867	24,892
Repair and maintenance	363,500	91,019	643,821	1,098,340	1,557,008
Other supplies and expenses	822,068	697,961	1,531,882	3,051,911	8,643,972
Insurance claims and expenses	23,206	23,433	63,678	110,317	1,788,961
Depreciation	8,067,911	60,421	1,450,207	9,578,539	2,997,581
Total operating expenses	<u>19,765,394</u>	<u>17,445,500</u>	<u>10,109,134</u>	<u>47,320,028</u>	<u>40,892,563</u>
Operating income	<u>9,391,542</u>	<u>685,079</u>	<u>814,174</u>	<u>10,890,795</u>	<u>2,356,908</u>
Nonoperating revenue (expenses)					
Interest and investment revenue	557,566	464,112	77,912	1,099,590	-
Miscellaneous revenue	7,995,466	327,354	3,327,240	11,650,060	26,017
Interest expense	(2,332,621)	-	-	(2,332,621)	-
Miscellaneous expense	(2,362)	-	-	(2,362)	-
Total nonoperating expenses	<u>6,218,049</u>	<u>791,466</u>	<u>3,405,152</u>	<u>10,414,667</u>	<u>26,017</u>
Income (loss) before contributions & transfers	15,609,591	1,476,545	4,219,326	21,305,462	2,382,925
Capital contributions	1,746,374	-	-	1,746,374	198,466
Transfers in	133,903	-	-	133,903	2,199,732
Transfers out	(167,214)	(4,251)	(224,611)	(396,076)	(94,243)
Change in net position	17,322,654	1,472,294	3,994,715	22,789,663	4,686,880
Total net position - beginning	92,589,114	26,644,739	29,574,291	148,808,144	47,039,779
Total net position - ending	<u>\$ 109,911,767</u>	<u>\$ 28,117,032</u>	<u>\$ 33,569,005</u>	<u>\$ 171,597,806</u>	<u>\$ 51,726,658</u>

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

KITSAP COUNTY, WASHINGTON

Statement of Cash Flows

Proprietary Funds

For the Year Ended December 31, 2018

	Sanitary Sewer	Solid Waste	Surface Water Utility	Total	Governmental Activities Internal service Funds
CASH FLOWS FROM OPERATING ACTIVITIES					
Receipts from customers	\$ 28,924,716	\$ 17,992,904	\$ 10,893,858	\$ 57,811,478	\$ 43,120,769
Payments to suppliers	(5,594,817)	(14,745,253)	(4,507,345)	(24,847,415)	(30,001,896)
Payments to employees	(6,712,211)	(2,444,039)	(3,656,875)	(12,813,125)	(8,887,021)
Net cash provided by operating activities	\$ 16,617,688	\$ 803,612	\$ 2,729,638	\$ 20,150,938	\$ 4,231,852
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES					
Operating grants received	\$ 7,129,931	\$ 338,525	\$ 1,817,571	\$ 9,286,027	\$ -
Transfers in	133,903	-	-	133,903	2,199,732
Transfers out	(167,214)	(4,251)	(224,611)	(396,076)	(94,243)
Net cash provided by noncapital activities	\$ 7,096,620	\$ 334,274	\$ 1,592,960	\$ 9,023,854	\$ 2,105,489
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES					
Capital contributions	\$ 1,600,326	\$ -	\$ -	\$ 1,600,326	\$ -
Proceeds from sales of bonds	-	-	-	-	-
Purchases of capital assets	(14,645,521)	(121,311)	(4,119,395)	(18,886,227)	(3,671,670)
Principal paid on capital debt	(2,760,216)	-	-	(2,760,216)	-
Interest paid on capital debt	(2,511,016)	-	-	(2,511,016)	-
Net cash from related financing activities	\$ (18,316,427)	\$ (121,311)	\$ (4,119,395)	\$ (22,557,133)	\$ (3,671,670)
CASH FLOWS FROM INVESTING ACTIVITIES					
Proceeds from sales and maturities of invest	\$ 3,000,000	\$ 550,000	\$ 3,100,152	\$ 6,650,152	\$ -
Purchase of Investment	(13,726,838)	(1,670,494)	(4,552,601)	(19,949,933)	-
Interest and dividends	575,108	470,494	80,166	1,125,768	-
Net cash provided by investing activities	(10,151,730)	(650,000)	(1,372,283)	(12,174,013)	-
Net increase (decrease) in cash and cas	(4,753,849)	366,575	(1,169,080)	(5,556,354)	2,665,671
Balances - beginning of the year	8,834,428	2,807,091	1,781,647	13,423,166	38,325,023
Balances - end of the year	\$ 4,080,579	\$ 3,173,666	\$ 612,567	\$ 7,866,812	\$ 40,990,694
Reconciliation of operating income (loss) to net cash provided (used) by operating activities:					
Operating income (loss)	\$ 9,391,542	\$ 685,079	814,174	\$ 10,890,795	2,356,908
Adjustments to reconcile operating income to net cash provided (used) by operating activities:					
Depreciation expense	8,067,911	60,421	1,450,207	9,578,539	2,997,581
Changes in assets and liabilities:					
Receivables, net	(150,081)	(133,502)	(17,712)	(301,295)	(707,347)
Due from other funds	(82,139)	(4,173)	(11,738)	(98,050)	43,985
Due from other governments	-	-	-	-	582,515
Prepayments	-	-	-	-	(39,857)
Inventories	13,995	-	-	13,995	(22,907)
Deferred inflows	437,718	184,412	261,616	883,746	313,279
Accounts and other payables	(273,141)	89,144	13,198	(170,799)	335,648
Due to other funds	(246,936)	47,866	390,073	191,003	112,985
Due to other governments	2,569	30,434	15,659	48,662	-
Accrued expenses	305,850	56,463	164,756	527,069	(480,292)
Deferred outflows	52,780	1,398	8,407	62,585	144,597
Net pension liability	(910,628)	(228,399)	(371,874)	(1,510,901)	(1,447,603)
Employee benefits	8,248	14,469	12,872	35,589	42,360
Net cash provided by operating activities	\$ 16,617,688	\$ 803,612	\$ 2,729,638	\$ 20,150,938	\$ 4,231,852
Noncash investing, capital and financing activities					
Contribution of capital assets	146,048			146,048	198,466
Change in fair value of investments	17,542	17,542	17,542	17,542	

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

KITSAP COUNTY, WASHINGTON

Statement of Fiduciary Net Position December 31, 2018

	Investment Trust Funds	Private Purpose Trust Funds	Agency Funds
ASSETS			
Cash and Pooled Investments	\$ 407,520,717	\$ 2,869,593	\$ 34,669,774
Cash and Investments in Trust	5,667,704	-	-
Investments	-	-	-
Taxes Receivable	-	-	192,138
Other Current Receivables	-	-	36,977
Due from Other Funds	-	-	-
Due from Other Governments	-	-	-
Total Assets	<u>\$ 413,188,422</u>	<u>\$ 2,869,593</u>	<u>\$ 34,898,890</u>
LIABILITIES			
Warrants Payable	-	-	-
Accounts Payable and Other Liabilities	-	-	-
Due to Other Governments	-	-	5,128,247
Interfund Loans	-	-	-
Custodial Accounts	-	-	29,770,642
Total Liabilities	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 34,898,890</u>
NET POSITION			
Investments Held in Trust for Pool Participants	\$ 413,188,422	\$ 2,869,593	
Investments Held in Trust for Other Purposes	-	-	
Total Net Position	<u>\$ 413,188,422</u>	<u>\$ 2,869,593</u>	

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

KITSAP COUNTY, WASHINGTON

Statement of Changes in Fiduciary Net Position For the Year Ended December 31, 2018

	Investment Trust Funds	Private Purpose Trust Funds
ADDITIONS:		
Contributions:		
Additions by Participants	\$ 1,159,125,567	\$ 15,863,669
Trust Revenues	-	-
Total Contributions	\$ 1,159,125,567	\$ 15,863,669
Investment Income:		
Net Increase (Decrease) in Fair Value of Investments	(411,932)	-
Interest, Dividends, and Other	8,277,530	695
Total Investment Income	\$ 7,865,598	\$ 695
Total Additions	<u>\$ 1,166,991,165</u>	<u>\$ 15,864,364</u>
DEDUCTIONS:		
Distributions to Participants	1,293,884,114	15,922,846
Trust Administrative Costs	-	-
Total Deductions	<u>\$ 1,293,884,114</u>	<u>\$ 15,922,846</u>
Change in Net Position Held for Individuals, Organizations, and Other Governments	\$ (126,892,948)	\$ (58,482)
Net Position as of January 1, 2018	\$ 540,081,370	\$ 2,928,075
Net Position as of December 31, 2018	<u>\$ 413,188,422</u>	<u>\$ 2,869,593</u>

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

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Notes to Financial Statements

Kitsap County Auditor | Financial Division

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Kitsap County, Washington

Notes to Financial Statements

December 31, 2018

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NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The financial statements of Kitsap County have been prepared in conformity with generally accepted accounting principles (GAAP) as applied to governmental units. The Governmental Accounting Standards Board (GASB) is the accepted standard setting body for establishing governmental accounting and financial reporting principles. The significant accounting policies are described below.

A. Reporting entity

Kitsap County was incorporated on January 16, 1857 and operates under the laws of the state of Washington applicable to a municipal corporation. The County is governed under the commissioner form of government. The voters of Kitsap County elected the three-member board on a partisan basis to serve overlapping 4-year terms. The Board of County Commissioners is the legislative body and has a quasi-judicial role in dealing with land use matters. The body is also responsible for all administrative duties of running the County, which are not expressly given to any other County position.

The accompanying financial statements present the government and entities for which the government is considered to be financially accountable. As required by generally accepted accounting principles the financial statements present Kitsap County, the primary government, and its component units. The component units discussed below are included in the County reporting entity because of the significance of their operational or financial relationships with Kitsap County.

Discretely presented component units. The Public Facility District (PFD) is governed by the seven-member board appointed by the Board of County Commissioners. It is a legally separate entity. The PFD was responsible for the construction of the Kitsap Conference Center at Bremerton Harborside (City of Bremerton) and the County's Event Center, using sales tax revenues. The PFD was created and the Kitsap County Board of Commissioners appointed its board members, therefore the County is financially responsible for its operations. The County financed the PFD projects through an \$11.395 million bond issue and the PFD pledged its tax revenues to the County through an interlocal government agreement. The debt is reported on the County's books. The component unit does not issue separate financial statements, therefore we have included these statements in our basic Financial Statement section.

Blended component units. The Industrial Development Corporation of Kitsap County (IDC) was created and approved by the Kitsap County Board of County Commissioners on May 17, 1999 to construct and maintain industrial facilities throughout Kitsap County. All three County Commissioners are on its board of directors therefore, the County is financially responsible for the operation of the corporation. IDC sold \$2 million in non-recourse revenue bonds in 2003 which neither the County, nor IDC is responsible to repay under the loan agreement. The issuer (IDC) loaned the proceeds of the bonds to CARA Group, LLC, a Washington limited liability company (the Borrower) pursuant to a loan agreement dated March 1, 2003. The Borrower is obligated to make payments to the trustee in amounts sufficient to pay the principal and premium, if any, interest on the bonds, and certain other fees and expenses and

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to make payments sufficient to pay the purchase price of bonds tendered or deemed tendered for purchase to the extent that other moneys are not available. The corporation did not have any activity during the current year, therefore there is nothing to report.

B. New Accounting Pronouncements

GASB Statement No. 75, *Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions* (“OPEB”) is effective for fiscal years beginning after June 15, 2017 and establishes standards for recognizing and measuring liabilities, deferred outflows of resources, deferred inflows of resources, and expense/expenditures for employees of state and local government employers receiving benefits under an OPEB plan. The Statement enhances the value of financial reporting by employers by requiring recognition of the OPEB liability and improving and expanding measurement of OPEB expense/expenditures. The county implemented the new requirements for the fiscal year 2018 financial statements.

GASB Statement No. 85, *Omnibus 2017* is effective for reporting periods beginning after June 15, 2017 and addresses and seeks to resolve issues identified during implementation and application of prior GASB statements. Among the topics contained in the Statement are blending component units, goodwill, fair value measurement and application, and postemployment benefits. The county implemented the applicable requirements of the Statement for the fiscal year 2018.

GASB Statement No. 89, *Accounting for Interest Cost Incurred Before the End of a Construction Period* is effective for fiscal years beginning after December 15, 2019. The Statement seeks to enhance the relevance and comparability of information about capital assets and the cost of borrowing for a reporting period and to simplify accounting for interest cost incurred before the end of a construction period. The Statement applies to the county’s proprietary funds and the county early implemented the new requirements for the fiscal year 2018 financial statements.

C. Basis of Presentation - Government-Wide and Fund Financial Statements

The government-wide financial statements (i.e., the statement of net position and the statement of activities) report information on all the nonfiduciary activities of the primary government and its component units. Governmental activities, which normally are supported by taxes and intergovernmental revenues, are reported separately from business-type activities, which rely to a significant extent on fees and charges for support. Likewise, the primary government is reported separately from certain legally separate component units for which the primary government is financially accountable.

The statement of activities demonstrates the degree to which the direct expenses of a given function or segment is offset by program revenues. Direct expenses are those that are clearly identifiable with a specific function or segment. Our policy is to allocate indirect costs to a specific function or segment. Program revenues include 1) charges to customers or applicants who purchase, use, or directly benefit from goods, services, or privileges provided

Kitsap County, Washington

Notes to Financial Statements

December 31, 2018

by a given function or segment and 2) grants and contributions that are restricted to meeting the operational or capital requirements or a specific function or segment. Internally dedicated resources are reported as general revenues rather than program revenues. Taxes and other items not properly included among program revenues are reported instead as general revenues.

As a general rule the effect of interfund activity has been eliminated for the government-wide financial statements. Interfund services provided and used are not eliminated in the process of consolidation.

Amounts reported as program revenues include 1) charges to customers, 2) operating grants and contributions, and 3) capital grants and contributions, including special assessments. Internally dedicated resources are reported as general revenues rather than program revenues. General revenues include all taxes.

Indirect costs are allocated by either the number of staff, or the square footage of the office occupancy. Insurance costs are allocated by the number of staff covered, and information services costs that are not direct costs are allocated by the number of users.

Separate fund financial statements are provided for governmental funds, proprietary funds, and fiduciary funds, even though the latter are excluded from the government-wide financial statements. Major individual governmental funds and major individual enterprise funds are reported as separate columns in the fund financial statements.

The County reports the following major governmental funds:

The General (or current expense) fund is the County's operating fund. It accounts for all financial resources of the general government, except those required or elected to be accounted for in another fund.

The County Roads fund receives most of its revenue from property taxes and federal and state grants. The fund is used to account for the maintenance and the construction of County roads and bridges.

The Real Estate Excise Tax fund is used to account for the collection of real estate excise taxes to be used for capital projects.

The Mental Health Medicaid fund is used to account for Medicaid grant funds received by the mental health program and the spending of those funds.

The 2013 LTGO Refunding Bonds fund is used to account for activity related to the issuance of refunding bonds in 2013.

The County reports the following major enterprise funds:

The Solid Waste fund is used to account for the costs of providing solid waste services to the residents of Kitsap County;

Kitsap County, Washington

Notes to Financial Statements

December 31, 2018

The Sanitary Sewer fund is used to account for the costs of providing sewage disposal services to the residents of Kitsap County; and

The Surface Water Utility fund is used to account for costs of providing surface water utilities to the residents of Kitsap County.

Additionally, the County reports the following fund types:

Internal Service funds provide services to County departments and offices on a cost reimbursement basis:

Equipment Rental & Revolving (ER&R) fund manages the County's fleet of vehicles and road construction and maintenance equipment;

Building Repair & Replacement (BR&R) fund provides building services for the County;

Employer Benefits fund administers the County's self-funded employee welfare plan;

Self Insurance fund is responsible for the County's general liability, property, crime/dishonesty, workers compensation and unemployment insurance policies and programs;

Elections fund provides election services for the County and Junior Taxing Districts; and

Information Services fund maintains and manages the County's computer equipment and software.

Fiduciary funds are used to report assets held in a trustee or agency capacity for others:

Investment Trust Funds are used to account for external portion of the Kitsap County Investment Pool ("KCIP"), an external investment pool sponsored by the county. Cash and investments held for entities that are not part of the county are reported in these funds. The entities participating in the external investment pool include school districts, the public utility district, recreation districts, the public health district, the library district, cities and towns, ports, water districts, fire districts and sewer districts.

Agency Funds are used to report cash and investments held by the county in a custodial capacity for other governmental entities. The assets are received, may be temporarily invested, and remitted to individuals, private organizations or other governments.

Private Purpose Trust funds are used to record amounts deposited with the County Clerk through Superior Court trust arrangements. In addition, these funds are used to record fees collected and held by the Jail on behalf of inmates.

Kitsap County, Washington

Notes to Financial Statements

December 31, 2018

D. Measurement Focus, Basis of Accounting

1. Government-Wide and Governmental Funds

The government-wide financial statements are reported using the economic resources measurement focus and the accrual basis of accounting, similar to the proprietary fund and fiduciary fund financial statements. Revenues are recorded when earned and expenses are recorded when a liability is incurred, regardless of the timing of related cash flows. Property taxes are recognized as revenues in the year for which they are levied. Grants and similar items are recognized as revenue as soon as all eligibility requirements imposed by the provider have been met.

Governmental fund financial statements are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Revenues are recognized as soon as they are both measurable and available. Revenues are considered available when they are collectible within the current period or soon enough thereafter to pay liabilities of the current period. For this purpose, the County considers revenues to be available if they are collected within 60 days of the end of the current fiscal period. The County considers property taxes as available if they are collected within 60 days after year end. Expenditures generally are recorded when a liability is incurred, as under accrual accounting. However, debt service expenditures, as well as expenditures related to compensated absences and claims and judgments, are recorded only when payment is due.

Property taxes, licenses, and interest associated within the current period are all considered to be susceptible to accrual and so have been recognized as revenues of the current fiscal period. Only the portion of special assessment receivable due within the current fiscal period is considered susceptible to accrual as revenue of the current period. All other revenue items are considered measurable and available only when cash is received by the County.

2. Proprietary Funds

The proprietary fund statements are reported using the economic resources measurement focus and full-accrual basis of accounting. Revenues are recorded when earned and expenses are recorded when liability is incurred regardless of the timing of the cash flows.

Proprietary funds distinguish operating revenues and expenses from nonoperating items. Operating revenues and expenses generally result from providing services and producing and delivering goods in connection with a proprietary fund's principal ongoing operations. The principal operating revenues of the enterprise funds are collection fees for solid waste and use charges for sewer and surface water.

Operating expenses for proprietary funds include the cost of sales and services, administrative expenses, and depreciation on capital assets. All revenues and expenses not meeting this definition are reported as non-operating revenues and expenses.

Kitsap County, Washington

Notes to Financial Statements

December 31, 2018

E. Budgetary Information

1. Scope of Budget

Annual appropriated budgets are adopted for all governmental funds of the County on the modified accrual basis of accounting. Budgets for debt service and capital project funds are adopted at the level of the individual debt issue or project and for one fiscal year. Budgets for these types of funds are adopted every year throughout the lives of the debt issues or projects.

Other budgets are adopted at the level of the fund, except in the general (current expense) fund, where expenditures may not exceed appropriations at the department level and the budgets constitute the legal authority for expenditures at that level.

Appropriations for general and special revenue funds lapse at year-end (except for appropriations for capital outlays, which are carried forward from year to year until fully expended or the purpose of the appropriation has been accomplished or abandoned).

Encumbrances accounting is employed in governmental funds. Encumbrances (e.g., purchase orders, contracts) outstanding at year end do not constitute expenditures or liabilities because the commitments will be reappropriated and honored during the subsequent year.

Budgets were not adopted for the following funds in 2018 because no expenditures were anticipated:

- 108 Human Resources Board
- 123 Electronic Technology Excise
- 137 Real Property Fund
- 151 Wetland Mitigation Bank
- 157 Bucklin Ridge Park Development Fund
- 158 Clear Creek Ed/Awareness Fund
- 161 Regional Septic Loan Program Fund
- 165 Kitsap County Grants Fund
- 169 Long Lake Management District #3 Fund
- 170 Indianola Forest Fund
- 173 Service Area 1 Road Impact Fee Fund
- 174 Service Area 2 Road Impact Fee Fund
- 175 Service Area 3 Road Impact Fee Fund
- 176 Service Area 4 Road Impact Fee Fund
- 177 Regional Service Area Roads Fund
- 178 McCormick Village Traffic Impact Fee Fund
- 180 McCormick Village Park Impact Fee Fund
- 195 ARRA EECBG Fund

Kitsap County, Washington

Notes to Financial Statements

December 31, 2018

2. Amending the Budget

The Director of Administrative Services is authorized to transfer budgeted amounts within any fund/object class within departments at the request of the department head or elected official; however, any revisions that alter the total expenditures of a fund, or that affect the number of authorized employee positions, salary ranges, hours, or other conditions of employment must be approved by the Board of County Commissioners.

When the Board of County Commissioners determines that it is in the best interest of the county to increase or decrease the appropriation for an individual fund, department, or object class, it may do so by resolution approved by one more than the majority after holding a public hearing.

The budget amounts shown in the financial statements are the final authorized amounts as revised during the year.

The financial statements contain the original and final budget information. The original budget is the first complete appropriated budget. The final budget is the original budget adjusted by all reserves, transfers, allocations, supplemental appropriations, and other legally authorized changes applicable for the fiscal year.

The budgets are integrated into the accounting system. The budgetary data, as presented in the financial statements for all funds with annual budgets, compare the expenditures with the amended budgets. All budgets are presented on the modified accrual basis of accounting. Accordingly, the budgetary comparison statement for the general fund and special revenue funds present actual expenditures in accordance with the accounting principles generally accepted in the United States on a basis consistent with the legally adopted budgets as amended.

The general fund *Statement of Revenues, Expenditures and Changes in Fund Balances – Budget and Actual* includes information about budget to actual basis differences which arose due to inclusion of non-qualifying special revenue funds. Fourteen special revenue funds did not meet the GASB 54 classification criteria and are included on the statement. See *Note 1.E.13, Fund Balance Classification*, for further details.

3. Excess of expenditures over appropriations

For the year ended December 31, 2018 expenditures did not exceed appropriations in any of the general fund departments.

4. Deficit Balance

At December 31, 2018, the following funds reported deficits in their fund balances, which is a violation of state statute:

Kitsap County, Washington

Notes to Financial Statements

December 31, 2018

Fund	Deficit
00104 Emergency Services	\$45,193
00106 Kitsap Preparedness	\$44,689
00515 Elections Fund	\$496,203

The county took the following action to eliminate the deficits in the funds:

- The deficit fund balances in Emergency Services fund is temporary and is expected to be reversed in 2019.
- Kitsap Preparedness will be closed in 2019 and the activities of the fund will be merged with Emergency Services.
- The Elections Fund is an internal service fund. Of the total deficit balance, \$439,296 is as a result of pension liability unrelated to operations (GASB Statement No. 68; see *Note 6 Pension Plans*, for more information).

The remaining deficit balance, \$56,907, is as a result of operations and indicates that the fund has not been reimbursed for all costs of services it provided to the county and special purpose districts. Rates will be studied and adjusted as needed to eliminate this deficit.

F. Assets, Liabilities and Equity

1. Cash and Cash Equivalents

It is the County's policy to invest all temporary cash surpluses. At December 31, 2018, the treasurer was holding \$184.4 million in short-term residual investments of surplus cash. This amount is classified on the balance sheet as cash and cash equivalents in various funds. The interest on these investments is credited to the general fund.

For purposes of the statement of cash flows, the County considers all highly liquid investments (including restricted assets) with a maturity of three months or less when purchased to be cash equivalents.

2. Investments

Investments for the government are reported at fair value. The State Treasurer's Investment Pool operates in accordance with appropriate state laws and regulations. The reported value of the pool is the same as the fair value of the pool shares (see *Note 2, Deposits and Investments*).

Kitsap County, Washington

Notes to Financial Statements

December 31, 2018

3. Receivables

Taxes receivable consists of property taxes and related interest and penalties (see *Note 3, Property Taxes*). Accrued interest receivable consists of amounts earned on investments, notes, and contracts at the end of the year.

Special assessments are recorded when levied. Special assessments receivable consist of current and delinquent assessments and related interest and penalties. Deferred assessments on the fund financial statements consist of unbilled special assessments that are liens against the property benefited. As of December 31, 2018, no special assessments receivables were delinquent.

Customer accounts receivable consist of amounts owed from private individuals or organizations for goods and services including amounts owed for which billings have not been prepared. Notes and contracts receivable consist of amounts owed on open account from private individuals or organizations for goods and services rendered.

4. Amounts Due to and from Other Funds and Governments, Interfund Loans and Advances Receivable

Activities between funds that are representative of lending/borrowing arrangements outstanding at the end of the fiscal year are referred to as either *interfund loans receivable/payable* or *advances to/from other funds*. All other outstanding balances between funds are reported as *due to/from other funds*. Any residual balances outstanding between the governmental activities and business-type activities are reported in the government-wide financial statements as *internal balances*. A separate schedule of interfund loans receivable and payable is furnished in *Note 12, Interfund Balances and Transfers*.

Advances between funds, as reported in the fund financial statements, are offset by a fund balance reserve account in applicable governmental funds to indicate that they are not available for appropriation and are not expendable available financial resources.

5. Inventories and Prepaid Items

Inventories in governmental funds consist of expendable supplies held for consumption. The cost is recorded as an expenditure at the time individual inventory items are purchased. A comparison to market value is not considered necessary.

Inventories in proprietary funds are valued at cost using the weighted average method.

The County pays annual insurance premiums for various insurance policies it purchases during the year. The portion of these premiums that covers future periods are recorded as prepaid insurance.

The County signed a 25-year land lease with Washington State Military Department in 2008. The Coroner Facility was constructed on the leased property. Upon execution of

Kitsap County, Washington

Notes to Financial Statements

December 31, 2018

the contract, the entire cost of the lease was paid to the County. Prepaid rent is being expensed annually over the life of the lease.

6. Restricted Assets and Liabilities

The restricted assets of the enterprise funds consist of cash and investment balances of \$4,600,804, restricted for debt service. Specific debt service reserve requirements are described in *Note 8, Long Term Debt*.

7. Capital Assets

Capital assets include property, plant, equipment, and infrastructure assets (e.g. roads, bridges, sidewalks, and similar items), are reported in the applicable governmental or business-type activities columns in the government-wide financial statements. Capital assets are defined by the county as assets with an initial individual cost of more than \$5,000 and an estimated useful life of more than one year. Infrastructure assets are assets with an initial individual cost of \$25,000 and an estimated useful life in excess of one year. Such assets are recorded at historical cost or estimated historical cost if purchased or constructed. Donated capital assets are recorded at acquisition value at the date of donation.

Costs for additions and improvements to capital assets are capitalized when they increase the effectiveness or efficiency of the asset.

The costs for normal maintenance and repairs are not capitalized.

Major outlays for capital assets and improvements are capitalized as projects are constructed

Property, plant and equipment of the county is depreciated using the straight-line method over the following estimated useful lives:

Assets	Years
Buildings & Other Improvements	20 - 45
Machinery & Equipment	4 - 12
Vehicles	6 - 10
Trucks & Trailers	7 - 15
Sewer System	20 - 50
Road System	7 - 25
Bridges	40
Sidewalks	30

Kitsap County, Washington

Notes to Financial Statements

December 31, 2018

8. Compensated Absences

Compensated absences are absences for which employees will be paid, such as vacation and sick leave. All vacation and sick pay is accrued when incurred in the government-wide, proprietary, and fiduciary fund financial statements.

Vacation pay, which may be accumulated up to 45 days (360 hours), is payable upon resignation, retirement or death.

9. Pensions

For purposes of measuring the net pension liability, deferred outflows of resources and deferred inflows of resources related to pensions, and pension expense, information about the fiduciary net position of all state sponsored pension plans and additions to/deductions from those plans' fiduciary net position have been determined on the same basis as they are reported by the Washington State Department of Retirement Systems. For this purpose, benefit payments (including refunds of employee contributions) are recognized when due and payable in accordance with the benefit terms. Investments are reported at fair value. See *Note 6, Pension Plans* for more information about pensions.

10. Other Accrued Liabilities

These accounts consist primarily of accrued wages and accrued employee benefits.

11. Long Term Debt

The County has issued various Limited Tax General Obligation Bonds and Revenue Bonds. Additionally, in 2011 the County purchased a golf course for which it signed a 20-year promissory note. See *Note 13, Receivables and Payables* for more information about the debt related to the golf course purchase. For more information about the County's long-term debt, see *Note 8, Long Term Debt*.

12. Unearned Revenues

This account includes amounts recognized as receivables but not revenues in governmental funds because the revenue recognition criteria have not been met.

13. Fund Balance Classification

Fund balances are reported as nonspendable, restricted, committed, assigned or unassigned.

Each year, special revenue fund balances are analyzed; funds not meeting the GASB Statement No. 54 definition of special revenue funds are reclassified and reported with the general fund (see *Statement of Revenues, Expenditures and Changes in Fund Balances – Budget and Actual, General Fund*, page 45).

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Notes to Financial Statements

December 31, 2018

- Nonspendable Fund Balance consists of amounts that cannot be spent because the related assets are not in spendable form or must be maintained intact. Resources such as advances and prepaid amounts in the general fund and the long-term portion of notes receivable in a debt service fund are classified as nonspendable.
- Restricted Fund Balance represents resources that have constraints placed upon their use either by external parties or imposed by law through a constitutional provision or enabling legislation.
- Committed Fund Balance consists of amounts that can be used only for specific purposes pursuant to constraints imposed by a formal action of the Kitsap County Board of Commissioners, the County's highest level of decision-making authority. By formal action (Resolution #203-2011, 12/19/2011), the Board of County Commissioners identified committed fund balances. Action by the Board of County Commissioners is required to modify or rescind fund balance commitments.
- Assigned Fund Balance represents amounts that are constrained by the County's intent to be used for specific purposes but are neither restricted nor committed. Use of assigned fund balance may be established by the Board of County Commissioners or an official designated by the Board, for this purpose. The county had no assigned fund balance in 2018.
- Unassigned Fund Balance is the residual amount of the general fund not included in the four categories described above. Any deficit fund balances within governmental fund types are also reported as unassigned.

The county uses restricted resources first, then unrestricted resources as needed, when both restricted and unrestricted resources are available for use. When expenditures are incurred that can be paid from unrestricted resources, the county uses committed fund balance first, then assigned fund balance, then unassigned fund balance.

14. Composition of General Fund's Fund Balance

The general fund is the only fund that reports a positive unassigned fund balance. Governmental funds other than the general fund report fund balances using the other fund balance classifications, as appropriate. Governmental funds other than the general fund that are reporting a negative fund balance use the unassigned fund balance classification to report the negative fund balance.

In 2018, fourteen funds did not meet the special revenue fund definition and their fund balances are reported as unassigned fund balance in the general fund.

The following table illustrates the composition of the general fund's fund balance as of December 31, 2018:

Kitsap County, Washington

Notes to Financial Statements

December 31, 2018

	Unassigned Fund Balance	Total Fund Balance
General Fund (<i>prior to inclusion of non-qualifying special revenue funds</i>)	<u>\$26,917,491</u>	<u>\$27,381,991</u>
Non-qualifying Special Revenue Funds		
108 - Human Resources Board	88,643	88,643
119 - Special Purpose Path	75,062	75,062
134 - 1% for Art Program	15,156	15,156
137 - Real Property Fund	36,441	36,441
138 - Cumulative Reserve Fund	645,000	645,000
140 - Drug Forfeiture Enforcement	27,707	27,707
151 - Wetland Mitigation Bank	2,435	2,435
157 - Bucklin Ridge Park	1,217	1,217
158 - Clear Creek Education/Awareness	2	2
165 - Kitsap County Grants	54	54
170 - Indianola Forest	270,644	270,644
172 - KC Forest Stewardship	255,992	255,992
178 - McCormick Village Traffic Impact	402,231	402,231
180 - McCormick Village Park Impact	<u>165,544</u>	<u>165,544</u>
Total – non-qualifying special revenue funds	<u>\$1,986,129</u>	<u>\$1,986,129</u>
General Fund (<i>after inclusion of non-qualifying special revenue funds</i>)	<u>\$28,903,620</u>	<u>\$29,368,120</u>

Fund balances of the individual non-qualifying special revenue funds listed in the table above include transfers. Fund balances for these funds as presented in the General Fund Statement of Revenues, Expenditures and Changes in Fund Balances – Budget and Actual (page 45) have been adjusted for the effects of interfund transfers among and between the non-qualifying special revenue funds and the general fund. Net transfers in of \$622,892 were eliminated from the fund balances as presented in the Statement.

15. Governmental Fund Balances Detail

Governmental fund balances are reported according to the relative constraints that control how the funds can be spent (see description of fund balance types, above).

As of December 31, 2018, nonspendable fund balance was \$6.37 million, restricted fund balance totaled \$64.04 million, committed fund balance was \$29.59 million and unassigned fund balance was \$28.81 million. The county had no assigned fund balance in 2018.

Detail of governmental fund balances as of December 31, 2018, is presented in the table below:

Kitsap County, Washington

Notes to Financial Statements

December 31, 2018

Description	Major Governmental Funds			Nonmajor Governmental Funds
	General Fund	Special Revenue Funds	Debt Service Funds	
Nonspendable:				
Advances	\$280,000	-	-	-
Prepaid Items	182,617	-	-	-
Notes and Other Receivables	1,884			\$5,900,000
Total Nonspendable Fund Balance	\$464,500	-	-	\$5,900,000
Restricted for:				
Boating Safety Program	-	-	-	\$184,718
Community Projects	-	-	-	7,119
County Stadium	-	-	-	707,785
Court Services	-	-	-	219,620
Disability Services	-	-	-	1,198,954
Document Preservation	-	-	-	273,033
Drug Dependency Treatment	-	-	-	1,240,147
Drug Enforcement	-	-	-	730,592
Elections Services	-	-	-	273,088
Electronic Technology	-	-	-	410,937
Environmental Protection	-	-	-	3,195,707
Housing Programs	-	-	-	3,748,937
Jail Services	-	-	-	3,963,129
Jobs Training	-	-	-	89,626
Law Library	-	-	-	134,624
Mental Health Services	-	5,834,462	-	13,762,876
Noxious Weed Control	-	-	-	344,452
Parks & Conservation	-	-	-	2,078,366
Real Estate Excise Tax	-	16,420,239	-	-
Special Investigations	-	-	-	57,584
Treasurer Services	-	-	-	1,757,774
Youth Services	-	-	-	54,416
Various Grants	-	-	-	38,080
Veterans Relief & Human Services	-	-	-	1,315,550
Capital Projects	-	-	-	2,802,979
Debt Service	-	-	2,871,140	326,031
Total Restricted Fund Balance	-	\$22,254,701	\$2,871,140	\$38,916,124

Kitsap County, Washington

Notes to Financial Statements

December 31, 2018

Description	Major Governmental Funds			Nonmajor Governmental Funds
	General Fund	Special Revenue Funds	Debt Service Funds	
Committed for:				
Community Development	-	-	-	\$5,908,188
Commute Reduction	-	-	-	159,513
County Fair Operations	-	-	-	146,148
County Parks	-	-	-	503,742
Crime Prevention	-	-	-	425,521
Public Access Television	-	-	-	85,191
Road Construction & Maintenance	-	\$22,365,275	-	-
Total Committed Fund Balance	-	\$22,365,275	-	\$7,228,303
Unassigned:				
Unassigned Fund Balance	\$28,903,620	-	-	(\$89,883)
Total Unassigned Fund Balance	\$28,903,620	-	-	(\$89,883)
Total Fund Balance	\$29,368,120	\$44,619,976	\$2,871,140	\$51,954,544

16. Minimum Fund Balance Policy

The county has a policy of maintaining two months' (16.6%) of revenues in undesignated fund balance for the general fund.

Kitsap County, Washington

Notes to Financial Statements

December 31, 2018

NOTE 2. DEPOSITS AND INVESTMENTS

The County sponsors an Investment Pool that is managed by the County Treasurer for the purpose of increasing interest earnings through investment activities. Cash and investments for most County activities are included in the Investment Pool. The respective funds' shares of the total pool are included in the accompanying financial statements under the captions "Cash and Investments" and "Restricted Cash and Investments."

The Investment Pool is comprised of internal and external pool participants. The internal pool participants include the funds and component unit of the reporting entity and are reported in the various County funds. The external pool participants include legally separate entities, which are not part of the sponsor's reporting entity. The external investment component of the Investment Pool is reported in the accompanying financial statements as an investment trust fund within the fiduciary funds.

Kitsap County Investment Policy ("KCIP") complies with the requirements of RCW 36.29.020, and serves as the basis for the types of investments, maturity limits, credit ratings, and diversification of securities comprising the Investment Pool. The objectives of the KCIP are (1) preservation of capital, (2) liquidity, and (3) maximizing investment return.

As allowed by the state statute, all investments of the Investment Pool are obligations of the U.S. Government, U.S. agency issues, the Washington State Local Government Investment Pool (LGIP), certificates of deposit, municipal obligations or money market deposits.

Total cash and investments at fair value as reported at December 31, 2018 are as follows:

Governmental activities	\$158,651,266
Business Type activities	<u>\$75,598,727</u>
Primary government	\$234,249,993
Component unit	<u>\$2,600,518</u>
 Total government-wide	 \$236,850,511
 Fiduciary funds:	
Investment trust funds	\$407,287,248
Private purpose trust funds	\$2,869,593
Agency funds	<u>\$34,669,774</u>
 Total cash and investments	 <u><u>\$681,677,127</u></u>

Kitsap County, Washington

Notes to Financial Statements

December 31, 2018

Cash and investments at fair value for County funds at December 31, 2018, are presented in the following table:

Cash:	
Cash on Hand	\$30,635
Deposits	\$152,537,335
Total cash	<u>\$152,567,970</u>
Investments:	
In Treasurer's pool	\$81,682,023
Total investments	<u>\$81,682,023</u>
Total cash and investments	<u>\$234,249,993</u>

A. Deposits

The cash portion of cash and investments includes demand deposits. Cash on hand consists of petty cash and change funds.

At December 31, 2018 the carrying amount of the county's cash was \$152,537,335, and the bank balance at various institutions was \$151,903,595. Treasurer's pool investments are managed daily to maximize earnings and provide cash as needed. The County's deposits are entirely covered by federal depository insurance (FDIC) or by collateral held in a multiple financial institution collateral pool administered by the Washington Public Deposit Protection Commission (PDPC).

Restricted cash and investments in the amount of \$4,600,804 are held in the proprietary funds to meet the reserve requirements for debt service. Governmental funds hold restricted cash and investments of \$6,028,110 for debt service and capital projects.

B. Investments

Fair value calculations at fiscal year-end for the Investment Pool are based on market values provided by the county's investment custodian, Wells Fargo Bank. The fair value of investments at December 31, 2018 reflect a decrease in value of \$748,781 from carrying value.

Interest Rate Risk. Interest rate risk is the risk that the county may face should interest rate variances affect the fair value of investments. In accordance with its investment policy, the government manages its exposure to declines in fair values by limiting the final maturity of its investments to less than five years.

The major classes of the county's investments and their maturities as of December 31, 2018, are presented in the following table:

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Notes to Financial Statements

December 31, 2018

Investment type	Fair Value 12/31/2018 (1)	Investment maturities (in Years)			
		Less than 1	1 to 2	2 to 3	3 to 5
US Treasury securities	\$149,531,201	\$139,618,916	\$9,912,286	-	-
Federal Agency Obligations	375,283,113	208,829,535	36,098,575	102,324,807	28,030,196
Municipal securities	2,107,663	1,856,561	251,103	-	-
Total Debt Securities	\$526,921,978	\$350,305,012	\$46,261,963	\$102,324,807	\$28,030,196
Other Securities					
WA State LGIP (2)	\$115,258,674				
Bank Deposits (2)	30,722,211				
Total Investments	\$672,902,863				

- (1) Fair Value includes accrued interest.
(2) Measured at amortized cost

As allowed by the state statute, all investments of the county's funds are obligations of the U.S. Government, U.S. agency issues, the Washington State Local Government Investment Pool (LGIP), certificates of deposit, municipal obligations or money market deposits. All temporary investments are stated at fair value. Other property and investments are shown on the statement of net position at cost. All securities purchased by the county are held by a third-part custodian provider, Wells Fargo Bank.

Credit Risk. Credit risk is the risk that an issuer or other counterparty to an investment will not fulfill its obligations.

It is the county's policy to limit its investment types to those top rated by nationally recognized statistical rating organizations, the Washington State Investment Pool and money market accounts either covered by the FDIC or by collateral held in a multiple financial institution collateral pool administered by the Washington Public Deposit Protection Commission. The County did not hold any mortgage-backed securities or commercial paper of any type.

At December 31, 2018, county's investments had the following credit quality distribution for securities with credit exposure:

Kitsap County, Washington

Notes to Financial Statements

December 31, 2018

Investment type	Fair Value 12/31/2018 (1)	Credit Ratings			
		AAA/Aaa (2)	AA/Aa (2)	A (2)	Unrated
US Treasury Securities	\$149,531,201	\$149,531,201	-	-	-
Federal Agency Obligations	375,283,113	375,283,113	-	-	-
Municipal securities	2,107,663	-	\$1,769,407	\$338,257	-
WA State LGIP (3)	115,258,674	-	-	-	\$115,258,674
Bank Deposits (3)	30,722,211	-	-	-	30,722,211
Total	\$672,902,863	\$524,814,315	\$1,769,407	\$338,257	\$145,980,885

- (1) Fair Value includes accrued interest.
- (2) Rating agencies: Moody's AAA, AA, A; S&P Aaa, A
- (3) Measured at amortized cost

Custodial Credit Risk. Custodial credit risk for deposits is the risk that, in event of a failure of a depository financial institution, the county would not be able to recover deposits or will not be able to recover collateral securities that are in possession of an outside party.

The county's investment policy requires that all securities are purchased delivery vs. payment and held in a custodial or trust account in the County Treasurer's name. Currently that custodian is Wells Fargo Bank

Concentration of Credit Risk. Concentration of credit risk is the risk of loss attributable to the magnitude of an investment in a single issuer. The county's investment policy restricts securities other than US Treasury and Federal agency and the Washington State Local Government Investment Pool to a maximum of 25% of total investments of a single security type or on deposit with a single financial institution. As of December 31, 2018, the county held securities or bank deposits in compliance with policy that exceeded 5% of the total investments. Percentage of investment by Issuer is presented in the following table:

Investment	Percentage
Federal Farm Credit Bank	28.49%
US Treasury Securities	22.22%
WA State LGIP	17.13%
Federal Home Loan Bank	16.48%
Federal National Mortgage Association	7.39%
Bank Deposits	4.57%
Federal Home Loan Mortgage Corporation	3.41%
Municipal Securities	0.31%
Total	100.00%

Kitsap County, Washington

Notes to Financial Statements

December 31, 2018

Investments in Local Government Investment Pool (LGIP)

The county is a participant in the Washington State Local Government Investment Pool which was authorized by Chapter 294, Laws of 1986, and is managed and operated by the Washington State Treasurer. The State Finance Committee is the administrator of the statute that created the pool and adopts rules. The State Treasurer is responsible for establishing the investment policy for the pool and reviews the policy annually and proposed changes are reviewed by the LGIP Advisory Committee.

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

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

Investments in Kitsap County Investment Pool (KCIP)

The county is a participant in the Kitsap County Investment Pool (KCIP), an external investment pool. The county reports its investment in the Pool at the fair value amount, which is the same as the value of the Pool per share. Fair value is determined using quoted market prices from the county's safekeeping agent, Wells Fargo, and with Bloomberg, an online financial services system.

The KCIP was established in 1987 pursuant to RCW 36.29, which authorizes the County Treasurer to invest the funds of participants. The Pool operates in accordance with Kitsap County Investment Policy which was established by the Kitsap County Finance Committee (KCFC). The KCFC consists of the County Treasurer, County Auditor and Chair of the Board of County Commissioners.

The KCIP is not registered with the Securities and Exchange Committee (SEC) as an investment company. KCFC performs oversight of the Pool's performance. There are no legally binding guarantees for the KCIP. Authorized investments for the KCIP are the same as investments held outside the Pool and are defined in the Kitsap County Treasurer's Office Investment Policy.

Kitsap County Investment Policy applies to all available cash assets of the county and to funds under the management of the County Treasurer as defined under RCW 36.29.020. The Policy's primary objective is the preservation of capital, followed by liquidity and return.

The responsibility for managing the pool resides with the County Treasurer. KCIP consists of funds invested on behalf of the county and other special purpose districts within the county, such as schools, fire, and library districts.

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Notes to Financial Statements

December 31, 2018

The county only invests in the types of securities authorized for investment by RCW 36.29.020, which include, but are not limited to, Treasury and Agency securities, municipal bonds of Washington state or local bonds of Washington state with one of the three highest ratings of a national rating agency at the time of investment, certificates of deposit with qualified public depositories within statutory limits as promulgated by the Public Deposit Protection Commission at the time of investment, and the Washington State Local Government Investment Pool.

The value of the KCIP is reviewed by the County Treasurer monthly and the County Finance Committee quarterly.

Earnings distributions, including any realized transactions in the Pool are distributed monthly, calculated on the average daily balance of the participant's account. The Kitsap County Treasurer, by law, is the treasurer of most governments within the county, including schools, fire and library districts. These districts do not have a legal option to have their investments handled by other than the County Treasurer.

The county external investment pool does not have a credit rating and had a weighted average maturity of 0.88 years as of December 31, 2018.

Investments Measured at Fair Value

The county measures and reports investments at fair value using the valuation input hierarchy established by generally accepted accounting principles, as follows:

- Level 1. Quoted prices in active markets for identical assets or liabilities;
- Level 2. These are quoted market prices for similar assets or liabilities, quoted prices for identical or similar assets or liabilities in markets that are not active, or other than quoted prices that are not observable;
- Level 3. Unobservable inputs for an asset or liability.
-

Investments measured at amortized cost. The Washington State LGIP is an unrated 2a-7 like pool, as defined by GASB 31, and therefore is not subject to interest rate risk, as the weighted average maturity of the portfolio will not exceed 90 days. The balance in the LGIP is not subject to custodial risk since all investments or deposits held by the LGIP are either insured or held by a third-party custody provider in the LGIP's name. The County may withdraw its participation for same or next day settlement.

At December 31, 2018, the county held the following investments measured at fair value:

Kitsap County, Washington

Notes to Financial Statements

December 31, 2018

	Fair Value Measurements Using			
	Fair Value 12/31/2018 (1)	Quoted Prices in Active Markets for Identical Assets (Level 1)	Significant Other Observable Inputs (Level 2)	Significant Unobservab le Inputs (Level 3)
Investments by Fair Value Level				
US Treasury securities	\$149,531,201	149,531,201	-	-
Federal Agency Obligations	375,283,113	88,984,400	286,298,713	-
Municipal securities	2,107,663	-	2,107,663	-
<hr/>				
Total Investments measured at fair value	526,921,978	238,515,601	288,406,377	-
<hr/>				
Investments measured at amortized cost				
WA State LGIP	\$115,258,674			
Bank Deposits	30,722,211			
<hr/>				
Total investments measured at amortized cost	145,980,885			
<hr/>				
Total Investments in Statement of Net Position	\$672,902,863			

(1) Fair Value includes accrued interest.

C. Condensed Statements

The Investment Pool includes both voluntary and involuntary participants for whom cash and investments are held by the County treasurer.

A condensed statement of net position and statement of changes in net position for the internal (county) and external portions of the county's investment pool are presented below:

Condensed Statement of Net Position December 31, 2018

	Internal County Funds	External All Other Funds
Assets:		
Cash, cash equivalents, investments and pooled investments	\$236,850,511	\$444,826,616
Total assets	236,850,511	444,826,616
<hr/>		
Liabilities:		
Pool liabilities	-	-
Total liabilities	-	-
<hr/>		
Net position held in trust for pool participants	\$236,850,511	\$444,826,616

Kitsap County, Washington

Notes to Financial Statements

December 31, 2018

Condensed Statement of Changes in Net Position For the Year Ended December 31, 2018

	<u>Internal County Funds</u>	<u>External All Other Funds</u>
Changes in net position resulting from operations	\$3,976,132	\$8,446,572
Earnings distributions to participants	(3,976,132)	(8,446,572)
Changes in net position resulting from depositor transactions	(44,615,354)	(75,690,633)
Net position available	(44,615,354)	(75,690,633)
Net position, beginning of year	281,465,865	520,517,249
Net position, end of year	<u>236,850,511</u>	<u>444,826,616</u>

Kitsap County, Washington

Notes to Financial Statements

December 31, 2018

NOTE 3. PROPERTY TAX

The County Treasurer acts as an agent to collect property tax levied in the County for all taxing authorities.

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

Property tax is recorded as a receivable and revenue when levied. Property tax collected in advance of the fiscal year to which it applies is recorded as a deferred inflow and recognized as revenue of the period to which it applies. The balance of taxes receivable includes related interest and penalties. No allowance for uncollectible tax is established because delinquent taxes are considered fully collectible. Prior year tax levies were recorded using the same principal, and delinquent taxes are evaluated annually.

The County's regular levy for the year 2018 was \$0.9789 per \$1,000 of assessed valuation of \$34,177,711,244 for a total regular levy of \$33,488,012.

The County's Conservation Futures levy for the year 2018 was \$0.0408 per \$1,000 of assessed valuation of \$34,177,711,244 for a total Conservation Futures levy of \$1,397,479.

The County's road levy for the year 2018 was \$1.2465 per \$1,000 of assessed valuation of \$20,297,389,942 for total road levy of \$25,336,245.

The diverted County road levy, Sheriff, for 2018 was \$0.1528 per \$1,000 of assessed valuation of \$20,297,389,942 for a total diverted road levy, Sheriff, of \$3,106,366.

Washington State Constitution and Washington State law, RCW 84.55.010, limit the rate.

Assessments are levied against properties located within sewer utility local improvement districts and are recorded as Assessments Receivable and Contributed Capital when assessment rolls are issued. The proceeds are restricted for payment of revenue bond principal and interest.

Special assessments for road improvement districts are recorded as Assessments Receivable and Deferred Revenue when assessment rolls are issued. Special assessments are recognized as revenue only to the extent those individual installments are considered current assets. The proceeds are restricted for payment of special assessment bond principal and interest.

Kitsap County, Washington

Notes to Financial Statements

December 31, 2018

NOTE 4. TAX ABATEMENTS

The county had no direct tax abatement agreements as of December 31, 2018.

The State of Washington has tax abatement agreements that allow for property tax exemptions for the following:

- Property belonging to any federally recognized Indian tribe, located in Kitsap County, provided that the property is used exclusively for essential government services. The purpose of the property tax exemption is for economic development, to improve the economic health of tribal communities, RCW 84.36.010(2).

The property tax exemption amounts may shift the tax burden to other taxpayers or may represent lost revenue to the county.

The State of Washington has estimated the local impacts of these tax abatements to be \$4,586 in property tax exemptions for the state's fiscal year 2018.

Kitsap County, Washington

Notes to Financial Statements

December 31, 2018

NOTE 5. CAPITAL ASSETS

Capital assets activity for the year ended December 31, 2018 was as follows:

Governmental activities	Beginning Balance 01/01/2018	Increases	Decreases	Ending Balance 12/31/2018
Capital assets, not being depreciated:				
Land	\$74,753,715	7,130		\$74,760,845
Land, infrastructure	69,838,666	80,543		69,919,209
Construction in progress	23,888,880	17,000,884	11,114,369	29,775,395
<u>Total capital assets not being depreciated</u>	<u>\$168,481,261</u>	<u>\$17,088,557</u>	<u>\$11,114,369</u>	<u>\$174,455,449</u>
Capital assets, being depreciated:				
Buildings	\$117,079,535	\$293,738		\$117,373,273
Improvements other than buildings (1)	37,474,931	2,673,669	15,162	40,133,438
Machinery and equipment (1)	48,040,054	4,413,905	1,543,746	50,910,214
Infrastructure	458,066,885	7,952,325		466,019,210
<u>Total capital assets being depreciated</u>	<u>\$660,661,405</u>	<u>\$15,333,637</u>	<u>\$1,558,908</u>	<u>\$674,436,134</u>
Less accumulated depreciation for:				
Buildings	\$46,321,239	\$2,645,833		\$48,967,072
Improvements other than buildings (1)	20,125,689	1,679,417	15,162	21,789,944
Machinery and equipment (1)	28,773,916	3,294,511	1,313,541	30,754,886
Infrastructure	336,535,632	9,877,845		346,413,477
<u>Total accumulated depreciation</u>	<u>\$431,756,476</u>	<u>\$17,497,606</u>	<u>\$1,328,703</u>	<u>\$447,925,379</u>
<u>Total capital assets, being depreciated, net</u>	<u>\$228,904,929</u>	<u>\$(2,163,969)</u>	<u>\$230,205</u>	<u>\$226,510,755</u>
Governmental activities capital assets, net	\$397,386,190	\$14,924,588	\$11,344,574	\$400,966,204

(1) Beginning balances have been restated.

Items previously reported as machinery and equipment have been reclassified to Improvements Other Than Buildings, and the related accumulated depreciation has also been reclassified:

Item	Previously reported	Restated	Difference
Capital assets being depreciated:			
Improvements other than buildings	\$34,749,157	\$37,474,931	\$2,725,774
Machinery and equipment	50,765,828	48,040,055	(\$2,725,774)
Total	\$85,514,985	\$85,514,985	-
Accumulated depreciation:			
Improvements other than buildings	\$19,856,883	\$20,125,689	\$268,806
Machinery and equipment	29,042,721	28,773,916	(\$268,806)
Total	\$48,899,604	\$48,899,604	-

Kitsap County, Washington

Notes to Financial Statements

December 31, 2018

Business-type activities	Beginning Balance 01/01/2018	Increases	Decreases	Ending Balance 12/31/2018
Capital assets, not being depreciated:				
Land	\$4,676,398	-	-	\$4,676,398
Construction in progress	30,013,516	17,831,232	17,544,193	30,300,555
<u>Total capital assets not being depreciated</u>	<u>\$34,689,915</u>	<u>\$17,831,232</u>	<u>\$17,544,193</u>	<u>\$34,976,954</u>
Capital assets, being depreciated:				
Buildings	\$63,964,492	9,071,962	493,423	\$72,543,031
Improvements other than buildings	136,438,556	9,484,501	72,983	145,850,074
Machinery and equipment	25,288,999	225,899	319,783	25,195,115
<u>Total capital assets being depreciated</u>	<u>\$225,692,047</u>	<u>\$18,782,362</u>	<u>\$886,189</u>	<u>\$243,588,220</u>
Less accumulated depreciation for:				
Buildings	\$42,098,394	2,588,968	491,061	\$44,196,301
Improvements other than buildings	54,634,891	5,326,174	72,983	59,888,082
Machinery and equipment	10,098,435	1,663,395	319,783	11,442,048
<u>Total accumulated depreciation</u>	<u>\$106,831,720</u>	<u>\$9,578,537</u>	<u>\$883,827</u>	<u>\$115,526,430</u>
<u>Total capital assets, being depreciated, net</u>	<u>\$118,860,327</u>	<u>\$9,203,825</u>	<u>2,362</u>	<u>\$128,061,790</u>
Business-type activities capital assets, net	\$153,550,242	\$27,035,057	\$17,546,555	\$163,038,744

Depreciation expense was charged to functions/programs of the primary government as follows:

Function	Governmental	Business-Type
General government	\$1,821,352	
Judicial services	19,989	
Public safety	2,392,094	
Transportation	11,957,599	
Health & human services	80,794	
Economic environment	3,237	
Culture and recreation	1,222,541	
Utilities		\$9,578,537
Total depreciation expense	\$17,497,606	\$9,578,537

Construction commitments

The County had no active construction projects as of December 31, 2018.

Kitsap County, Washington

Notes to Financial Statements

December 31, 2018

NOTE 6 – PENSION PLANS

The following table represents the aggregate pension amounts for all plans for the year 2018:

Aggregate Pension Amounts – All Plans	
Pension liabilities	(\$33,872,428)
Pension assets	\$8,336,243
Deferred outflows of resources	\$7,300,203
Deferred inflows of resources	(\$17,357,353)
Pension expense/expenditures	(\$583,678)

State Sponsored Pension Plans

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

The Department of Retirement Systems (DRS), a department within the primary government of the State of Washington, issues a publicly available comprehensive annual financial report (CAFR) that includes financial statements and required supplementary information for each plan. The DRS CAFR may be obtained by writing to:

Department of Retirement Systems
Communications Unit
P.O. Box 48380
Olympia, WA 98540-8380

Or the DRS CAFR may be downloaded from the DRS website at www.drs.wa.gov.

Public Employees' Retirement System (PERS)

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

PERS Plan 1 provides retirement, disability and death benefits. Retirement benefits are determined as two percent of the member's average final compensation (AFC) times the member's years of service. The AFC is the average of the member's 24 highest consecutive service months. Members are eligible for retirement from active status at any age with at least 30 years of service, at age 55 with at least 25 years of service, or at age 60 with at least five years

Kitsap County, Washington

Notes to Financial Statements

December 31, 2018

of service. Members retiring from active status prior to the age of 65 may receive actuarially reduced benefits. Retirement benefits are actuarially reduced to reflect the choice of a survivor benefit. Other benefits include duty and non-duty disability payments, an optional cost-of-living adjustment (COLA), and a one-time duty-related death benefit, if found eligible by the Department of Labor and Industries. PERS 1 members were vested after the completion of five years of eligible service. The plan was closed to new entrants on September 30, 1977.

Contributions

The **PERS Plan 1** member contribution rate is established by State statute at 6 percent. The employer contribution rate is developed by the Office of the State Actuary and includes an administrative expense component that is currently set at 0.18 percent. Each biennium, the state Pension Funding Council adopts Plan 1 employer contribution rates. The PERS Plan 1 required contribution rates (expressed as a percentage of covered payroll) for 2018 were as follows:

PERS Plan 1		
Actual Contribution Rates	Employer	Employee*
January – August 2018		
PERS Plan 1	7.49%	6.00%
PERS Plan 1 UAAL	5.03%	
Administrative Fee	0.18%	
Total	12.70%	6.00%
September – December 2018		
PERS Plan 1	7.52%	6.00%
PERS Plan 1 UAAL	5.13%	
Administrative Fee	0.18%	
Total	12.83%	6.00%

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

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

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

Kitsap County, Washington

Notes to Financial Statements

December 31, 2018

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

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

Contributions

The **PERS Plan 2/3** employer and employee contribution rates are developed by the Office of the State Actuary to fully fund Plan 2 and the defined benefit portion of Plan 3. The Plan 2/3 employer rates include a component to address the PERS Plan 1 UAAL and an administrative expense that is currently set at 0.18 percent. Each biennium, the state Pension Funding Council adopts Plan 2 employer and employee contribution rates and Plan 3 contribution rates. The PERS Plan 2/3 required contribution rates (expressed as a percentage of covered payroll) for 2018 were as follows:

PERS Plan 2/3		
Actual Contribution Rates	Employer 2/3	Employee 2*
January – August 2018		
PERS Plan 2/3	7.49%	7.38%
PERS Plan 1 UAAL	5.03%	
Administrative Fee	0.18%	
Employee PERS Plan 3		Varies
Total	12.70%	7.38%
September – December 2018		
PERS Plan 2/3	7.52%	7.41%
PERS Plan 1 UAAL	5.13%	
Administrative Fee	0.18%	
Employee PERS Plan 3		Varies
Total	12.83%	7.41%

* For employees participating in JBM, the contribution rate was 18.45% to 18.53%.

Kitsap County, Washington

Notes to Financial Statements

December 31, 2018

The county's actual PERS plan contributions were \$3,287,509 to PERS Plan 1 and \$4,700,106 to PERS Plan 2/3 for the year ended December 31, 2018.

Public Safety Employees' Retirement System (PSERS)

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

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

PSERS membership includes:

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

PSERS covered employers include:

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

PSERS Plan 2 provides retirement, disability and death benefits. Retirement benefits are determined as two percent of the average final compensation (AFC) for each year of service. The AFC is based on the member's 60 consecutive highest creditable months of service. Benefits are actuarially reduced for each year that the member's age is less than 60 (with ten or more service credit years in PSERS), or less than 65 (with fewer than ten service credit years). There is no cap on years of service credit. Members are eligible for retirement at the age of 65 with five years

Kitsap County, Washington

Notes to Financial Statements

December 31, 2018

of service; or at the age of 60 with at least ten years of PSERS service credit; or at age 53 with 20 years of service. Retirement before age 60 is considered an early retirement. PSERS members who retire prior to the age of 60 receive reduced benefits. If retirement is at age 53 or older with at least 20 years of service, a three percent per year reduction for each year between the age at retirement and age 60 applies. PSERS Plan 2 retirement benefits are actuarially reduced to reflect the choice of a survivor benefit. Other benefits include duty and non-duty disability payments, an optional cost-of living adjustment (COLA), and a one-time duty-related death benefit, if found eligible by the Department of Labor and Industries. PSERS Plan 2 members are vested after completing five years of eligible service.

Contributions

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

The PSERS Plan 2 required contribution rates (expressed as a percentage of current-year covered payroll) for 2018 were as follows:

PSERS Plan 2		
Actual Contribution Rates	Employer	Employee
January – August 2018		
PSERS Plan 2	6.74%	6.74%
PERS Plan 1 UAAL	5.03%	
Administrative Fee	0.18%	
Total	11.95%	6.74%
September – December 2018		
PSERS Plan 2	7.07%	7.07%
PERS Plan 1 UAAL	5.13%	
Administrative Fee	0.18%	
Total	12.38%	7.07%

The county's actual plan contributions were \$427,655 to PSERS Plan 2 and \$316,264 to PERS Plan 1 for the year ended December 31, 2018.

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

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

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

Kitsap County, Washington

Notes to Financial Statements

December 31, 2018

- 20+ years of service – 2.0% of FAS
- 10-19 years of service – 1.5% of FAS
- 5-9 years of service – 1% of FAS

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

Contributions

Starting on July 1, 2000, **LEOFF Plan 1** employers and employees contribute zero percent, as long as the plan remains fully funded. The LEOFF Plan 1 had no required employer or employee contributions for fiscal year 2018. Employers paid only the administrative expense of 0.18 percent of covered payroll.

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

Contributions

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

Effective July 1, 2017, when a LEOFF employer charges a fee or recovers costs for services rendered by a LEOFF 2 member to a non-LEOFF employer, the LEOFF employer must cover both the employer and state contributions on the LEOFF 2 basic salary earned for those services.

The LEOFF Plan 2 required contribution rates (expressed as a percentage of covered payroll) for 2018 were as follows:

Kitsap County, Washington

Notes to Financial Statements

December 31, 2018

LEOFF Plan 2		
Actual Contribution Rates	Employer	Employee
State and local governments	5.25%	8.75%
Administrative Fee	0.18%	
Total	5.43%	8.75%
Ports and Universities	8.75%	8.75%
Administrative Fee	0.18%	
Total	8.93%	8.75%

The county's actual contributions to the plan were \$624,376 for the year ended December 31, 2018.

The Legislature, by means of a special funding arrangement, appropriates money from the state General Fund to supplement the current service liability and fund the prior service costs of Plan 2 in accordance with the recommendations of the Pension Funding Council and the LEOFF Plan 2 Retirement Board. This special funding situation is not mandated by the state constitution and could be changed by statute. For the state fiscal year ending June 30, 2018, the state contributed \$68,152,127 to LEOFF Plan 2. The amount recognized by the county as its proportionate share of this amount is \$389,905.

Actuarial Assumptions

The total pension liability (TPL) for each of the DRS plans was determined using the most recent actuarial valuation completed in 2018 with a valuation date of June 30, 2017. The actuarial assumptions used in the valuation were based on the results of the Office of the State Actuary's (OSA) *2007-2012 Experience Study* and the *2017 Economic Experience Study*.

Additional assumptions for subsequent events and law changes are current as of the 2017 actuarial valuation report. The TPL was calculated as of the valuation date and rolled forward to the measurement date of June 30, 2018. Plan liabilities were rolled forward from June 30, 2017, to June 30, 2018, reflecting each plan's normal cost (using the entry-age cost method), assumed interest and actual benefit payments.

- **Inflation:** 2.75% total economic inflation; 3.50% salary inflation
- **Salary increases:** In addition to the base 3.50% salary inflation assumption, salaries are also expected to grow by promotions and longevity.
- **Investment rate of return:** 7.4%

Mortality rates were based on the RP-2000 report's Combined Healthy Table and Combined Disabled Table, published by the Society of Actuaries. The OSA applied offsets to the base table and recognized future improvements in mortality by projecting the mortality rates using 100 percent Scale BB. Mortality rates are applied on a generational basis; meaning, each member is assumed to receive additional mortality improvements in each future year throughout his or her lifetime.

Kitsap County, Washington

Notes to Financial Statements

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There were changes in methods and assumptions since the last valuation.

- Lowered the valuation interest rate from 7.70% to 7.50% for all systems except LEOFF 2. For LEOFF 2 the valuation interest rate was lowered from 7.50% to 7.40%.
- Lowered the assumed general salary growth from 3.75% to 3.50% for all systems.
- Lowered assumed inflation from 3.00% to 2.75% for all systems.
- Modified how the valuation software calculates benefits paid to remarried duty-related death survivors of LEOFF 2 members.
- Updated the trend that the valuation software uses to project medical inflation for LEOFF 2 survivors of a duty-related death, and for certain LEOFF 2 medical-related duty disability benefits.

Discount Rate

The discount rate used to measure the total pension liability for all DRS plans was 7.4 percent.

To determine that rate, an asset sufficiency test included an assumed 7.5 percent long-term discount rate to determine funding liabilities for calculating future contribution rate requirements. (All plans use 7.5 percent except LEOFF 2, which has assumed 7.4 percent). Consistent with the long-term expected rate of return, a 7.4 percent future investment rate of return on invested assets was assumed for the test. Contributions from plan members and employers are assumed to continue being made at contractually required rates (including PERS 2/3, PSERS 2, SERS 2/3, and TRS 2/3 employers, whose rates include a component for the PERS 1, and TRS 1 plan liabilities). Based on these assumptions, the pension plans' fiduciary net position was projected to be available to make all projected future benefit payments of current plan members. Therefore, the long-term expected rate of return of 7.4 percent was used to determine the total liability.

Long-Term Expected Rate of Return

The long-term expected rate of return on the DRS pension plan investments of 7.4 percent was determined using a building-block-method. In selecting this assumption, the Office of the State Actuary (OSA) reviewed the historical experience data, considered the historical conditions that produced past annual investment returns, and considered capital market assumptions and simulated expected investment returns provided by the Washington State Investment Board (WSIB). The WSIB uses the capital market assumptions and their target asset allocation to simulate future investment returns over various time horizons.

Estimated Rates of Return by Asset Class

Best estimates of arithmetic real rates of return for each major asset class included in the pension plan's target asset allocation as of June 30, 2018, are summarized in the table below. The

Kitsap County, Washington

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inflation component used to create the table is 2.2 percent and represents the WSIB's most recent long-term estimate of broad economic inflation.

Asset Class	Target Allocation	% Long-Term Expected Real Rate of Return Arithmetic
Fixed Income	20%	1.70%
Tangible Assets	7%	4.90%
Real Estate	18%	5.80%
Global Equity	32%	6.30%
Private Equity	23%	9.30%
Total	100%	

Sensitivity of the Net Pension Liability/(Asset)

The table below presents the county's proportionate share of the net pension liability calculated using the discount rate of 7.4 percent, as well as what the county's proportionate share of the net pension liability would be if it were calculated using a discount rate that is 1-percentage point lower (6.4 percent) or 1-percentage point higher (8.4 percent) than the current rate.

Plan Name	1% Decrease (6.4%)	Current Discount Rate (7.4%)	1% Increase (8.4%)
PERS 1	\$29,073,945	\$23,657,788	\$18,966,303
PERS 2/3	\$46,631,087	\$10,194,763	(\$19,678,955)
PSERS 2	\$2,064,991	\$19,877	(\$1,584,867)
LEOFF 1	(\$1,023,075)	(\$1,286,047)	(\$1,512,451)
LEOFF 2	(\$937,544)	(\$7,050,196)	(\$12,035,774)

Pension Plan Fiduciary Net Position

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

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

At June 30, 2018, the county reported a total pension liability of \$33,872,428 for its proportionate share of the net pension liabilities as follows:

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Plan Name	Liability (or Asset)
PERS 1	\$23,657,788
PERS 2/3	\$10,194,763
PSERS 2	\$19,877
LEOFF 1	(\$1,286,047)
LEOFF 2	(\$7,050,196)

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

	LEOFF 1 Asset	LEOFF 2 Asset
Employer's proportionate share	(\$1,286,047)	(\$7,050,196)
State's proportionate share of the net pension asset associated with the employer	(\$8,698,791)	(\$4,564,869)
Total	(\$9,984,838)	(\$11,615,065)

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

Plan Name	Proportionate Share 6/30/17	Proportionate Share 6/30/18	Change in Proportion
PERS 1	0.570%	0.530%	(0.040%)
PERS 2/3	0.644%	0.597%	(0.046%)
PSERS 2	1.676%	1.604%	(0.072%)
LEOFF 1	0.071%	0.071%	0.000%
LEOFF 2	0.345%	0.347%	0.002%

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

LEOFF Plan 1 allocation percentages are based on the total historical employer contributions to LEOFF 1 from 1971 through 2000 and the retirement benefit payments in fiscal year 2018. Historical data was obtained from a 2011 study by the Office of the State Actuary (OSA). In fiscal year 2018, the state of Washington contributed 87.12 percent of LEOFF 1 employer contributions and all other employers contributed the remaining 12.88 percent of employer contributions. LEOFF 1 is fully funded and no further employer contributions have been required since June 2000. If the plan becomes underfunded, funding of the remaining liability will require new legislation. The allocation method the plan chose reflects the projected long-term contribution effort based on historical data.

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In fiscal year 2018, the state of Washington contributed 39.30 percent of LEOFF 2 employer contributions pursuant to [RCW 41.26.725](#) and all other employers contributed the remaining 60.70 percent of employer contributions.

The collective net pension liability (asset) was measured as of June 30, 2018, and the actuarial valuation date on which the total pension liability (asset) is based was as of June 30, 2017, with update procedures used to roll forward the total pension liability to the measurement date.

Pension Expense

For the year ended December 31, 2018, the county recognized pension expense as follows:

Plan Name	Pension Expense
PERS 1	\$105,231
PERS 2/3	(\$498,258)
PSERS 2	\$336,268
LEOFF 1	(\$203,232)
LEOFF 2	(\$323,687)
Total	(\$583,678)

Deferred Outflows of Resources and Deferred Inflows of Resources

At December 31, 2018, the county reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
PERS 1		
Differences between expected and actual experience	-	-
Net difference between projected and actual investment earnings on pension plan investments	-	(\$940,147)
Changes of assumptions	-	-
Changes in proportion and differences between contributions and proportionate share of contributions	-	-
Contributions subsequent to the measurement date	\$1,821,836	-
Total	\$1,821,836	(\$940,147)

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PERS 2/3	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$1,249,611	(\$1,784,916)
Net difference between projected and actual investment earnings on pension plan investments	-	(\$6,255,979)
Changes of assumptions	\$119,261	(\$2,901,347)
Changes in proportion and differences between contributions and proportionate share of contributions	\$116,603	(\$2,068,904)
Contributions subsequent to the measurement date	\$2,367,863	-
Total	\$3,853,339	(\$13,011,145)

PSERS 2	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$147,419	(\$20,393)
Net difference between projected and actual investment earnings on pension plan investments	-	(\$268,013)
Changes of assumptions	\$2,127	(\$123,004)
Changes in proportion and differences between contributions and proportionate share of contributions	\$12,912	(\$40,433)
Contributions subsequent to the measurement date	\$219,997	-
Total	\$382,454	(\$451,843)

LEOFF 1	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	-	-
Net difference between projected and actual investment earnings on pension plan investments	-	(\$104,408)
Changes of assumptions	-	-
Changes in proportion and differences between contributions and proportionate share of contributions	-	-
Contributions subsequent to the measurement date	-	-
Total	-	(\$104,408)

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LEOFF 2	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$377,665	(\$163,706)
Net difference between projected and actual investment earnings on pension plan investments	-	(\$1,233,879)
Changes of assumptions	\$3,991	(\$1,011,831)
Changes in proportion and differences between contributions and proportionate share of contributions	\$552,763	(\$440,392)
Contributions subsequent to the measurement date	\$308,155	-
Total	\$1,242,574	(\$2,849,808)

Aggregate Deferred Outflows of Resources and Deferred Inflows of Resources – All Plans	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$1,774,695	(\$1,969,015)
Net difference between projected and actual investment earnings on pension plan investments	-	(\$8,802,426)
Changes of assumptions	\$125,379	(\$4,036,182)
Changes in proportion and differences between contributions and proportionate share of contributions	\$682,278	(\$2,549,729)
Contributions subsequent to the measurement date	\$4,717,851	-
Total	\$7,300,203	(\$17,357,352)

Deferred outflows of resources related to pensions resulting from the county's contributions subsequent to the measurement date will be recognized as a reduction of the net pension liability in the year ended December 31, 2019. Other amounts reported as deferred outflows and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

Year ended December 31:	PERS 1	PERS 2/3	PSERS 2	LEOFF 1	LEOFF 2
2019	\$41,131	(\$1,247,342)	(\$5,482)	\$100	(\$212,745)
2020	(\$205,521)	(\$2,396,530)	(\$34,150)	(\$23,554)	(\$399,561)
2021	(\$616,712)	(\$4,158,455)	(\$91,118)	(\$64,151)	(\$809,050)
2022	(\$159,045)	(\$1,747,213)	(\$47,127)	(\$16,804)	(\$218,370)
2023	-	(\$854,068)	(\$15,736)	-	(\$43,442)
Thereafter	-	(\$1,122,062)	(\$95,774)	-	(\$232,221)
Total	(\$940,147)	(\$11,525,670)	(\$289,386)	(\$104,408)	(\$1,915,389)

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NOTE 7. RISK MANAGEMENT

A. General Liability, Property and Workers Compensation

The County is exposed to various risks of loss related to torts, theft, damage to and destruction of assets, errors or omissions, injuries to employees, and natural disasters. Kitsap County uses its Risk Management Fund, an internal service fund, to finance and administer the County's property/casualty and workers' compensation self-insurance programs. The County contracts with a third-party administrator to process medical and time loss claims made against its workers' compensation program.

RCW 48.62 authorizes the governing body of any governmental entity to individually or jointly self-insure risks, jointly purchase insurance or reinsurance, and to contract for risk management, claims, and administrative services.

Kitsap County self-insures its general liability and workers' compensation risk up to \$500,000 per occurrence. The County purchases excess liability and worker's compensation policies to insure its general, automobile, employment liability, and workers compensation risks, including public officials' errors and omissions.

The county maintains the following insurance coverages:

General liability. The policy has a \$20 million limit for liability protection and a \$500,000 self-insured retention (deductible) per occurrence. The County has never had a claim in excess of the policy limits.

This policy also covers auto liability, employment and public officials' liability. As of December 31, 2018, the County's estimated total undiscounted outstanding liability for general liability is \$3,643,308.

Property insurance. The policy provides coverage of up to \$250 million per occurrence and has a \$50,000 per occurrence deductible. The policy includes earthquake coverage, which has a deductible of 2% of the total damage per occurrence, with a \$100,000 minimum and \$1 million maximum deductible.

The County's property insurance policy also includes \$5 million cyber liability coverage which provides third party liability coverage for information security and privacy liability, privacy notification costs, claims expenses and penalties, and website media content. Cyber liability coverage also provides first party computer security for cyber extortion loss, data protection loss and business interruption loss. The cyber liability coverage has a \$50,000 deductible per occurrence.

Crime/dishonesty insurance. The employee crime/dishonesty policy has a \$2,500 deductible and \$1 million in coverage. This policy provides coverage for employee theft, forgery, inside theft or robbery, outside premises, computer fraud, and counterfeit.

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Public Official Bonds.

The Public Official Bonds include a Blanket Position Bond and Individual Bonds. The Blanket Position Bond provides certain elected officials with bond coverage as required by the State statute. Individual Bonds are provided for the County Treasurer and the County Clerk due to the specific amount of the bond as required and specified by State statute.

Workers compensation. The County assumes risk for workers' compensation of up to \$500,000 per occurrence, as allowed by State statute. The County purchases an excess workers' compensation policy that provides statutory limits coverage.

Interfund premiums are charged to departments and are based on each department's loss experience and number and class of employees. As of December 31, 2018, the County's estimated total undiscounted outstanding liability for the workers' compensation program is \$5,002,749.

Claims Liability

The county maintains a reserve balance in the Risk Management fund to provide for claims payments for workers compensation and general liability claims. The liability balance is evaluated annually and adjusted as needed.

Approximately every three years, the county engages an actuary to perform a review of its self-insurance activities. The most recent review was completed in 2017 for the year ended December 31, 2016.

The actuarial report provides estimated amounts for claims incurred and estimated ultimate loss for future years, and margins for adverse deviation, which are used to calculate claims liability and in the tables below.

Claims liability is calculated by adjusting the prior year's ending liability by the change in estimated ultimate loss for each of the programs. The county uses a 90% - 95% margin for adverse deviation.

Claims payments are insurance claims and other costs that are directly related to claims. The workers compensation program makes claims payments such as time loss, medical costs and related mileage reimbursements. The program also pays directly related legal and professional fees and vocational costs. The general liability program pays insurance claims and other directly related expenses.

The table below summarizes changes in claims liability for the years ended December 31, 2017 and December 31, 2018:

Workers Compensation	Year Ended	
	12/31/2017	12/31/2018
Claims liability, beginning of year	\$2,824,705	\$5,087,990
Claims incurred	\$1,245,870	\$1,255,014
Change in prior year estimates	\$1,787,119	(\$458,631)
Claims payments	(\$769,704)	(\$881,624)
Claims liability, end of year	\$5,087,990	\$5,002,749

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General Liability	Year Ended	
	12/31/2017	12/31/2018
Claims liability, beginning of year	\$6,889,646	\$3,609,041
Claims incurred	\$728,673	\$755,855
Change in prior year estimates	(\$3,599,408)	(\$539,559)
Claims payments	(\$409,870)	(\$182,029)
Claims liability, end of year	\$3,609,041	\$3,643,308

B. Self-Funded Employee Welfare Benefit Plan

The county established a self-funded employee welfare benefit plan to provide certain health care benefits to eligible employees and their dependents. The county contracted with Premera and Kaiser Permanente to perform administrative services to process medical claims. Activity related to the program is accounted for in the Employer Benefits Fund, an internal service fund which is managed by the Human Resources department.

In order to limit its financial liability for large claims, the county purchased a stop loss insurance policy. The policy reimburses the county for medical claims in excess of \$300,000 per covered person.

The County's self-funded employee welfare benefit plan covers eligible employees and their dependents for medical costs. The County also provides dental, vision, life, AD&D and LTD insurance coverage for its employees through Washington Counties Insurance Fund.

Interfund medical premiums are established based upon a composite rate of expected claims and expenses prior to the beginning of the fiscal year and are charged monthly to departments based on authorized or budgeted positions.

Depending upon the plan and level of coverage selected by an employee, there may be employee contributions towards premiums. These contributions are collected through payroll deductions and are used by the Employer Benefits Fund to offset claims expenses.

C. Unemployment Risk

The County has elected to retain the risk for unemployment compensation payable to former County employees. The State of Washington Employment Security Department bills the County for the unemployment compensation benefits paid to former employees. Expenditures are then recognized in various County funds. The County's unemployment program is managed by the Human Resources department.

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NOTE 8. LONG-TERM DEBT

In the government-wide financial statements, and proprietary fund financial statements, long-term debt and other long-term obligations are reported as liabilities.

In proprietary funds, bond premiums and discounts are deferred and amortized over the life of the bonds using the effective interest method. Bonds payable is reported net of the applicable bond premium or discount.

Governmental funds recognize bond premiums, discounts, and bond issuance costs during the current period. The face amount of debt issued is reported as other financing sources. Premiums received on debt issuances are reported as other financing uses. Issuance costs, whether or not withheld from the actual debt proceeds received, are reported as debt service expenditures.

State law provides that debt cannot be incurred in excess of the following percentages of the value of the taxable property of the County:

1.5% - Without a vote of the people

2.5% - With a vote of the people

5.0% - With a vote of the people, provided the indebtedness in excess of 2.5% is for utilities, parks, or open space development.

As of December 31, 2018, the debt limits for the County were as follows:

	Without a Vote	With a Vote	
		2.5%	5.0%
Legal Limit	\$512,665,669	\$854,442,781	\$1,708,885,562
Applicable Outstanding Debt	\$67,882,879	\$67,882,879	\$67,882,879
Margin Available	\$444,782,789	\$786,559,902	\$1,641,002,683

A. General Obligation Bonds

The county issues general obligation and revenue bonds to provide funds for the purchase of assets and the acquisition and construction of major capital facilities. Bonded indebtedness has also been entered into to advance refund several general obligation and revenue bonds. General obligation bonds have been issued for both governmental and business-type activities and are being repaid from the applicable resources. The revenue bonds are being repaid by proprietary fund revenues.

General obligation bonds currently outstanding are as follows:

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Purpose	Maturity Range	Interest Rate	Original Amount	Amount of Installment
2010 – refunding; Coroner Facility & CKCC, BAN (property acquisitions)	12/1/19 – 12/1/30	3.0 – 4.0	\$9,220,000	\$190,000 – \$280,000
2011 – refunding	12/1/19 – 12/1/27	3.125 – 4.0	\$20,370,000	\$500,000 – \$1,550,000
2013 - refunding	12/1/19 – 12/1/34	3.25 – 4.0	\$48,280,000	\$530,000 – \$5,205,000
2015 - refunding	6/1/19 – 6/1/31	2.375 – 5.0	\$21,635,000	\$560,000 – \$2,020,000

The annual debt service requirements to maturity for general obligation bonds are as follows:

Year Ending December 31	Governmental Activities	
	Principal	Interest
2019	8,945,000	2,581,208
2020	6,190,000	2,236,308
2021	6,245,000	1,972,733
2022	6,535,000	1,706,233
2023	6,645,000	1,436,710
2024 – 2028	24,775,000	3,646,563
2029 – 2033	6,080,000	551,838
2034	610,000	22,110
Total	\$66,025,000	\$14,153,703

B. Loans

Public Works Trust Fund and Department of Ecology loans currently outstanding are as follows:

Purpose	Maturity Range	Interest Rate	Original Amount	Amount of Installment
2001 – Roads PWTF loan #PW-01-691-037 – Anderson Hill	7/1/19 – 7/1/21	0.5	\$897,812	\$47,253
2001 – Sewer PWTF loan #PW-01-691-036 – Kingston	7/1/19 – 7/1/21	0.5	\$2,605,000	\$150,816
2012 – Sewer PWTF loan #PC-12-951-040 – Techite Forcemain	6/1/19 – 6/1/31	0.25	\$5,205,000	\$256,600
2005 – Sewer DOE loan #L0400026 – Kingston PLT	5/1/19 – 5/1/25	1.5	\$14,188,000	\$303,064 - \$599,355

The annual debt service requirements to maturity for loans are as follows:

Year Ending December 31	Governmental Activities		Business-Type Activities	
	Principal	Interest	Principal	Interest
2019	47,253	709	963,489	65,216
2020	47,253	473	971,888	55,421
2021	47,254	236	980,414	45,500
2022	-	-	838,252	35,450
2023	-	-	847,037	26,024
2024 – 2028	-	-	2,185,417	32,858
2029 – 2031	-	-	769,799	3,849
Total	\$141,760	\$1,418	\$7,556,296	\$264,318

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C. Notes Payable

The County has a note payable of \$1.7 million due to the Rolling Hills Golf Course Partnership from the purchase of the Rolling Hills Golf Course in March 2011. Principal and interest payments are due annually for 20 years, beginning in October 2012. The note matures in 2031.

During 2017, the note payable and related note receivable were amended. The term of the notes was extended by five years to 2036 and the annual payment was reduced from \$200,000 to \$100,000. The outstanding balance of the note on December 31, 2018 was \$1,700,245. See *Note 16, Service Concession Arrangement* for more information.

The annual debt service requirement to maturity for the note payable is as follows:

Year Ending December 31	Governmental Activities	
	Principal	Interest
2019	89,677	10,323
2020	90,221	9,779
2021	90,769	9,231
2022	91,320	8,680
2023	91,874	8,126
2024 – 2028	467,808	32,192
2029 – 2033	482,183	17,817
2034 – 2036	296,393	3,607
Total	\$1,700,246	\$99,755

D. Revenue bonds

Revenue bonds currently outstanding are as follows:

Purpose	Maturity Range	Interest Rate	Original Amount	Amount of Installment
Sewer 2010B	12/1/19 – 12/1/40	6.714 – 7.364	\$37,120,000	\$0 - \$4,100,000
Sewer 2010C	12/1/19 – 12/1/28	6.696	\$1,110,000	\$0 - \$1,110,000
Sewer 2015	12/1/19 – 12/1/27	2.75 – 5.00	\$17,360,000	\$1,520,000 - \$1,920,000

Debt service requirements for the revenue bonds are as follows:

Year Ending December 31	Business-Type Activities	
	Principal	Interest
2019	1,760,000	2,297,829
2020	1,830,000	2,227,429
2021	1,920,000	2,135,929
2022	1,520,000	2,039,929
2023	1,595,000	1,963,929
2024 – 2028	9,055,000	9,084,831
2029 – 2033	12,420,000	7,082,211
2034 – 2038	15,585,000	3,910,909
2039 – 2040	8,025,000	494,443
Total	\$53,710,000	\$31,237,439

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E. Pollution Remediation Obligation

In 2011, the Solid Waste fund recorded a liability of \$742,805 which represents the County's share of cleanup costs of the Hansville Landfill. The liability was adjusted to \$685,250 in 2018 as a result of recalculation of the costs. The Washington State Department of Ecology identified the County and Waste Management, Inc. as Potentially Liable Parties (PLPs) for remediation of the site. See Note 18, *Pollution Remediation Obligation* for additional information.

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December 31, 2018

NOTE 9. LEASES

Operating Leases

The County does not have any non-cancelable operating leases.

Capital Leases

1. Balloting system. In April 2013, the County entered into a lease agreement for financing a ballot counting system for Auditor Elections division. The system was purchased from Hart InterCivic for \$467,168 and the purchase was financed through SunTrust Equipment Finance and Lease Corporation. Of the amount financed, \$361,037 is for software, licensing and support; non-capitalized equipment at a cost of \$29,987; and capital equipment at a cost of \$76,144.

The installment loan has a five-year term with the first installment payment due on April 8, 2014 and annually on the anniversary date, thereafter. The annual payment amount is \$100,028 and the installment loan bears interest at a rate of 1.66% per annum. The county made the final payment of \$100,028 to SunTrust Equipment Finance and Lease Corporate in 2018.

2. Dish washing machine. In November 2015, the County entered into a lease agreement for financing a dish washing machine for the Jail. The machine was purchased from and financed by WCP Solutions. The cost of the machine is \$22,099.

The installment loan has a three-year term and the County began making monthly installment payments of \$713 in 2016. The installment loan bears interest at a rate of 10% per annum. The County made lease payments of \$4,279 to WCP Solutions during the year and the lease has been paid in full.

3. Mail folder inserter machine. In September 2017, the county entered into a lease agreement for a folder machine for Auditor Licensing division. The machine was purchased from Preferred Business Solutions and financed by EverBank Commercial Finance. The cost of the machine is \$8,269.

The installment loan has a 39-month term and the county began making monthly lease payments of \$328 in October 2017. The installment loan bears interest at a rate of 29.4% per annum. The county paid \$3,937 to EverBank Commercial Finance in 2018.

4. Scanner. In April 2018, the county entered into a lease agreement for a wide format digital imaging system (scanner) for Auditor Recording division. The machine was purchased from Preferred Business Solutions and financed by EverBank Commercial Finance. The cost of the machine is \$11,438.

The installment loan has a 60-month term and the county began making monthly lease payments of \$227 in April 2018. The installment loan bears interest at 7.15% per annum. The county paid \$2046 to EverBank Commercial Finance in 2018.

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These lease agreements qualify as capital leases for accounting purposes, therefore, have been recorded at the present value of future minimum lease payments as of the lease inception dates.

At December 31, 2018, the assets (capital and non-capital) acquired by capital leases are as follows:

Asset	Governmental Activities
Capital equipment	
Balloting system - capital	\$76,144
Dish washing machine	22,099
Mail folder inserter machine	8,269
Wide Format Digital Imaging System	11,438
Total capital equipment	\$117,950
Less: accumulated depreciation, December 31, 2018	(81,581)
Capital equipment, net of accumulated depreciation	\$36,369
Non-capital equipment	
Balloting system – non-capital	\$26,661
Total capital and non-capital equipment	\$63,030

The future minimum lease obligation and the net present value of the minimum lease payments as of December 31, 2018 are as follows:

Year Ending December 31	Governmental Activities
2019	\$6,665
2020	6,665
2021	2,727
2022	2,727
2023	682
Total minimum lease payments	\$19,466
Less: Interest portion of payments	(3,592)
Present value of minimum lease payments	\$15,874

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NOTE 10. CHANGES IN LONG-TERM LIABILITIES

Long-term liability activity for the year ended December 31, 2018 was as follows:

Liability	Beginning Balance	Additions	Reductions	Ending Balance	Due Within One Year
<u>Governmental activities</u>					
Bonds payable:					
General obligation bonds	\$ 72,275,000	\$ -	\$ 6,250,000	\$ 66,025,000	\$ 8,945,000
Total bonds payable	<u>72,275,000</u>	<u>-</u>	<u>6,250,000</u>	<u>66,025,000</u>	<u>8,945,000</u>
Capital leases	113,653	11,438	109,217	15,874	4,608
Comp Absences - Gov (3)	5,506,185	188,635	-	5,694,820	614,641
Comp Absences - Int Svc (2)	456,485	42,361	-	498,846	49,885
Notes payable	1,789,381	-	89,135	1,700,246	89,677
Total OPEB Liability (1)	18,669,436	-	614,570	18,054,866	-
Net Pension Liability - Gov (3)	40,765,125	-	12,882,634	27,882,491	-
Net Pension Liability - Int Svc (2)	3,479,950	-	1,447,604	2,032,346	-
Other liabilities	<u>189,013</u>	<u>-</u>	<u>47,253</u>	<u>141,760</u>	<u>47,253</u>
Governmental activities Long-term liabilities	<u>\$ 143,244,227</u>	<u>\$ 242,435</u>	<u>\$ 21,440,413</u>	<u>\$ 122,046,249</u>	<u>\$ 9,751,064</u>
<u>Business-type activities</u>					
Bonds payable:					
Revenue bonds	55,515,000	-	1,805,000	53,710,000	1,760,000
Unamortized premium/ discount	<u>1,364,748</u>	<u>-</u>	<u>174,608</u>	<u>1,190,141</u>	<u>140,520</u>
Total bonds payable	<u>56,879,748</u>	<u>-</u>	<u>1,979,608</u>	<u>54,900,141</u>	<u>1,900,520</u>
Compensated absences	684,207	35,591	-	719,798	73,284
Net Pension Liability	5,468,492	-	1,510,901	3,957,592	-
Other liabilities	8,511,512	-	955,216	7,556,296	963,489
Pollution remediation liability	<u>660,906</u>	<u>24,343</u>	<u>-</u>	<u>685,250</u>	<u>42,172</u>
Business-type activities Long-term liabilities	<u>\$ 72,204,866</u>	<u>\$ 59,934</u>	<u>\$ 4,445,724</u>	<u>\$ 67,819,076</u>	<u>\$ 2,979,465</u>
Total	<u>\$ 215,449,094</u>	<u>\$ 302,369</u>	<u>\$ 25,886,137</u>	<u>\$ 189,865,325</u>	<u>\$ 12,730,529</u>

(1) The county implemented GASB Statement No. 75, *Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions* in 2018. Beginning Total OPEB Liability has been restated to reflect the change in accounting principle. See Note 17, *Defined Benefit Other Postemployment Benefit (OPEB) Plans* for details.

Kitsap County, Washington

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(2) Internal service funds predominantly serve the governmental funds. Accordingly, long-term liabilities for these funds are included as part of the above totals for governmental activities.

(3) Claims, judgments, compensated absences, pension and OPEB obligations are liquidated by the governmental funds in which the activities and obligations were incurred. All OPEB liabilities are liquidated by the general fund.

All bond issues comply with arbitrage regulations as verified by an outside consultant, BLX Group. Five-year reports are prepared as required.

Kitsap County, Washington

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NOTE 11. CONTINGENCIES AND LITIGATIONS

The County has recorded in its financial statements all material liabilities, including estimates for situations which are not yet resolved but where, based on available information, management believes it is probable that the county will have to make payment. In the opinion of management, the county's insurance policies and/or self-insurance reserves are adequate to pay all known or pending claims.

The County is a defendant in various lawsuits. Although the outcome of these lawsuits is not presently determinable, in the opinion of the County's legal advisor the resolution of these matters will not have a material adverse effect on the financial condition of the County.

The County participates in a number of federal and state assisted programs. These grants are subject to audit by the grantors or their representatives. Such audits could result in requests for reimbursement to grantor agencies for expenditures disallowed under the terms of the grants. Kitsap County management believes that such disallowances, if any, will be immaterial.

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NOTE 12. INTER-FUND BALANCES AND TRANSFERS

A. Advances To/From Other Funds

The general fund advance balance is the outstanding long-term loan between the CDBG, Home Entitlement, JTPA funds and the general fund. In each case the advances from the general fund provide for operating costs to these grant funded programs while they await reimbursements from federal and state agencies.

Advances From	Advances To Non-Major Funds	Total
General Fund	\$280,000	\$280,000
Total	\$280,000	\$280,000

B. Due From Other Funds/Due To Other Funds

The outstanding balances between funds result mainly from the time lag between the dates that a) interfund goods and services are provided; b) transactions are recorded in the accounting system; and c) payments between funds are made.

DUE TO OTHER FUNDS/DUE FROM OTHER FUNDS										
Due To Other Funds	Due From Other Funds									
	General	Roads	Mental Health Medicaid	Non- Major	Solid Waste	Sewer Utility	Surface Storm- water	Internal Service	Agency	TOTAL
General	-	\$5,224	-	\$108,061	\$98	-	\$24,402	\$3,116	\$27	\$140,929
Roads	2,584	-	-	2,237	3,987	7,683	558,388	27,139	-	602,018
Non-Major	2,141	134,187	78,418	326,409	37,656	-	-	126,589	-	705,400
Solid Waste	863	7,356	-	475	-	-	158	-	-	8,853
Sewer Utility	-	7,140	-	-	290,667	-	75,154	-	-	372,960
Surface Stormwater	-	14,078	-	-	12,988	28,846	-	-	-	55,913
Internal Service	234,516	214,295	104	17,591	4,379	38,109	55,311	486	-	564,789
Total	\$240,105	\$382,280	\$78,522	\$454,773	\$349,775	\$74,638	\$713,413	\$157,330	\$27	\$2,450,861

C. Transfers

Transfers are used to a) move revenues from funds with collection authorization to the debt service funds as debt principal and interest payments become due; b) move unrestricted revenues to finance various programs that the County must account for in other funds.

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TRANSFERS							
Transfers Out	Transfers In						
	General	County Roads	Non-Major	Mental Health Medicaid	LTGO 2013	Internal Service	TOTAL
General	-	-	\$1,181,084	\$32,539	\$2,051,670	\$1,955,791	\$5,221,084
Roads	-	-	347,157	-	-	52,890	400,047
REET	-	175,434	1,037,848	-	2,082,113	-	3,295,395
Mental Health Medicaid	-	-	1,332,721	-	-	-	1,332,721
Non-Major	4,537,466	-	2,914,008	-	552,175	67,089	8,070,737
Solid Waste	-	-	-	-	-	4,251	4,251
Sewer Utility	-	-	136,963	-	-	30,251	167,214
Surface Stormwater	-	-	212,222	-	-	12,389	224,611
Internal Service	-	-	17,174	-	-	77,071	94,245
Total	\$4,537,466	\$175,434	\$7,179,177	\$32,539	\$4,685,958	\$2,199,732	\$18,810,304

Kitsap County, Washington

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NOTE 13. RECEIVABLES AND PAYABLES

A. Federal grants and assistance awards

Federal grants and assistance awards made based on entitlement periods are reported as “due from other governments” (inter-government receivables) and revenues in the year in which entitlement occurs.

Federal or state reimbursement type grants for the acquisition of capital assets of proprietary fund types are reported as “due from other governments” (inter-governmental receivables) and “capital contributions” in the year during which the related expenditure occurs. All other federal and state reimbursement type grants are reported as “due from other governments” (inter-governmental receivables) and revenues in the year in which the related expenditure or expenses are incurred.

B. Public Facility District receivable

The county has a \$5.8 million long-term receivable due from the Public Facility District (PFD), a component unit. The county sold general obligation bonds and gave the proceeds to the PFD and the PFD pledged its sales tax revenue to repay the county. The debt is carried on the county's books and the note is reflected on the PFD's books.

During 2018, the Public Facility District made principal and interest payments as scheduled and the loan balance was reduced by \$610,000. The outstanding loan balance as of December 31, 2018 is \$5,795,000.

C. Housing Kitsap receivable

The County has a \$15.6 million long-term receivable due from Housing Kitsap.

The County and Housing Kitsap (Kitsap County Consolidated Housing Authority) entered into a loan and repayment agreement in 2013, following issuance of Kitsap County Limited Term General Obligation Refunding bonds to settle loans relating to Housing Kitsap's Harborside Condominiums and Poplars Apartments projects, for which the County became liable when Housing Kitsap found that it was unable to repay or restructure the loans.

The original receivable amount was reported as \$16.48 million. The term of the note receivable is 41 years, and it matures June 30, 2053.

During 2013, principal in the amount of \$389,000 was applied against the receivable resulting in an ending balance of \$16.09 million. The original receivable excluded the cost of reoffering premiums that were paid upon issuance of the bonds in 2013 because the County viewed the premiums as a component of the interest to be collected over the life of the receivable rather than as a separate obligation by Housing Kitsap. The County paid reoffering premiums in the amount of \$1.8 million.

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In 2014, the County changed its position with respect to the reoffering premiums and restated Housing Kitsap's receivable balance to include the premiums that were paid, for a total restated original balance of \$18.32 million. Payments made in 2013 and 2014 were recalculated and applied to the receivable, reducing the balance to \$17.08 million as of December 31, 2014.

In 2017, the County received payments of \$496,638, of which \$295,538 was applied to principal and \$201,100 was applied to interest. The receivable balance at December 31, 2017 was \$15.6 million.

The County amended its agreement with Housing Kitsap during 2017 as follows:

1. Sale of Norm Dicks Government Center (NDGC) units:
 - a. The County released its security interest in certain NDGC units that HK intends to sell.
 - b. The proceeds may be used for the relocation of Housing Kitsap offices, including purchase and improvement of office space, moving expenses and the purchase of equipment only.
 - c. Use of the proceeds for operating expenses is not permitted.
2. Use of proceeds from the sale of collateral properties Olhava, Mitchell, and/or Almira:
 - a. If the properties are sold to an unrelated party, Housing Kitsap may use one-half of the proceeds solely for development directly benefitting housing in Kitsap County and the other half must be paid to the county against the loan.
 - b. If the properties are sold to a related party (as defined in Internal Revenue Code §267 and 707), or to an entity in which HK has an ownership interest, and the proceeds are used to develop housing, all the proceeds may be used in the development.
 - c. Use of the proceeds for operating expenses is not permitted.
3. Deferral of loan payments:
 - a. Housing Kitsap may defer its loan payments up to \$300,000 per year for 2018, 2019 and 2020 (for a total deferral of up to \$900,000);
 - b. Milestones are not deferred during this period;
 - c. HK will make loan payments sufficient to offset any shortfalls in the 2019 balloon payment.

In 2018, Housing Kitsap deferred \$300,000 of its loan payments. The outstanding loan balance as of December 31, 2018 is \$15,588,320.

D. Housing Kitsap Receivable – Housing Revenue Bonds

The county has a \$105,000 short-term receivable due from Housing Kitsap.

In 1999, Kitsap County issued LTGO Bond 1999B. The county loaned a portion of the proceeds to Housing Kitsap (Kitsap County Consolidated Housing Authority) to defease Housing Revenue

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Bonds, 1996 Orchard Bluff Project. Housing Kitsap agreed to make payments to the county to cover the county's debt service payments for the portion of bond proceeds related to the loan.

During 2018, Housing Kitsap made principal and interest payments as scheduled and the loan balance was reduced by \$100,000. The outstanding loan balance as of December 31, 2018 is \$105,000 and the loan is scheduled to be fully repaid in 2019.

E. Kitsap Public Health District – Bremerton Government Center

The county has a \$3.6 million long-term receivable due from Kitsap Public Health District.

In 2004, Kitsap County sold two condominium units in the Bremerton Government Center (Norm Dicks Government Center) to Kitsap Public Health District ("KPHD"). The county and KPHD entered into an agreement whereby KPHD would pay the county for the condominiums over a period of 30 years, with the final payment due on 6/1/2034. The sale price was \$6,525,000 and KPHD made a down payment of \$1 million at the time of purchase.

In 2014, the county amended the contract, reducing total payments and extending the term by six months to 12/1/2034.

During 2018, KPHD made principal and interest payments as scheduled and the loan balance was reduced by \$165,000. The outstanding loan balance as of December 31, 2018 is \$3,625,000.

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NOTE 14. DEFERRED COMPENSATION

The County offers its employees a deferred compensation plan created in accordance with Internal Revenue Code Section 457. The plan, available to all County employees, permits them to defer a portion of their salary until future years. The deferred compensation is not available to employees until termination, retirement, death, or unforeseeable emergency.

The county does not make contributions to the deferred compensation plan and is therefore not a participant in the plan.

All amounts of compensation deferred under the plan, all property and rights purchased with those amounts, and all income attributable to those amounts, property, or rights are (until paid or made available to the employee or other beneficiary) solely the property and rights of the County (without being restricted to the provisions of the benefits under the plan). The amounts are subject only to the claims of the County's general creditors. Participants' rights under the plan are equal to those of general creditors of the County in an amount equal to the fair value of the deferred account for each participant.

It is the opinion of the County's legal counsel that the County has no liability for losses under the plan but does have the duty of due care that would be required of an ordinary prudent investor. The County believes that it is unlikely that it will use the assets to satisfy the claims of general creditors in the future.

The investment carrying values of the plans as of December 31, 2018, are as follows:

Investment Company	Carrying Value
Nationwide	\$15,632,034
Voya	6,908,723
ICMA	1,546,384
MassMutual	7,056,450
Total	\$31,143,591

In 2018, the County began the process of consolidating its employees' deferred compensation accounts. All assets held by the investment companies listed in the table above will be transferred to the Washington State Department of Retirement Systems' Deferred Compensation Plan ("DCP"). Administrative costs charged to plan participants by DCP are lower than those charged by the current plan custodians.

Some of the plan assets were transferred to DCP in late 2018, and most of the remaining assets will be transferred by March 2019. Certain assets cannot immediately be transferred from the current custodians and will be transferred as available over the next five years.

The state's DCP assets are held in trust by the Washington State Investment Board for exclusive benefit of program participants and eligible beneficiaries. The county does not have a fiduciary duty over the funds held in the state's DCP.

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NOTE 15. DEFERRED OUTFLOWS AND INFLOWS OF RESOURCES

Under GASB 65, *Items Previously Reported as Assets and Liabilities*, the following items are reported as deferred outflows and inflows of resources:

Fund	Type	Governmental		Business Type		Government Wide	
		Deferred Outflows	Deferred Inflows	Deferred Outflows	Deferred Inflows	Deferred Outflows	Deferred Inflows
General Fund	Taxes Receivable (1)	-	\$1,309,427	-	-	-	\$1,309,427
County Roads	Taxes Receivable	-	\$718,351	-	-	-	\$718,351
Noxious Weed Control	Taxes Receivable	-	\$7,816	-	-	-	\$7,816
Veteran's Relief	Taxes Receivable	-	\$10,085	-	-	-	\$10,085
Conservation Futures	Taxes Receivable	-	\$35,961	-	-	-	\$35,961
CDBG	Notes Receivable (2)	-	\$300,000	-	-	-	\$300,000
HOME	Notes Receivable (2)	-	\$3,783,482	-	-	-	\$3,783,482
2013 LTGO Refunding Bonds	Notes Receivable (3)	-	\$15,588,320	-	-	-	\$15,588,320
Parks Capital Improvement	Notes Receivable (4)	-	\$1,700,246	-	-	-	\$1,700,246
Various	Pensions (5)	\$6,447,260	\$15,329,352	\$852,942	\$2,028,001	\$7,300,203	\$17,357,353
General Fund	OPEB (6)	\$367,881	-	-	-	\$367,881	-
Total		\$6,815,141	\$38,783,039	\$852,942	\$2,028,001	\$7,668,084	\$40,811,040

- (1) The county records property taxes receivable when the taxes are levied. Deferred inflows associated with property taxes receivable are \$2.0 million as of December 31, 2018.
- (2) Kitsap County Block Grant program loaned funds received from the US Department of Housing and Urban Development to various entities within the county. The purpose of the loans was to build affordable housing and low-income housing units for the residents of Kitsap County in need of housing assistance. Deferred inflows associated with Community Development Block Grant (CDBG) and HOME Investment Partnership (HOME) loans as of December 31, 2018 are \$4.1 million.
- (3) Housing Kitsap (formerly known as Kitsap County Consolidated Housing Authority) agreed to repay debt previously assumed by the county. The amount of debt Housing Kitsap agreed to repay was \$17.08 million. Deferred inflows associated with the note receivable are \$15.59 million on December 31, 2018. For further details about this transaction see *Note 13, Receivables and Payables*.
- (4) The County purchased the Rolling Hills Golf Course in 2011 and entered into a service concession arrangement (SCA) with the seller to operate the golf course. Deferred inflows associated with the SCA are \$1.7 million as of December 31, 2018. More information about the service concession arrangement is available in *Note 16, Service Concession Arrangement*.

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(5) See *Note 6, Pension Plans* for more information about deferred outflows and deferred inflows related to pensions.

(6) In 2018, the county implemented GASB Statement No. 76, *Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions*. See *Note 17, Defined Benefit Other Postemployment Benefit (OPEB) Plans* for more information about deferred outflows related to OPEB.

Following is a recap of deferred inflows for governmental funds, by fund and fund category:

Deferred Inflows by Type	Major Funds			Non-major Funds	Total
	General Fund	County Roads	KC LTGO 2013		
Taxes Receivable	\$1,309,427	\$718,351	-	\$53,862	\$2,081,639
Notes Receivable	-	-	\$15,588,320	\$5,783,728	\$21,372,048
Total	\$1,309,427	\$718,351	\$15,588,320	\$5,837,590	\$23,453,687

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NOTE 16. SERVICE CONCESSION ARRANGEMENT

In March 2011, the County purchased a golf course property consisting of approximately 104 acres encompassing the golf course, clubhouse, outbuildings and storage sheds, and various property and equipment items necessary to operate the golf course and clubhouse. The purchase was financed by a note payable to the seller, the terms of which were annual payments of \$200,000 for a period of 20 years. The note bears interest at 6.5%.

The cost of the golf course was \$2,200,400 of which \$2,112,855 was capitalized. The County reports the golf course and related equipment as a capital asset which had a net book value of \$1,873,882 at year-end.

On December 31, 2018, the outstanding balance of the note payable was \$1,700,246.

The County entered into lease agreement with The Rolling Hills Golf Course, LLC ("RHGC") in 2011. Under the agreement RHGC operates and collects user fees and other revenue from the Rolling Hills Golf Course, Pro Shop and Restaurant facility. The initial term of the lease was five years with three renewal options for subsequent renewal terms of five years each, for a potential total of 20 years.

Beginning in October 2012 and annually thereafter, RHGC made annual installment payments of \$200,000 to the County. The present value of these installment payments at the time the parties entered into the agreement was estimated to be \$2,200,000.

In 2017 the lease agreement was amended to decrease the annual payment amount from \$200,000 to \$100,000 and extend the term of the note by five years to a period of 25 years.

Deferred inflows related to the golf course are \$1,700,246 as of December 31, 2018.

In addition to the annual installment payments, RHGC will make lease reserve payments to fund a reserve balance that the county will hold and can use should RHGC default on any annual lease payments. If RHGC does not default on an annual lease payment, the reserve balance will be credited against RHGC's annual lease payment for the final year of the lease.

RHGC is required to operate and maintain the golf course and pro shop, restaurant, bar and banquet room in accordance with the Rolling Hills Golf Course Lease Agreement.

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NOTE 17. DEFINED BENEFIT OTHER POSTEMPLOYMENT BENEFIT (OPEB) PLANS

The following table represents the aggregate OPEB amounts for all plans subject to the requirements of GASB Statement 75 for the year 2018:

Aggregate OPEB Amounts – All Plans	
OPEB Liabilities	\$18,054,866
Deferred Outflows of Resources	\$367,881
OPEB Expenditures	\$64,759

OPEB Plan Description. The county provides lifetime medical care for members of the Law Enforcement Officers and Firefighters Retirement System (LEOFF) hired before October 1, 1977 as required by RCW 41.26. The eligible members are covered under LEOFF Plan 1.

LEOFF Plan 1 is a defined benefit multi-employer healthcare plan. The members necessary hospital, medical, and nursing care expenses not payable by worker's compensation, social security, insurance provided by another employer, other pension plan or any other similar source are covered.

Under the authorization of the LEOFF Disability Board, direct payment is made for other retiree medical plan benefit provisions. Financial reporting for the LEOFF retiree healthcare plan is included in the County's Comprehensive Annual Financial Report.

Employees covered by benefit terms. At December 31, 2018, the following employees were covered by the benefit terms:

Inactive employees or beneficiaries currently receiving benefits	36
Inactive employees entitled to but not yet receiving benefits	0
Active employees	0
Total	36

Contributions. The county paid \$316,621 in medical benefits for plan members during the year ended December 31, 2018.

Funding policy. The plan is funded on a pay-as-you-go basis and there are no assets accumulated in a qualifying trust or otherwise set aside for the exclusive benefit of the participants.

Actuarial Assumptions. Total OPEB Liability (TOL) was determined by an actuarial valuation as of June 30, 2018, using the following actuarial assumptions, applied to all periods included in the measurement:

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Methodology	
Actuarial Cost method	Entry age
Assumptions	
Discount rate (1)	
Beginning of measurement year	3.58%
End of measurement year	3.87%
Healthcare Trend Rates (2)	
Medical costs	Initial rate is approximately 12%, decreasing to about 5% in 2080 (assumes Excise Tax)
Long-Term Care	4.50%
Medicare Part B Premiums	Approximately 5%, varies by year
Mortality rates (100% male population)	
Base Mortality Table	RP-2000 Mortality Table
Age Setback	+1 year Healthy / -2 years Disabled Blended 50%/50% Health/Disabled
Mortality Improvements	100% Scale BB
Projection period	Generational
Medicare Participation Rate	100%

(1) Bond Buyer General Obligation 20-Bond Municipal Index

(2) OSA's 2016 LEOFF 1 Medical Benefits Actuarial Valuation Report

The following presents the total OPEB liability of the county calculated using the current healthcare cost trend rate of 12 percent, as well as what the OPEB liability would be if it were calculated using a discount rate that is 1-percentage point lower (11 percent) or 1-percentage point higher (13 percent) than the current rate.

Sensitivity Analysis – Healthcare Trend			
	1% Decrease	Current	1% Increase
	(11.00%)	(12.00%)	(13.00%)
Total OPEB Liability	\$16,268,890	\$18,054,866	\$20,120,819

The following presents the total OPEB liability of the county calculated using the discount rate of 3.87 percent, as well as what the OPEB liability would be if it were calculated using a discount rate that is 1-percentage point lower (2.87 percent) or 1-percentage point higher (4.87 percent) than the current rate. A Discount Rate of 3.58% was used in the calculation of the Total OPEB Liability, beginning. The end of year Discount Rate is being used in this analysis.

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Sensitivity Analysis – Discount Rate			
	1% Decrease	Current	1% Increase
	(2.87%)	(3.87%)	(4.87%)
Total OPEB Liability	\$20,269,980	\$18,054,866	\$16,185,166

The following table presents the changes in Total OPEB Liability:

Changes in Total OPEB Liability – LEOFF Plan 1	
Total OPEB Liability as of 01/01/2018 (1)	\$18,669,436
Interest	\$656,313
Differences Between Expected and Actual Experience and Changes in Assumptions	(\$591,554)
Benefit Payments	(\$679,329)
Net changes	(\$614,570)
Total OPEB Liability at 12/31/2018 (1)	\$18,054,866

(1) The valuation date is prior to the county’s reporting date, December 31, 2018. The balances have not been rolled forward to the reporting date.

The county used the alternative measurement method to calculate Total OPEB Liability because there are fewer than 100 members covered under LEOFF Plan 1 as of the beginning of the fiscal year. A measurement date of June 30, 2018 was used in the calculation of Total OPEB Liability and the Actuarial Measurement Date used was June 30, 2018.

For the year ended December 31, 2018, the county recognized OPEB expense of \$64,759. The county reported deferred outflows of resources related to OPEB from the following sources:

LEOFF PLAN 1	Deferred Outflows of Resources
County contributions subsequent to the measurement date	\$367,881
Total	\$367,881

\$367,881 reported as deferred outflows of resources related to OPEB benefits resulting from county contributions subsequent to the measurement date will be recognized as a reduction of the TOL in the year ended December 31, 2019.

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NOTE 18. POLLUTION REMEDIATION OBLIGATION

In accordance with Governmental Accounting Standards Board Statement No. 49, *Accounting and Financial Reporting for Pollution Remediation Obligations*, which became effective for fiscal periods beginning after December 15, 2007, liabilities for environmental cleanup obligations were recorded in the Solid Waste fund.

Hansville Landfill

The Hansville Landfill closed in 1989. Kitsap County, together with Waste Management of Washington, Inc. were identified as Potentially Liable Parties (PLPs) for remediation of contamination at the Hansville Landfill under the Model Toxics Control Act (MTCA). The Cleanup Action Plan (CAP) providing for Natural Attenuation of Groundwater with Enhanced Monitoring and Institutional Controls was approved by the Washington State Department of Ecology in 2011 as part of the Amended Consent Decree.

The current closure cost estimate for the Hansville Landfill site was revised to \$1,957,856 in September 2018, for the years 2019 - 2034. The Solid Waste Fund recognized a liability of \$685,249 for its share of the estimated costs remaining to be recognized as determined by the Washington State Department of Ecology.

The Solid Waste Fund is using the local government financial test as the financial mechanism to assure the total cost of remedial activities at the Hansville Landfill, including Waste Management of Washington, Inc.'s share. The estimated costs are based on current costs of sampling and are updated annually, and the liability is adjusted accordingly. The total current cost of landfill closure and postclosure care is an estimate subject to changes resulting from inflation, deflation, technology, or changes in applicable laws or regulations.

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NOTE 19. RELATED ORGANIZATIONS

Kitsap County officials are responsible for appointing members of the board of Kitsap Regional Library District (“KRLD”), a related organization. There is no evidence that the Board of County Commissioners can influence the programs and activities of KRLD or that they create a significant financial benefit or burden to the County. For these reasons KRLD does not warrant inclusion in the county’s financial statements.

There were no material financial transactions between the County and Kitsap Regional Library District during 2018.

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Notes to Financial Statements

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NOTE 20. OTHER NOTE DISCLOSURES

A. Prior Period Adjustments

1. Road Service Areas 1 through 4 and Regional Service Area reported offsetting prior period adjustments of \$221,718. The prior period adjustments correct the fund balances of the five funds for transfers that should have been made from the Road Service Areas to the Regional Service Area from 2010 to 2017. The 2018 transfer was made as is required.
2. The Real Estate Excise Tax fund recorded a prior period adjustment in the amount of \$165,000 to adjust the balance of deferred revenue for loan payments received from Kitsap Public Health District for the Bremerton Government Center note receivable.
3. In 2017, the county began accruing sales tax revenue received after year end, in compliance with GASB Statement No. 33, *Accounting and Reporting for Nonexchange Transactions*.

During 2018, the county evaluated other state revenues it receives to determine whether additional state revenues should be accrued at year-end. It was determined that certain other state revenue should be accrued.

Prior period adjustments were recorded in the general fund and six other funds to adjust beginning fund balances for prior year revenues that should have been accrued, for a total of \$996,170:

001 – General Fund	\$123,068
102 – County Road Construction	866,398
108 – Human Resources Board	534
123 – Electronic Technology Excise	3,287
124 – Veterans Relief	278
129 – Conservation Futures	872
183 – Substance Abuse Treatment	1,734
Total	\$996,171

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NOTE 21. CHANGE IN ACCOUNTING PRINCIPLE

GASB Statement No. 75, *Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions*, effective for periods after June 15, 2017 establishes standards for recognizing and measuring liabilities, deferred outflows of resources, deferred inflows of resources, and expense/expenditures for employees of state and local government employers receiving benefits under an OPEB plan. The county implemented the new requirements for fiscal year 2018. Prior year balances have been restated as follows:

	<u>12/31/2017, as previously reported</u>	<u>Restatement</u>	<u>12/31/2017, restated</u>
Governmental activities:			
Beginning net position	(\$447,570,524)	\$18,301,555	(\$429,268,969)
Total OPEB liability	(\$8,467,551)	(\$18,669,436)	(\$10,201,885)
Deferred outflow OPEB	-	\$367,881	\$367,881

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Required Supplementary Information

Kitsap County Auditor | Financial Division

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REQUIRED SUPPLEMENTARY INFORMATION

DEFINED BENEFIT OTHER POSTEMPLOYMENT (OPEB) PLAN - NO QUALIFYING TRUST

KITSAP COUNTY, WASHINGTON

Schedule of Changes in Total OPEB Liability and Related Ratios

LEOFF Plan 1

For the year ended December 31, 2018

Last 10 Fiscal Years*

	<u>2018</u>
Total OPEB liability - beginning	\$ 18,669,436
Service cost	0
Interest	656,313
Changes in benefit terms	0
Differences between expected and actual experience and changes of assumptions	(591,554)
Benefit payments	(679,329)
Other changes	0
Total OPEB liability - ending	<u>18,054,866</u>
Covered-employee payroll**	0
Total OPEB liability as a % of covered payroll	N/A

Notes to Schedule:

* Until a full 10-year trend is compiled, only information for those years available is presented.

No assets are accumulated in a trust that meets the criteria in paragraph 4 of GASB 75.

REQUIRED SUPPLEMENTARY INFORMATION

KITSAP COUNTY, WASHINGTON

Schedule of Proportionate Share of the Net Pension Liability

PERS 1

As of June 30, 2018

Last 10 Fiscal Years (1)

	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>
Employer's proportion of the net pension liability (asset)	0.529727%	0.569539%	0.585327%	0.568032%
Employer's proportionate share of the net pension liability (asset)	<u>23,657,788</u>	<u>27,025,070</u>	<u>\$ 31,434,817</u>	<u>\$ 29,713,356</u>
TOTAL	<u>\$ 23,657,788</u>	<u>\$ 27,025,070</u>	<u>\$ 31,434,817</u>	<u>\$ 29,713,356</u>
Covered payroll (2)	\$ 62,707,387	\$ 64,305,204	\$ 62,695,480	\$ 59,040,780
Employer's proportionate share of the net pension liability (asset) as a percentage of covered payroll	37.73%	42.03%	50.14%	50.33%
Plan fiduciary net position as a percentage of the total pension liability (asset)	63.22%	61.24%	57.03%	59.10%

Notes to Schedule:

(1) Pension schedules in the required supplementary information section are intended to show information for ten years; additional years' information will be presented as it becomes available.

(2) Covered payroll is the payroll on which contributions to a pension plan are based (GASB 82, paragraph 5).

REQUIRED SUPPLEMENTARY INFORMATION

KITSAP COUNTY, WASHINGTON

Schedule of Proportionate Share of the Net Pension Liability

PERS 2/3

As of June 30, 2018

Last 10 Fiscal Years (1)

	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>
Employer's proportion of the net pension liability (asset)	0.597089%	0.643545%	0.657055%	0.647736%
Employer's proportionate share of the net pension liability (asset)	<u>\$ 10,194,763</u>	<u>\$ 22,360,113</u>	<u>\$ 33,082,200</u>	<u>\$ 23,143,976</u>
TOTAL	<u>\$ 10,194,763</u>	<u>\$ 22,360,113</u>	<u>\$ 33,082,200</u>	<u>\$ 23,143,976</u>
Covered payroll (2)	\$ 61,704,590	\$ 63,093,134	\$ 61,485,576	\$ 57,619,857
Employer's proportionate share of the net pension liability (asset) as a percentage of covered payroll	16.52%	35.44%	53.80%	40.17%
Plan fiduciary net position as a percentage of the total pension liability (asset)	95.77%	90.97%	85.82%	89.20%

Notes to Schedule:

(1) Pension schedules in the required supplementary information section are intended to show information for ten years; additional years' information will be presented as it becomes available.

(2) Covered payroll is the payroll on which contributions to a pension plan are based (GASB 82, paragraph 5).

REQUIRED SUPPLEMENTARY INFORMATION

KITSAP COUNTY, WASHINGTON

Schedule of Proportionate Share of the Net Pension Liability

PSERS

As of June 30, 2018

Last 10 Fiscal Years (1)

	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>
Employer's proportion of the net pension liability (asset)	1.604263%	1.676029%	1.827255%	1.598298%
Employer's proportionate share of the net pension liability (asset)	<u>\$ 19,877</u>	<u>\$ 328,384</u>	<u>\$ 776,547</u>	<u>\$ 291,721</u>
TOTAL	<u>\$ 19,877</u>	<u>\$ 328,384</u>	<u>\$ 776,547</u>	<u>\$ 291,721</u>
Covered payroll (2)	\$ 6,290,845	\$ 5,934,107	\$ 5,935,170	\$ 4,373,157
Employer's proportionate share of the net pension liability (asset) as a percentage of covered payroll	0.32%	5.53%	13.08%	6.67%
Plan fiduciary net position as a percentage of the total pension liability (asset)	99.79%	96.26%	90.41%	95.08%

Notes to Schedule:

(1) Pension schedules in the required supplementary information section are intended to show information for ten years; additional years' information will be presented as it becomes available.

(2) Covered payroll is the payroll on which contributions to a pension plan are based (GASB 82, paragraph 5).

REQUIRED SUPPLEMENTARY INFORMATION

KITSAP COUNTY, WASHINGTON

Schedule of Proportionate Share of the Net Pension Liability

LEOFF 1

As of June 30, 2018

Last 10 Fiscal Years (1)

	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>
Employer's proportion of the net pension liability (asset)	0.070837%	0.071093%	0.071415%	0.072079%
Employer's proportionate share of the net pension liability (asset)	\$ (1,286,047)	\$ (1,078,637)	\$ (735,779)	\$ (868,711)
State's proportionate share of the net pension liability (asset) associated with the employer	\$ (8,698,791)	\$ (7,295,875)	\$ (4,976,789)	\$ (5,875,940)
TOTAL	<u>\$ (9,984,839)</u>	<u>\$ (8,374,513)</u>	<u>\$ (5,712,568)</u>	<u>\$ (6,744,651)</u>
Covered payroll (2)	\$ -	\$ -	\$ -	\$ -
Employer's proportionate share of the net pension liability (asset) as a percentage of covered payroll	N/A	N/A	N/A	N/A
Plan fiduciary net position as a percentage of the total pension liability (asset)	144.42%	135.96%	123.74%	127.36%

Notes to Schedule:

- (1) Pension schedules in the required supplementary information section are intended to show information for ten years; additional years' information will be presented as it becomes available.
- (2) Covered payroll is the payroll on which contributions to a pension plan are based (GASB 82, paragraph 5). There were no employer contributions to the LEOFF 1 plan in 2016.

REQUIRED SUPPLEMENTARY INFORMATION

KITSAP COUNTY, WASHINGTON

Schedule of Proportionate Share of the Net Pension Liability

LEOFF 2

As of June 30, 2018

Last 10 Fiscal Years (1)

	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>
Employer's proportion of the net pension liability (asset)	0.347263%	0.345285%	0.417955%	0.313939%
Employer's proportionate share of the net pension liability (asset)	\$ (7,050,196)	\$ (4,791,437)	\$ (2,431,184)	\$ (3,226,665)
State's proportionate share of the net pension liability (asset) associated with the employer	\$ (4,564,869)	\$ (3,108,116)	\$ (1,584,955)	\$ (2,133,473)
TOTAL	<u>\$ (11,615,065)</u>	<u>\$ (7,899,553)</u>	<u>\$ (4,016,140)</u>	<u>\$ (5,360,138)</u>
Covered payroll (2)	\$ 11,477,213	\$ 10,801,139	\$ 12,662,712	\$ 9,111,737
Employer's proportionate share of the net pension liability (asset) as a percentage of covered payroll	61.43%	44.36%	19.20%	35.41%
Plan fiduciary net position as a percentage of the total pension liability (asset)	118.50%	113.36%	106.04%	111.67%

Notes to Schedule:

(1) Pension schedules in the required supplementary information section are intended to show information for ten years; additional years' information will be presented as it becomes available.

(2) Covered payroll is the payroll on which contributions to a pension plan are based (GASB 82, paragraph 5).

REQUIRED SUPPLEMENTARY INFORMATION

KITSAP COUNTY, WASHINGTON

Schedule of Employer Contributions

PERS 1 (includes UAAL)

As of December 31, 2018

Last 10 Fiscal Years (1)

	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>
Statutorily or contractually required contributions	\$ 3,603,772	\$ 3,392,413	\$ 3,373,735	\$ 3,055,274
Contributions in relation to the statutorily or contractually required contributions (3)	\$ (3,603,772)	\$ (3,392,413)	\$ (3,373,735)	\$ (3,055,274)
Contribution deficiency (excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
Covered payroll (2)	\$ 69,842,612	\$ 67,788,112	\$ 69,207,503	\$ 68,318,226
Contributions as a percentage of covered payroll	5.16%	5.00%	4.87%	4.47%

Notes to Schedule:

- (1) Pension schedules in the required supplementary information section are intended to show information for ten years; additional years' information will be presented as it becomes available.
- (2) Covered payroll is the payroll on which contributions to a pension plan are based (GASB 82, paragraph 5).
- (3) Contributions are actual employer contributions to the plan. For PERS 1 this includes the portion of PERS 2/3 and PSERS 2 contributions that fund the PERS 1 UAAL. Contributions do not include employer-paid member contributions (GASB 82 paragraph 8).

REQUIRED SUPPLEMENTARY INFORMATION

KITSAP COUNTY, WASHINGTON

Schedule of Employer Contributions

PERS 2/3

As of December 31, 2018

Last 10 Fiscal Years (1)

	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>
Statutorily or contractually required contributions	\$ 4,700,106	\$ 4,142,885	\$ 3,882,745	\$ 3,438,475
Contributions in relation to the statutorily or contractually required contributions (3)	\$ (4,700,106)	\$ (4,142,885)	\$ (3,882,745)	\$ (3,438,475)
Contribution deficiency (excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
Covered payroll (2)	\$ 62,674,007	\$ 60,547,870	\$ 62,341,583	\$ 61,392,090
Contributions as a percentage of covered payroll	7.50%	6.84%	6.23%	5.60%

Notes to Schedule:

- (1) Pension schedules in the required supplementary information section are intended to show information for ten years; additional years' information will be presented as it becomes available.
- (2) Covered payroll is the payroll on which contributions to a pension plan are based (GASB 82, paragraph 5).
- (3) Contributions are actual employer contributions to the plan.

REQUIRED SUPPLEMENTARY INFORMATION

KITSAP COUNTY, WASHINGTON

Schedule of Employer Contributions

PSERS 2

As of December 31, 2018

Last 10 Fiscal Years (1)

	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>
Statutorily or contractually required contributions	\$ 427,655	\$ 409,592	\$ 374,944	\$ 364,844
Contributions in relation to the statutorily or contractually required contributions (3)	\$ (427,655)	\$ (409,592)	\$ (374,944)	\$ (364,844)
Contribution deficiency (excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
Covered payroll (2)	\$ 6,248,251	\$ 6,147,351	\$ 5,689,600	\$ 5,640,112
Contributions as a percentage of covered payroll	6.84%	6.66%	6.59%	6.47%

Notes to Schedule:

- (1) Pension schedules in the required supplementary information section are intended to show information for ten years; additional years' information will be presented as it becomes available.
- (2) Covered payroll is the payroll on which contributions to a pension plan are based (GASB 82, paragraph 5).
- (3) Contributions are actual employer contributions to the plan.

REQUIRED SUPPLEMENTARY INFORMATION

KITSAP COUNTY, WASHINGTON

Schedule of Employer Contributions

LEOFF 2

As of December 31, 2018

Last 10 Fiscal Years (1)

	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>
Statutorily or contractually required contributions	\$ 624,376	\$ 559,985	\$ 534,961	\$ 597,598
Contributions in relation to the statutorily or contractually required contributions (3)	\$ (624,376)	\$ (559,985)	\$ (534,961)	\$ (597,598)
Contribution deficiency (excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
Covered payroll (2)	\$ 11,893,103	\$ 10,879,823	\$ 10,593,273	\$ 11,833,541
Contributions as a percentage of covered payroll	5.25%	5.15%	5.05%	5.05%

Notes to Schedule:

- (1) Pension schedules in the required supplementary information section are intended to show information for ten years; additional years' information will be presented as it becomes available.
- (2) Covered payroll is the payroll on which contributions to a pension plan are based (GASB 82, paragraph 5).
- (3) Contributions are actual employer contributions to the plan.



Nonmajor Funds

Kitsap County Auditor | Financial Division

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KITSAP COUNTY, WASHINGTON

Non-major Governmental Funds

Special Revenue Funds

Special revenue funds are used to account for specific revenues that are legally restricted or committed to expenditure for specific purposes.

Enhanced 911 Excise Tax Fund is used to account for excise tax remittances passed through the county from the State to Kitsap 911 to help fund public safety emergency communications services in Kitsap County.

Emergency Services - A fund used to account for emergency management and planning as well as coordination with volunteer agencies to provide emergency services within Kitsap County.

Law Library - A fund used to account for the purchase of legal publications and to maintain a law library used by judges, attorneys and the public.

KPREP Fund - A fund used to account for the disaster preparedness programs within the county.

Mental Health Sales Tax fund receives funding from the 1/10th of 1% sales tax designated for Mental Health and provides funding for various mental health programs across the County.

Housing and Homelessness – A fund used to account for the County’s housing and homelessness programs, funded in part by the special fee charged on the recording of public documents recorded in the County.

Election Reserve - A fund established to accumulate revenue to be used for the purchase of election related capital outlay.

Auditor’s Document Preservation - A fund established to accumulate surcharge fees to be used for the installation and maintenance of an improved system for copying, preserving and indexing documents recorded in the County.

Housing Affordability – A fund used to account for the special fee on the recording of public documents throughout the County.

WestNET - A fund used to account for drug enforcement programs.

Boating Safety Improvement - A fund, managed by the Sheriff’s Department, to account for state and local funding of marine patrol and boating safety.

Noxious Weed Control – a fund that is used to account for the eradication and control of noxious weeds in Kitsap County.

Treasurer’s Maintenance and Operation - A revolving fund used by the County Treasurer to defray the cost of foreclosure and sale for delinquent taxes.

Electronic Technology Excise – a fund used to account for the collection of state distributed REET fund to be used exclusively for development, implementation, and maintenance of an electronic processing and reporting system for the real estate excise tax affidavits.

Veteran's Relief - A fund used to finance emergency financial assistance to veterans and their surviving spouses.

Expert Witness - A fund used to account for the funds provided to cover the costs of expert witnesses.

Board of County Commissioners Policy Group – A fund used to account for special projects that benefit the public and are funded by a combination of sources, such as contributions from citizens, community groups, and other entities.

Conservation Futures Tax - A fund used to account for the collection of taxes to be used for future conservation measures.

Community Service - A fund used to account for the collection of court fines which are used to support the community service program.

Kitsap County Stadium - A fund used to account for the local motel/hotel transient tax.

Kitsap County Fair – Used to account for activity related to the annual fair.

Inmate Welfare Fund - A fund used to account for the monies from the Jail Commissary.

SIU Revenue - A fund used to finance special investigations by the Sheriff's Office.

Kitsap S.A.I.V.S - A fund used to finance the investigations of domestic and sexual abuse and provide services to the Victims.

Anti-profiteering Revolving - A revolving fund used to account for the crime investigation by the Prosecutor's Office.

Family Court Services - A fund used to account for a program to assist the minor children of parties involved in domestic relation litigation.

Trial Court Improvement Fund – The fund is used to receive fees from civil lawsuits in District and Superior courts and the funds are used to fund improvements to Superior and District Court staffing, programs, facilities, and services.

Public Defense Funding – The fund used to account for public defense funding as well as the costs associated with the program.

Pooling Fees - A fund used to account for the revenues and expenditures of the Treasurer's investment pool operations.

GMA Park Impact Fees - A fund used to account for the development impact fees that are restricted to park development.

County Parks Acquisition & Development - A fund used to account for monies used for the acquisition and development of County parks.

USDOJ BJA JAG – A grants fund that is used to account for activities of US Department of Justice Bureau of Justice Assistance grants.

Point No Point Lighthouse – A fund used to account for monies received for rentals of the Point No Point Lighthouse as well as recording expenditures of maintaining it.

Crime Prevention - A fund established to accumulate funding for use by the K-9/Crime Prevention unit.

Regional Septic Loans Program Fund – This fund is used to record activity of the Regional Septic Loan program.

Recovery Center - A fund used to account for the operation of the substance abuse rehabilitation facility.

Dispute Resolution Center - A fund used to account for the operation of a family dispute resolution center.

CDBG Entitlement - A fund used to account for the Community Development Block Grant.

Home Entitlement – This fund is to account for the Home Entitlement Grant.

Kitsap Abatement Fund – The fund used to record activity of the nuisance abatement program operated by the Community Development Department.

Community Development – The fund used to record activity of the Community Development department.

Long Lake Management District #3 – A fund used to account for the activities of the Long Lake Management District. The District is responsible for management of water quality issues and is funded through assessments from property owners within the district's boundaries.

Jail & Juvenile Sales Tax – A fund used to account for the special sales tax for the jail expansion and the construction of the new Juvenile facility

Service Area 1 Road Impact Fee – A fund used to account for activities in the service area number 1.

Service Area 2 Road Impact Fee – A fund used to account for activities in the service area number 2.

Service Area 3 Road Impact Fee – A fund used to account for activities in the service area number 3.

Service Area 4 Road Impact Fee – A fund used to account for activities in the service area number 4.

Regional Service Area Impact - A fund used to account for activities in the regional service area.

PEG Fund – A fund established to account for funds collected and disbursed for the purpose of securing equipment and facilities for the Public Access and Government Education Television facility.

Mental Health Fund – A fund used to account for funding and activity of the mental health program excluding Medicaid and other major aid programs.

Developmental Disabilities - A fund used to account for the County’s developmental disabilities program.

Substance Abuse Treatment - A fund used to account for the county’s substance abuse treatment program.

Youth Services / Juvenile – A fund used to account for private donations received for the purpose of paying for specific needs of youth serviced by the Juvenile Department.

Mental Health Non-Medicaid fund – The fund used to account for funding and activity of state mental health funding

Commute Trip Reduction - A fund used to account for the funding of reducing the number of employee commute trips.

Area Agency on Aging - A fund used to account for the funding of the senior citizens’ program.

JTPA Administration - A fund used to account for uses of the Job Training Partnership Act funding.

Employment Training – A fund used to account for activities of the new Employment Training program.

Kitsap Regional Coordinating Council - A fund used to account for various grant programs.

ARRA EECBG – A fund used to account for activity of the Conservation Grant Program.

Capital Projects Funds

Capital projects funds are used to account for the acquisition and construction of major capital facilities other than those financed by proprietary funds and trust funds.

Bethel Corridor Development Project – Established for the purpose of accounting for financial resources and expenditures related to the Bethel Corridor Development capital project for improvements on Bethel Road.

KC LTGO 2010 Bond Project – This fund is used to account for projects funded by the 2010 GO Bonds.

Poplars Capital Projects – This fund records all activity related to the Poplars property.

Courthouse Project Fund - A fund used to account for the refurbishment or replacement of the county's Courthouse.

Silverdale Projects Fund – The fund used to account for capital projects related to the proposed Silverdale Community Center.

Parks Capital Improvement - A fund used to account for various park improvement projects.

Jail Construction - A fund used to account for the expansion of current County Jail building.

KC Capital Project 2001 - A fund used to account for the refunding of certain Limited Term General Obligation Bonds, Public Works Annex and open space acquisitions.

KC Admin Building Project – A fund used to account for the construction of the county's administrative building.

2006 LTGO Bond Projects – A fund used to account for the several capital projects including remodel of the Public Works Building, Parks Improvements, Court House remodel and future Morgue.

Debt Service Funds

KC LTGO 2010 Bonds – This fund is used to account for service of debt associated with the Kitsap County Limited Term General Obligation 2010 Bond issues.

KC LTGO 2011 Refunding – This fund is used to account for service of debt associated with the Kitsap County Limited Term General Obligation 2011 Refunding Bond issues.

LTGO Bond Fund '99B - A fund used to account for the service of debt associated with the financing of the acquisition of new technology systems for 911 communications, making energy system improvements, and refunding bonds.

KC LTGO 2015 Refunding – A fund used to account for the service of debt associated with the Kitsap County Limited Term General Obligation 2015 Refunding Bond issues.

LTGO Bond Fund 2002A PFD - A fund used to account for the service of debt associated with the financing of improvements to the Kitsap Special Events Center and construction of Kitsap Regional Conference Center.

Road Improvement Guaranty - A fund established by the RCW 36.88.220 to guarantee the payment of Road Improvement District Bonds and Warrants.

KITSAP COUNTY, WASHINGTON

Combining Balance Sheet
 Nonmajor Governmental Funds
 December 31, 2018

	Special Revenue Funds				
	Enhanced 911	Emergency	Law	KPREP	Mental
	Excise Tax 103	Services 104	Library 105	Fund 106	Health Sales Tax 107
ASSETS					
Cash and Cash equivalents	\$ -	\$ -	\$ 137,655	\$ -	\$ 8,110,908
Investments	-	11	-	-	-
Receivables(net)	-	-	-	-	-
Property taxes	-	-	-	-	-
Sales taxes	1,348,532	-	-	-	930,044
Special assessments	-	-	-	-	-
Accounts	-	-	-	-	-
Notes/Contracts	-	-	-	-	-
Others	-	-	-	-	-
Due from other funds	-	-	-	-	-
Due from other governments	-	126,424	-	103,953	-
Interfund loan receivable	-	-	-	-	-
Prepayments	-	-	-	-	-
Advance to other funds	-	-	-	-	-
Total assets	\$ 1,348,532	\$ 126,435	\$ 137,655	\$ 103,953	\$ 9,040,952
DEFERRED OUTFLOWS	-	-	-	-	-
Total assets and deferred outflows	\$ 1,348,532	\$ 126,435	\$ 137,655	\$ 103,953	\$ 9,040,952
LIABILITIES AND FUND BALANCES					
Liabilities					
Accounts payable	-	91,527	3,031	22,714	406,366
Due to other funds	-	28	-	-	106,239
Due to other governments	1,348,532	-	-	-	-
Other liabilities	-	80,073	-	125,928	3,444
Advance from other fund	-	-	-	-	-
Revenues collected in advance	-	-	-	-	-
Unearned revenues	-	-	-	-	-
Interfund loan payable	-	-	-	-	-
Other long term liabilities	-	-	-	-	-
Total Liabilities	1,348,532	171,628	3,031	148,642	516,048
DEFERRED INFLOWS (Note 15)	-	-	-	-	-
Fund balances					
Nonspendable	-	-	-	-	-
Restricted	-	-	134,624	-	8,524,904
Committed	-	-	-	-	-
Assigned	-	-	-	-	-
Unassigned	-	(45,193)	-	(44,689)	-
Total Fund Balance	-	(45,193)	134,624	(44,689)	8,524,904
Total liabilities, deferred inflows & fund balances	\$ 1,348,532	\$ 126,435	\$ 137,655	\$ 103,953	\$ 9,040,952

Special Revenue Funds

Homeless Housing 109	Election Reserve 111	Aud. Doc. Preservation 112	Housing Affordability 113	Westnet 114	Boating Safety Improvement 117	Noxious Weed Control 120	Treasurer's M&O 121
103,664	\$ 121,041	\$ 275,220	\$ 3,447,936	\$ 61,933	\$ 44,453	\$ 341,415	\$ 4,396
-	-	-	-	136,548	142,716	-	575,049
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
-	-	-	-	-	-	7,816	-
-	-	-	-	-	-	-	-
-	126,583	-	-	-	-	-	-
-	25,647	-	122,711	-	-	17,610	-
-	-	-	-	-	-	-	-
-	-	243	-	-	-	-	-
-	-	-	-	-	-	-	-
<u>\$ 103,664</u>	<u>\$ 273,270</u>	<u>\$ 275,463</u>	<u>\$ 3,570,647</u>	<u>\$ 198,481</u>	<u>\$ 187,169</u>	<u>\$ 366,842</u>	<u>\$ 579,445</u>
-	-	-	-	-	-	-	-
<u>\$ 103,664</u>	<u>\$ 273,270</u>	<u>\$ 275,463</u>	<u>\$ 3,570,647</u>	<u>\$ 198,481</u>	<u>\$ 187,169</u>	<u>\$ 366,842</u>	<u>\$ 579,445</u>
67	183	236	361,698	6,140	214	9,593	483
7	-	1,461	5	3,603	2,237	588	-
-	-	-	-	-	-	-	-
2,718	-	733	3,826	2,402	-	4,393	-
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
<u>2,792</u>	<u>183</u>	<u>2,430</u>	<u>365,528</u>	<u>12,146</u>	<u>2,451</u>	<u>14,574</u>	<u>483</u>
-	-	-	-	-	-	7,816	-
-	-	-	-	-	-	-	-
100,872	273,088	273,033	3,205,119	106,211	184,718	344,452	578,962
-	-	-	-	80,124	-	-	-
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
<u>100,872</u>	<u>273,088</u>	<u>273,033</u>	<u>3,205,119</u>	<u>186,335</u>	<u>184,718</u>	<u>344,452</u>	<u>578,962</u>
<u>\$ 103,664</u>	<u>\$ 273,270</u>	<u>\$ 275,463</u>	<u>\$ 3,570,647</u>	<u>\$ 198,481</u>	<u>\$ 187,169</u>	<u>\$ 366,842</u>	<u>\$ 579,445</u>

KITSAP COUNTY, WASHINGTON

Combining Balance Sheet
 Nonmajor Governmental Funds
 December 31, 2018

	Special Revenue Funds				
	Electronic Technology Excise 123	Veteran's Relief 124	Expert Witness 125	BOCC Policy Group 128	Conservation Futures Tax 129
ASSETS					
Cash and Cash equivalents	\$ 224,852	\$ 242,625	\$ 83,621	\$ 5,908	\$ 1,546,140
Investments	183,214	96,726	-	-	393,890
Receivables(net)	-	-	-	-	-
Property taxes	-	10,085	-	-	35,961
Sales taxes	2,872	214	-	-	613
Special assessments	-	-	-	-	-
Accounts	-	-	-	-	-
Notes/Contracts	-	-	-	-	-
Others	-	-	-	-	-
Due from other funds	-	6	-	1,211	-
Due from other governments	-	-	-	-	-
Interfund loan receivable	-	-	-	-	-
Prepayments	-	-	-	-	-
Advance to other funds	-	-	-	-	-
Total assets	\$ 410,937	\$ 349,656	\$ 83,621	\$ 7,119	\$ 1,976,604
DEFERRED OUTFLOWS					
	-	-	-	-	-
Total assets and deferred outflows	\$ 410,937	\$ 349,656	\$ 83,621	\$ 7,119	\$ 1,976,604
LIABILITIES AND FUND BALANCES					
Liabilities					
Accounts payable	-	30,933	3,200	-	-
Due to other funds	-	4	-	-	-
Due to other governments	-	-	-	-	-
Other liabilities	-	1,387	-	-	-
Advance from other fund	-	-	-	-	-
Revenues collected in advance	-	-	-	-	-
Unearned revenues	-	-	-	-	-
Interfund loan payable	-	-	-	-	-
Other long term liabilities	-	-	-	-	-
Total Liabilities	-	32,323	3,200	-	-
DEFERRED INFLOWS (Note 15)					
	-	10,085	-	-	35,961
Fund balances					
Nonspendable	-	-	-	-	-
Restricted	410,937	307,248	-	7,119	1,940,643
Committed	-	-	80,421	-	-
Assigned	-	-	-	-	-
Unassigned	-	-	-	-	-
Total Fund Balance	410,937	307,248	80,421	7,119	1,940,643
Total liabilities, deferred inflows & fund balances	\$ 410,937	\$ 349,656	\$ 83,621	\$ 7,119	\$ 1,976,604

Special Revenue Funds

Community Service 130	Kitsap County Stadium 132	Kitsap County Fair 133	Inmate Welfare Fund 135	SIU Revenue 136	Kitsap S.A.I.V.S 139	Anti-Profitteering Revolving 141	Family Court Services 142
\$ 104,394	\$ 682,152	\$ 86,166	\$ 368,264	\$ 20,947	\$ 33,613	\$ 22,524	\$ 57,840
-	-	59,981	-	606,232	-	-	-
-	-	-	-	-	-	-	-
-	84,412	-	-	-	-	-	-
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
33,430	-	-	-	-	-	-	-
-	-	-	-	-	4,392	-	-
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
<u>\$ 137,825</u>	<u>\$ 766,564</u>	<u>\$ 146,147</u>	<u>\$ 368,264</u>	<u>\$ 627,179</u>	<u>\$ 38,006</u>	<u>\$ 22,524</u>	<u>\$ 57,840</u>
-	-	-	-	-	-	-	-
<u>\$ 137,825</u>	<u>\$ 766,564</u>	<u>\$ 146,147</u>	<u>\$ 368,264</u>	<u>\$ 627,179</u>	<u>\$ 38,006</u>	<u>\$ 22,524</u>	<u>\$ 57,840</u>
-	58,779	-	8,595	2,472	545	-	-
10	-	-	-	326	-	-	-
-	-	-	-	-	-	-	-
4,334	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
-	-	-	-	-	-	2,401	-
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
<u>4,344</u>	<u>58,779</u>	<u>-</u>	<u>8,595</u>	<u>2,799</u>	<u>545</u>	<u>2,401</u>	<u>-</u>
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
-	707,785	-	359,669	624,381	37,461	20,123	57,840
133,481	-	146,147	-	-	-	-	-
-	-	-	-	-	-	-	-
<u>133,481</u>	<u>707,785</u>	<u>146,147</u>	<u>359,669</u>	<u>624,381</u>	<u>37,461</u>	<u>20,123</u>	<u>57,840</u>
<u>\$ 137,825</u>	<u>\$ 766,564</u>	<u>\$ 146,147</u>	<u>\$ 368,264</u>	<u>\$ 627,179</u>	<u>\$ 38,006</u>	<u>\$ 22,524</u>	<u>\$ 57,840</u>

KITSAP COUNTY, WASHINGTON

Combining Balance Sheet
 Nonmajor Governmental Funds
 December 31, 2018

	Special Revenue Funds				
	Trial Court Improvement 143	Public Defense Funding 144	Pooling Fees 145	GMA Park Impact Fees 146	Parks Facilities Maint 150
ASSETS					
Cash and Cash equivalents	\$ 152,111	\$ -	\$ 1,192,793	\$ 376,746	\$ 410,224
Investments	-	-	-	-	109,899
Receivables(net)	-	-	-	-	-
Property taxes	-	-	-	-	-
Sales taxes	-	-	-	-	-
Special assessments	-	-	-	-	-
Accounts	-	-	-	-	-
Notes/Contracts	-	-	-	-	-
Others	-	-	-	-	7,787
Due from other funds	-	-	-	-	-
Due from other governments	-	-	-	-	574
Interfund loan receivable	-	-	-	-	-
Prepayments	-	-	-	-	-
Advance to other funds	-	-	-	-	-
Total assets	\$ 152,111	\$ -	\$ 1,192,793	\$ 376,746	\$ 528,484
DEFERRED OUTFLOWS					
	-	-	-	-	-
Total assets and deferred outflows	\$ 152,111	\$ -	\$ 1,192,793	\$ 376,746	\$ 528,484
LIABILITIES AND FUND BALANCES					
Liabilities					
Accounts payable	-	-	9,907	-	20,516
Due to other funds	-	-	10	-	1,758
Due to other governments	-	-	-	-	-
Other liabilities	-	-	4,064	-	-
Advance from other fund	-	-	-	-	-
Revenues collected in advance	-	-	-	-	2,468
Unearned revenues	-	-	-	-	-
Interfund loan payable	-	-	-	-	-
Other long term liabilities	-	-	-	-	-
Total Liabilities	-	-	13,981	-	24,742
DEFERRED INFLOWS (Note 15)					
	-	-	-	-	-
Fund Balances					
Nonspendable	-	-	-	-	-
Restricted	152,111	-	1,178,812	376,746	-
Committed	-	-	-	-	503,742
Assigned	-	-	-	-	-
Unassigned	-	-	-	-	-
Total Fund Balance	152,111	-	1,178,812	376,746	503,742
Total liabilities, deferred inflows & fund balances	\$ 152,111	\$ -	\$ 1,192,793	\$ 376,746	\$ 528,484

Special Revenue Funds

USDOJ BJA JAG Grant 152	Pt No Point Lighthouse 155	Crime Prevention 159	Regional Septic Loans Prog 161	Recovery Center 162	Dispute Resolution Center 163	CDBG Entitlement 164	Home Entitlement 166
\$ -	\$ 16,566	\$ 55,675	\$ 97	\$ 300,325	\$ 12,014	\$ 200,561	\$ 466,244
-	7,353	76,171	-	742,771	-	9,322	10
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
-	-	-	-	-	-	300,000	3,783,482
-	-	-	-	-	-	-	1,932
-	-	-	-	128,151	-	2,534	-
-	-	-	-	30,826	-	175,450	-
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
<u>\$ -</u>	<u>\$ 23,919</u>	<u>\$ 131,846</u>	<u>\$ 97</u>	<u>\$ 1,202,073</u>	<u>\$ 12,014</u>	<u>\$ 687,867</u>	<u>\$ 4,251,669</u>
-	-	-	-	-	-	-	-
<u>\$ -</u>	<u>\$ 23,919</u>	<u>\$ 131,846</u>	<u>\$ 97</u>	<u>\$ 1,202,073</u>	<u>\$ 12,014</u>	<u>\$ 687,867</u>	<u>\$ 4,251,669</u>
-	1,565	351	-	9,623	2,345	152,991	-
-	-	-	-	473	-	18	2,534
-	-	-	-	-	-	-	-
-	-	-	-	47,577	-	7,565	-
-	-	-	-	-	-	200,000	50,000
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
-	1,565	351	-	57,672	2,345	360,574	52,534
-	-	-	-	-	-	300,000	3,783,482
-	-	-	-	-	-	-	-
-	22,354	-	97	1,144,400	9,669	27,293	415,653
-	-	131,495	-	-	-	-	-
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
-	22,354	131,495	97	1,144,400	9,669	27,293	415,653
<u>\$ -</u>	<u>\$ 23,919</u>	<u>\$ 131,846</u>	<u>\$ 97</u>	<u>\$ 1,202,073</u>	<u>\$ 12,014</u>	<u>\$ 687,867</u>	<u>\$ 4,251,669</u>

KITSAP COUNTY, WASHINGTON

Combining Balance Sheet
 Nonmajor Governmental Funds
 December 31, 2018

	Special Revenue Funds				
	Kitsap	Community	Long Lake	Jail &	Service Area 1
	Abatement 167	Development 168	Manage #3 169	Juvenile Sales Tax 171	Rd Impact Fee 173
ASSETS					
Cash and Cash equivalents	\$ 122,923	\$ 5,751,682	\$ 115,369	\$ 2,672,841	\$ 914,256
Investments	-	-	-	-	53,786
Receivables(net)	-	-	-	-	-
Property taxes	-	-	-	-	-
Sales taxes	-	-	-	930,617	-
Special assessments	-	-	-	-	-
Accounts	-	-	-	-	-
Notes/Contracts	-	-	-	-	-
Others	-	29,571	-	-	-
Due from other funds	4,226	134,187	-	-	-
Due from other governments	-	91,868	-	-	-
Interfund loan receivable	-	-	-	-	-
Prepayments	-	-	-	-	-
Advance to other funds	-	-	-	-	-
Total assets	\$ 127,149	\$ 6,007,308	\$ 115,369	\$ 3,603,459	\$ 968,042
DEFERRED OUTFLOWS					
	-	-	-	-	-
Total assets and deferred outflows	\$ 127,149	\$ 6,007,308	\$ 115,369	\$ 3,603,459	\$ 968,042
LIABILITIES AND FUND BALANCES					
Liabilities					
Accounts payable	97	24,165	-	-	-
Due to other funds	1	21,585	-	-	100,218
Due to other governments	-	9,800	-	-	-
Other liabilities	205	158,265	-	-	-
Advance from other fund	-	-	-	-	-
Revenues collected in advance	-	12,151	-	-	-
Unearned revenues	-	-	-	-	-
Interfund loan payable	-	-	-	-	-
Other long term liabilities	-	-	-	-	-
Total Liabilities	303	225,966		-	100,218
DEFERRED INFLOWS (Note 15)					
	-	-	-	-	-
Fund Balances:					
Nonspendable	-	-	-	-	-
Restricted	-	-	115,369	3,603,459	867,824
Committed	126,846	5,781,342	-	-	-
Assigned	-	-	-	-	-
Unassigned	-	-	-	-	-
Total Fund Balance	126,846	5,781,342	115,369	3,603,459	867,824
Total liabilities, deferred inflows & fund balances	\$ 127,149	\$ 6,007,308	115,369	\$ 3,603,459	\$ 968,042

Special Revenue Funds

Service Area 2 Rd Impact Fee 174	Service Area 3 Rd Impact Fee 175	Service Area 4 Rd Impact Fee 176	Regional Service Area Impact 177	PEG Fund 179	Mental Health 181	Developmental Disabilities 182	Substance Abuse 183
\$ 857,343	\$ 139,354	\$ 384,510	\$ 101,743	\$ 85,366	\$ 587,088	\$ 1,732,199	\$ 106,771
139,395	9,194	108,375	110,909	-	762,264	-	-
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	1,873
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
-	-	-	255,725	-	9,017	-	36
-	-	-	-	-	-	276,815	35,690
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
<u>\$ 996,739</u>	<u>\$ 148,548</u>	<u>\$ 492,884</u>	<u>\$ 468,377</u>	<u>\$ 85,366</u>	<u>\$ 1,358,369</u>	<u>\$ 2,009,014</u>	<u>\$ 144,370</u>
-	-	-	-	-	-	-	-
<u>\$ 996,739</u>	<u>\$ 148,548</u>	<u>\$ 492,884</u>	<u>\$ 468,377</u>	<u>\$ 85,366</u>	<u>\$ 1,358,369</u>	<u>\$ 2,009,014</u>	<u>\$ 144,370</u>
-	-	-	-	175	-	322,689	1,406
94,838	13,392	47,276	-	-	-	16	40,970
-	-	-	-	-	-	481,527	-
-	-	-	-	-	-	5,828	6,248
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
<u>94,838</u>	<u>13,392</u>	<u>47,276</u>	<u>-</u>	<u>175</u>	<u>-</u>	<u>810,059</u>	<u>48,625</u>
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
901,900	135,155	445,608	468,377	-	1,358,369	1,198,954	95,746
-	-	-	-	85,191	-	-	-
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
<u>901,900</u>	<u>135,155</u>	<u>445,608</u>	<u>468,377</u>	<u>85,191</u>	<u>1,358,369</u>	<u>1,198,954</u>	<u>95,746</u>
<u>\$ 996,739</u>	<u>\$ 148,548</u>	<u>\$ 492,884</u>	<u>\$ 468,377</u>	<u>\$ 85,366</u>	<u>\$ 1,358,369</u>	<u>\$ 2,009,014</u>	<u>\$ 144,370</u>

KITSAP COUNTY, WASHINGTON

Combining Balance Sheet
 Nonmajor Governmental Funds
 December 31, 2018

	Special Revenue Funds				
	Youth Services	Mental Health	Commute	Area	JTPA
	Juvenile 185	Non-medicaid 188	Trip Reduct 189	Agency On Aging 190	Administration 191
ASSETS					
Cash and Cash equivalents	\$ 54,574	\$ 3,361,260	\$ 160,324	\$ 1,080,699	\$ 22,303
Investments	-	592,748	-	-	-
Receivables(net)	-	-	-	-	-
Property taxes	-	-	-	-	-
Sales taxes	-	-	-	-	-
Special assessments	-	-	-	-	-
Accounts	-	-	-	-	-
Notes/Contracts	-	-	-	-	-
Others	-	-	-	-	-
Due from other funds	-	-	-	9,119	600
Due from other governments	-	469,411	-	703,204	470,590
Interfund loan receivable	-	-	-	-	-
Prepayments	-	-	-	-	-
Advance to other funds	-	-	-	-	-
Total assets	\$ 54,574	\$ 4,423,419	\$ 160,324	\$ 1,793,022	\$ 493,492
DEFERRED OUTFLOWS	-	-	-	-	-
Total assets and deferred outflows	\$ 54,574	\$ 4,423,419	\$ 160,324	\$ 1,793,022	\$ 493,492
LIABILITIES AND FUND BALANCES					
Liabilities					
Accounts payable	158	527,452	700	146,692	454,781
Due to other funds	-	16,364	111	178	23
Due to other governments	-	-	-	561,036	-
Other liabilities	-	-	-	76,814	8,689
Advance from other fund	-	-	-	-	30,000
Revenues collected in advance	-	-	-	-	-
Unearned revenues	-	-	-	-	-
Interfund loan payable	-	-	-	-	-
Other long term liabilities	-	-	-	-	-
Total Liabilities	158	543,816	811	784,720	493,492
DEFERRED INFLOWS (Note 15)	-	-	-	-	-
Fund balances					
Nonspendable	-	-	-	-	-
Restricted	54,416	3,879,603	-	1,008,302	-
Committed	-	-	159,513	-	-
Assigned	-	-	-	-	-
Unassigned	-	-	-	-	-
Total Fund Balance	54,416	3,879,603	159,513	1,008,302	-
Total liabilities, deferred inflows & fund balances	\$ 54,574	\$ 4,423,419	\$ 160,324	\$ 1,793,022	\$ 493,492

Special Revenue Funds				Capital Project Funds			
Employment Training 192	Kitsap Regional Coord Council 193	ARRA EECBG 195	Total Special Revenue Funds	Bethel Corridor Dev Proj 333	KC LTGO 2010 335	Poplars Cap Proj 336	Courthouse Project Fund 339
\$ 89,626	\$ 58,418	\$ 8,658	\$ 37,718,331	\$ 63,558	\$ 1,763	\$ 537,257	\$ 7,870
-	-	-	4,916,563	-	-	-	-
-	-	-	-	-	-	-	-
-	-	-	46,045	-	-	-	-
-	-	-	3,299,177	-	-	-	-
-	-	-	-	-	-	-	-
-	-	-	7,816	-	-	-	-
-	-	-	4,083,482	-	-	-	-
-	-	-	39,290	-	-	15,200	-
-	-	-	704,825	-	-	-	-
-	-	-	2,655,166	-	-	-	-
-	-	-	-	-	-	-	-
-	-	-	243	-	-	-	-
-	-	-	-	-	-	-	-
<u>\$ 89,626</u>	<u>\$ 58,418</u>	<u>\$ 8,658</u>	<u>\$ 53,470,939</u>	<u>\$ 63,558</u>	<u>\$ 1,763</u>	<u>\$ 552,457</u>	<u>\$ 7,870</u>
-	-	-	-	-	-	-	-
<u>\$ 89,626</u>	<u>\$ 58,418</u>	<u>\$ 8,658</u>	<u>\$ 53,470,939</u>	<u>\$ 63,558</u>	<u>\$ 1,763</u>	<u>\$ 552,457</u>	<u>\$ 7,870</u>
-	28,996	-	2,711,386	-	-	17,238	-
-	-	-	454,272	-	-	-	-
-	-	-	2,400,895	-	-	-	-
-	-	-	544,492	-	-	-	-
-	-	-	280,000	-	-	-	-
-	-	-	17,020	-	-	-	-
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
-	-	-	-	-	-	5,022	-
-	28,996	-	6,408,064	-	-	22,260	-
-	-	-	4,137,344	-	-	-	-
-	-	-	-	-	-	-	-
89,626	-	8,658	35,757,689	63,558	1,763	530,197	7,870
-	29,422	-	7,257,725	-	-	-	-
-	-	-	-	-	-	-	-
-	-	-	(89,882)	-	-	-	-
<u>89,626</u>	<u>29,422</u>	<u>8,658</u>	<u>42,925,531</u>	<u>63,558</u>	<u>1,763</u>	<u>530,197</u>	<u>7,870</u>
<u>\$ 89,626</u>	<u>\$ 58,418</u>	<u>\$ 8,658</u>	<u>\$ 53,470,939</u>	<u>\$ 63,558</u>	<u>\$ 1,763</u>	<u>\$ 552,457</u>	<u>\$ 7,870</u>

KITSAP COUNTY, WASHINGTON

Combining Balance Sheet
 Nonmajor Governmental Funds
 December 31, 2018

	Capital Project Funds				
	Silverdale	Parks Capital	Jail	KC Capital	Administrative
	Projects 363	Improvement 382	Construction 383	Project 2001 384	Building 387
ASSETS					
Cash and Cash equivalents	\$ 91,927	\$ 480,534	\$ 2,835	\$ -	\$ 193,756
Investments	-	1,055,403	-	221,115	169,068
Receivables(net)	-	-	-	-	-
Property taxes	-	-	-	-	-
Sales taxes	-	-	-	-	-
Special assessments	-	-	-	-	-
Accounts	-	-	-	-	-
Notes/Contracts	-	1,700,246	-	-	-
Others	-	-	-	-	-
Due from other funds	-	-	-	-	-
Due from other governments	-	-	-	-	-
Interfund loan receivable	-	-	-	-	-
Prepayments	-	-	-	-	-
Advance to other funds	-	-	-	-	-
Total assets	\$ 91,927	\$ 3,236,183	\$ 2,835	\$ 221,115	\$ 362,824
DEFERRED OUTFLOWS					
	-	-	-	-	-
Total assets and deferred outflows	\$ 91,927	\$ 3,236,183	\$ 2,835	\$ 221,115	\$ 362,824
LIABILITIES AND FUND BALANCES					
Liabilities					
Accounts payable	-	17,257	-	-	-
Due to other funds	-	500	-	-	-
Due to other governments	-	-	-	-	-
Other liabilities	-	-	-	-	-
Advance from other fund	-	-	-	-	-
Revenues collected in advance	-	-	-	-	-
Unearned revenues	-	-	-	-	-
Interfund loan payable	-	-	-	-	-
Other long term liabilities	-	-	-	-	-
Total Liabilities	-	17,757	-	-	-
DEFERRED INFLOWS (Note 15)					
	-	1,700,246	-	-	-
Fund balances					
Nonspendable	-	-	-	-	-
Restricted	91,927	1,518,180	2,835	221,115	362,824
Committed	-	-	-	-	-
Assigned	-	-	-	-	-
Unassigned	-	-	-	-	-
Total fund balance	91,927	1,518,180	2,835	221,115	362,824
Total liabilities, deferred inflows & fund balances	\$ 91,927	\$ 3,236,183	\$ 2,835	\$ 221,115	\$ 362,824

Debt Service Funds						
2006 LTGO Bond Project 392	Total Capital Project Funds	KC LTGO 2010 235	KC LTGO 2011 Refund 236	G.O. Bonds refunding 2015 238	K.C. G.O. Bonds 1999 B 282	G.O. Bond 2002A 286
\$ 2,711	\$ 1,382,211	\$ 145,888	\$ 106,047	\$ 4	\$ -	\$ 70,105
-	1,445,586	-	-	-	-	251,250
-	-	-	-	-	-	-
-	-	-	-	-	-	-
-	-	-	-	-	-	-
-	-	-	-	-	-	-
-	1,700,246	-	-	-	105,000	5,795,000
-	15,200	-	-	-	-	-
-	-	-	-	-	-	-
-	-	-	-	-	-	-
-	-	-	-	-	-	-
-	-	-	-	-	-	-
-	-	-	-	-	-	-
<u>\$ 2,711</u>	<u>\$ 4,543,243</u>	<u>\$ 145,888</u>	<u>\$ 106,047</u>	<u>\$ 4</u>	<u>\$ 105,000</u>	<u>\$ 6,116,355</u>
-	-	-	-	-	-	-
<u>\$ 2,711</u>	<u>\$ 4,543,243</u>	<u>\$ 145,888</u>	<u>\$ 106,047</u>	<u>\$ 4</u>	<u>\$ 105,000</u>	<u>\$ 6,116,355</u>
-	34,495	-	-	-	-	-
-	500	-	-	-	-	-
-	-	-	-	-	-	-
-	-	-	-	-	-	-
-	-	-	-	-	-	-
-	-	-	-	-	-	-
-	-	-	-	-	-	-
-	5,022	-	-	-	-	250,000
-	40,017	-	-	-	-	250,000
-	1,700,246	-	-	-	-	-
-	-	-	-	-	105,000	5,795,000
2,711	2,802,980	145,888	106,047	4	-	71,355
-	-	-	-	-	-	-
-	-	-	-	-	-	-
-	-	-	-	-	-	-
<u>2,711</u>	<u>2,802,980</u>	<u>145,888</u>	<u>106,047</u>	<u>4</u>	<u>105,000</u>	<u>5,866,355</u>
<u>\$ 2,711</u>	<u>\$ 4,543,243</u>	<u>\$ 145,888</u>	<u>\$ 106,047</u>	<u>\$ 4</u>	<u>\$ 105,000</u>	<u>\$ 6,116,355</u>

Combining Balance Sheet
 Nonmajor Governmental Funds
 December 31, 2018

	Debt Service Funds		Total Nonmajor Governmental Funds
	Road Improvement Guaranty 290	Total Debt Service Funds	
ASSETS			
Cash and Cash equivalents	\$ 2,737	\$ 324,781	\$ 39,425,322
Investments	-	251,250	6,613,400
Receivables(net)	-	-	-
Property taxes	-	-	46,045
Sales taxes	-	-	3,299,177
Special assessments	-	-	-
Accounts	-	-	7,816
Notes/Contracts	-	5,900,000	11,683,728
Others	-	-	54,490
Due from other funds	-	-	704,825
Due from other governments	-	-	2,655,166
Interfund loan receivable	-	-	-
Prepayments	-	-	243
Advance to other funds	-	-	-
Total assets	\$ 2,737	\$ 6,476,031	\$ 64,490,213
DEFERRED OUTFLOWS	-	-	-
Total assets and deferred outflows	\$ 2,737	\$ 6,476,031	\$ 64,490,213
LIABILITIES AND FUND BALANCES			
Liabilities			
Accounts payable	-	-	2,745,881
Due to other funds	-	-	454,772
Due to other governments	-	-	2,400,895
Other liabilities	-	-	544,492
Advance from other fund	-	-	280,000
Revenues collected in advance	-	-	17,020
Unearned revenues	-	-	-
Interfund loan payable	-	-	-
Other long term liabilities	-	250,000	255,022
Total Liabilities	-	250,000	6,698,081
DEFERRED INFLOWS (Note 15)	-	-	5,837,590
Fund balances			
Nonspendable	-	5,900,000	5,900,000
Restricted	2,737	326,031	38,886,700
Committed	-	-	7,257,725
Assigned	-	-	-
Unassigned	-	-	(89,882)
Total fund balance	2,737	6,226,031	51,954,542
Total liabilities, deferred inflows & fund balances	\$ 2,737	\$ 6,476,031	64,490,213

KITSAP COUNTY, WASHINGTON

Combining Statement of Revenues, Expenditures, and Changes in Fund Balances
Nonmajor Governmental Funds
For the Year Ended December 31, 2018

	Special Revenue Funds				
	911 Enhanced Excise Tax 103	Emergency Services 104	Law Library 105	KPREP Fund 106	Mental Health Sales Tax 107
REVENUES:					
Property taxes	\$ -	\$ -	\$ -	\$ -	\$ -
Retail sales & use taxes	7,771,488	-	-	-	5,216,569
Other taxes	-	-	-	-	-
Licenses and permits	-	-	-	-	-
Intergovernmental	-	378,072	-	158,360	-
Charges for services	-	-	87,366	-	-
Fines & forfeits	-	-	-	-	-
Investment earnings	-	0	-	-	-
Miscellaneous	-	2,863	343	-	-
Total revenues	7,771,488	380,935	87,709	158,360	5,216,569
EXPENDITURES:					
Current:					
General government	-	-	-	-	-
Judicial Services	-	-	95,177	-	-
Public safety	7,771,488	702,316	-	160,648	-
Physical Environment	-	-	-	-	-
Transportation	-	-	-	-	-
Health & Human Services	-	-	-	-	3,941,371
Economic Environment	-	-	-	-	-
Culture & recreation	-	-	-	-	-
Debt service	-	-	-	-	-
Principal	-	-	-	-	-
Interest and other charges	-	-	-	-	-
Capital outlay	-	-	-	-	-
Total expenditures	7,771,488	702,316	95,177	160,648	3,941,371
Excess(deficiency) of revenues over expenditures	-	(321,381)	(7,468)	(2,288)	1,275,198
OTHER FINANCING SOURCES (USES):					
Sale of capital assets	-	-	-	-	-
Transfers in	-	276,188	-	-	7,798
Transfers out	-	-	-	-	(956,667)
Total other financing sources & uses	-	276,188	-	-	(948,869)
 Net change in fund balance	 -	 (45,193)	 (7,468)	 (2,288)	 326,329
Fund balances-beginning	-	-	142,091	(42,401)	8,198,575
Prior period adjustment	-	-	-	-	-
Fund balances-ending	\$ -	\$ (45,193)	\$ 134,623	\$ (44,689)	\$ 8,524,904

Combining Statement of Revenues, Expenditures, and Changes in Fund Balances

Nonmajor Governmental Funds

For the Year Ended December 31, 2018

	Special Revenue Funds				
	Homeless Housing 109	Election Reserve 111	Auditor's Document Preserv.112	Housing Affordability 113	Westnet 114
REVENUES:					
Property taxes	\$ -	\$ -	\$ -	\$ -	\$ -
Retail sales & use taxes	-	-	-	-	-
Other taxes	-	-	-	-	-
Licenses and permits	-	-	-	-	-
Intergovernmental	-	67,626	100,314	1,349,432	15,942
Charges for services	110,044	271,827	123,716	1,997,658	-
Fines & forfeits	-	-	-	-	64,299
Investment earnings	-	-	-	-	3,583
Miscellaneous	-	-	-	-	-
Total revenues	110,044	339,453	224,030	3,347,090	83,823
EXPENDITURES:					
Current:					
General government	-	162,660	224,297	2,921,224	-
Judicial Services	-	-	-	-	-
Public safety	-	-	-	-	202,956
Physical Environment	-	-	-	-	-
Transportation	-	-	-	-	-
Health & Human Services	93,550	-	-	-	-
Economic Environment	-	-	-	-	-
Culture & recreation	-	-	-	-	-
Debt service	-	-	-	-	-
Principal	-	98,395	1,467	-	-
Interest and other charges	-	1,633	579	-	-
Capital outlay	-	11,374	-	-	-
Total expenditures	93,550	274,062	226,342	2,921,224	202,956
Excess(deficiency) of revenues over expenditures	16,495	65,391	(2,312)	425,866	(119,133)
OTHER FINANCING SOURCES (USES):					
Sale of capital assets	-	-	-	-	-
Transfers in	-	-	-	-	-
Transfers out	-	-	(59,023)	-	(23,878)
Total other financing sources & uses	-	-	(59,023)	-	(23,878)
Net change in fund balance	16,495	65,391	(61,335)	425,866	(143,011)
Fund balances-beginning	84,377	207,696	334,368	2,779,253	329,346
Prior period adjustment	-	-	-	-	-
Fund balances-ending	\$ 100,872	\$ 273,088	\$ 273,033	\$ 3,205,119	\$ 186,335

Special Revenue Funds

Boating Safety Improve.117	Noxious Weed Control 120	Treasurer's M&O 121	Electronic Technology Excise 123	Veteran's Relief 124	Expert Witness 125	BOCC Policy Group 128	Conservation Futures Tax 129
\$ -	\$ -	\$ -	\$ -	\$ 445,423	\$ -	\$ -	\$ 1,401,796
-	-	-	-	-	-	-	-
-	-	-	-	832	-	-	2,554
-	-	-	-	-	-	-	-
66,596	181,186	-	21,024	122	-	8,241	382
-	239,197	109,161	25,750	-	-	1,211	-
-	-	-	-	-	20,826	-	-
2,601	1,332	10,480	3,339	1,763	-	-	7,179
-	-	2,690	-	1,027	-	11,153	3,228
69,197	421,715	122,331	50,113	449,166	20,826	20,605	1,415,138
-	-	131,254	-	-	11,300	16,895	-
-	-	-	-	-	-	-	-
54,557	-	-	-	-	-	-	-
-	317,710	-	-	-	-	-	9,435
-	-	-	-	-	-	-	-
-	-	-	-	360,238	-	-	-
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	437,200
54,557	317,710	131,254	-	360,238	11,300	16,895	446,635
14,641	104,005	(8,924)	50,113	88,927	9,526	3,710	968,503
865	-	-	-	-	-	-	-
-	-	-	-	2,147	-	-	-
-	-	-	-	-	-	-	(1,190,272)
865	-	-	-	2,147	-	-	(1,190,272)
15,506	104,005	(8,924)	50,113	91,074	9,526	3,710	(221,769)
169,213	240,446	587,885	357,537	215,897	70,896	3,409	2,161,540
-	-	-	3,287	278	-	-	872
\$ 184,719	\$ 344,451	\$ 578,961	\$ 410,937	\$ 307,249	\$ 80,422	\$ 7,119	\$ 1,940,643

KITSAP COUNTY, WASHINGTON

Combining Statement of Revenues, Expenditures, and Changes in Fund Balances

Nonmajor Governmental Funds

For the Year Ended December 31, 2018

	Special Revenue Funds				
	Community Service 130	Kitsap County Stadium 132	Kitsap County Fair 133	Inmate Welfare Fund 135	SIU Revenue 136
REVENUES:					
Property taxes	\$ -	\$ -	\$ -	\$ -	\$ -
Retail sales & use taxes	-	586,814	-	-	-
Other taxes	-	-	-	-	-
Licenses and permits	-	-	-	-	-
Intergovernmental	-	-	-	-	-
Charges for services	108,046	-	-	-	-
Fines & forfeits	33,806	-	-	-	35,998
Investment earnings	-	-	1,095	-	11,873
Miscellaneous	-	-	182,041	272,531	-
Total revenues	141,852	586,814	183,136	272,531	47,871
EXPENDITURES:					
Current:					
General government	-	-	-	-	-
Judicial Services	-	-	-	-	-
Public safety	-	-	-	153,364	87,562
Physical Environment	-	-	-	-	-
Transportation	-	-	-	-	-
Health & Human Services	129,642	-	-	-	-
Economic Environment	-	-	-	-	-
Culture & recreation	-	465,465	115,157	-	-
Debt service					
Principal	-	-	-	-	-
Interest and other charges	-	-	-	-	-
Capital outlay	-	-	-	-	43,106
Total expenditures	129,642	465,465	115,157	153,364	130,669
Excess(deficiency) of revenues over expenditures	12,210	121,350	67,979	119,167	(82,798)
OTHER FINANCING SOURCES (USES):					
Sale of capital assets	-	-	-	-	-
Transfers in	-	-	-	-	-
Transfers out	-	(20,524)	(90,000)	-	(2,373)
Total other financing sources & uses:	-	(20,524)	(90,000)	-	(2,373)
Net change in fund balance	12,210	100,826	(22,021)	119,167	(85,171)
Fund balances-beginning	121,270	606,958	168,171	240,502	709,552
Prior period adjustment	-	-	-	-	-
Fund balances-ending	\$ 133,480	\$ 707,784	\$ 146,150	\$ 359,669	\$ 624,381

Special Revenue Funds

Kitsap SAIVS 139	Anti- Profiteering Revolving 141	Family Court Services 142	Trial Court Improvement 143	Public Defense Fd 144	Pooling Fees 145	GMA Park Impact Fees 146	Parks Facilities Maintenance 150
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
-	-	18,995	-	-	-	-	-
44,520	-	-	92,805	-	-	-	-
5,491	-	-	-	-	-	284,571	56,494
-	2,244	-	-	-	-	-	39
-	-	-	-	-	568,033	-	2,003
2,440	-	-	-	-	-	-	334,447
<u>52,451</u>	<u>2,244</u>	<u>18,995</u>	<u>92,805</u>	<u>-</u>	<u>568,033</u>	<u>284,571</u>	<u>392,982</u>
57,303	116	-	-	-	300,327	-	-
-	-	6,088	-	-	-	-	-
-	-	-	-	-	-	-	-
-	-	-	-	-	-	1,477	-
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	322,707
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	10,371
<u>57,303</u>	<u>116</u>	<u>6,088</u>	<u>-</u>	<u>-</u>	<u>300,327</u>	<u>1,477</u>	<u>333,078</u>
(4,852)	2,128	12,908	92,805	-	267,706	283,094	59,905
-	-	-	-	-	-	-	7,787
5,090	-	-	-	122,350	-	-	-
-	-	-	(99,000)	-	(1,862)	(189,259)	-
<u>5,090</u>	<u>-</u>	<u>-</u>	<u>(99,000)</u>	<u>122,350</u>	<u>(1,862)</u>	<u>(189,259)</u>	<u>7,787</u>
239	2,128	12,908	(6,195)	122,350	265,843	93,835	67,692
37,223	17,996	44,933	158,306	(122,350)	912,968	282,911	436,051
-	-	-	-	-	-	-	-
<u>\$ 37,462</u>	<u>\$ 20,124</u>	<u>\$ 57,841</u>	<u>\$ 152,111</u>	<u>\$ -</u>	<u>\$ 1,178,811</u>	<u>\$ 376,746</u>	<u>\$ 503,743</u>

KITSAP COUNTY, WASHINGTON

Combining Statement of Revenues, Expenditures, and Changes in Fund Balances

Nonmajor Governmental Funds

For the Year Ended December 31, 2018

	Special Revenue Funds				
	USDOJ BJA JAG Grant 152	Pt No Point Lighthouse 155	Crime Prevention 159	Regional Septic Loans Prog 161	Recovery Center 162
REVENUES:					
Property taxes	\$ -	\$ -	\$ -	\$ -	\$ -
Retail sales & use taxes	-	-	-	-	-
Other taxes	-	-	-	-	-
Licenses and permits	-	-	2,740	-	-
Intergovernmental	1,346	-	-	-	161,608
Charges for services	-	-	-	-	323,897
Fines & forfeits	-	-	13,251	-	-
Investment earnings	-	134	1,388	-	13,536
Miscellaneous	-	20,865	29,342	-	101,897
Total revenues	1,346	20,999	46,721	-	600,937
EXPENDITURES:					
Current:					
General government	-	-	-	-	-
Judicial Services	-	-	-	-	-
Public safety	1,346	-	15,973	-	-
Physical Environment	-	-	-	-	-
Transportation	-	-	-	-	-
Health & Human Services	-	-	-	-	2,437,738
Economic Environment	-	-	-	-	-
Culture & recreation	-	10,031	-	-	-
Debt service	-	-	-	-	-
Principal	-	-	-	-	-
Interest and other charges	-	-	-	-	-
Capital outlay	-	-	-	-	-
Total expenditures	1,346	10,031	15,973	-	2,437,738
Excess(deficiency) of revenues over expenditures	-	10,968	30,748	-	(1,836,801)
OTHER FINANCING SOURCES (USES):					
Sale of capital assets	-	-	-	-	-
Transfers in	-	-	-	-	1,750,010
Transfers out	-	-	-	-	-
Total other financing sources & uses	-	-	-	-	1,750,010
Net change in fund balance	-	10,968	30,748	-	(86,791)
Fund balances-beginning	-	11,385	100,747	97	1,231,192
Prior period adjustment	-	-	-	-	-
Fund balances-ending	\$ -	\$ 22,353	\$ 131,495	\$ 97	\$ 1,144,401

Special Revenue Funds

Dispute Resolution Center 163	CDBG Entitlement 164	Home Entitlement 166	Kitsap Abatement 167	Community Development 168	Long Lake Manage Dist 3 169	Jail & Juvenile Sale Tax 171	Service Area 1 Rd Impact Fee 173
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
-	-	-	-	-	-	5,219,982	-
-	-	-	-	-	-	-	-
-	-	-	-	6,051,965	-	-	-
-	1,131,339	533,367	-	312,891	-	-	-
36,180	-	-	27,840	1,476,834	-	-	82,402
-	-	-	-	-	-	-	-
-	170	12,820	-	-	990	-	980
-	55,268	216,013	1	417,869	91,450	-	-
36,180	1,186,777	762,200	27,841	8,259,558	92,440	5,219,982	83,382
-	-	-	-	-	-	-	-
36,458	-	-	-	-	-	-	-
-	-	-	-	-	-	38,760	-
-	-	-	3,272	324,464	60,962	-	-
-	-	-	-	-	-	-	-
-	1,168,738	560,527	-	7,042,258	-	-	-
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
-	-	-	-	-	-	600	-
-	-	-	-	12,156	-	-	-
36,458	1,168,738	560,527	3,272	7,378,879	60,962	39,360	-
(278)	18,040	201,673	24,569	880,679	31,478	5,180,622	83,382
-	-	-	-	-	-	-	-
-	8,787	-	50,000	59,023	-	-	-
-	-	-	-	(62,853)	-	(4,563,216)	-
-	8,787	-	50,000	(3,830)	-	(4,563,216)	-
(278)	26,827	201,673	74,569	876,849	31,478	617,406	83,382
9,947	467	213,979	52,277	4,904,491	83,890	2,986,053	875,198
-	-	-	-	-	-	-	(90,756)
\$ 9,669	\$ 27,294	\$ 415,652	\$ 126,846	\$ 5,781,340	\$ 115,368	\$ 3,603,459	\$ 867,824

KITSAP COUNTY, WASHINGTON

Combining Statement of Revenues, Expenditures, and Changes in Fund Balances

Nonmajor Governmental Funds

For the Year Ended December 31, 2018

	Special Revenue Funds				
	Service Area 2 Rd Impact Fee 174	Service Area 3 Rd Impact Fee 175	Service Area 4 Rd Impact Fee 176	Regional Service Area Impact 177	PEG Fund 179
REVENUES:					
Property taxes	\$ -	\$ -	\$ -	\$ -	\$ -
Retail sales & use taxes	-	-	-	-	-
Other taxes	-	-	-	-	-
Licenses and permits	-	-	-	-	-
Intergovernmental	-	-	-	-	-
Charges for services	151,458	24,814	73,407	34,007	-
Fines & forfeits	-	-	-	-	-
Investment earnings	2,541	167	1,976	2,021	-
Miscellaneous	-	-	-	-	88,375
Total revenues	153,999	24,980	75,383	36,029	88,375
EXPENDITURES:					
Current:					
General government	-	-	-	-	-
Judicial Services	-	-	-	-	-
Public safety	-	-	-	-	-
Physical Environment	-	-	-	-	-
Transportation	-	-	-	-	-
Health & Human Services	-	-	-	-	-
Economic Environment	-	-	-	-	201,015
Culture & recreation	-	-	-	-	-
Debt service	-	-	-	-	-
Principal	-	-	-	-	-
Interest and other charges	-	-	-	-	-
Capital outlay	-	-	-	-	1,090
Total expenditures	-	-	-	-	202,105
Excess(deficiency) of revenues over expenditures	153,999	24,980	75,383	36,029	(113,729)
OTHER FINANCING SOURCES (USES):					
Sale of capital assets	-	-	-	-	-
Transfers in	-	-	-	-	-
Transfers out	-	-	-	-	-
Total other financing sources & uses:	-	-	-	-	-
Net change in fund balance	153,999	24,980	75,383	36,029	(113,729)
Fund balances-beginning	827,760	121,173	410,330	210,630	198,919
Prior period adjustment	(79,859)	(10,998)	(40,105)	221,718	-
Fund balances-ending	\$ 901,900	\$ 135,155	\$ 445,608	\$ 468,376	\$ 85,190

Special Revenue Funds

Mental Health 181	Developmental Disabilities 182	Substance Abuse 183	Youth Serv Juvenile 185	Mental Health Non-medicaid 188	Commute Trip Reduction 189	Area Agency On Aging 190	JTPA Admin 191
\$ 604,108	\$ 250,000	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
-	3,417,491	1,500,523	-	10,488,989	-	3,992,193	3,014,917
-	-	-	-	-	-	-	-
13,892	-	-	-	10,802	-	-	-
-	-	-	3,641	-	87,137	2,600	-
<u>618,000</u>	<u>3,667,491</u>	<u>1,500,523</u>	<u>3,641</u>	<u>10,499,791</u>	<u>87,137</u>	<u>3,994,794</u>	<u>3,014,917</u>
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
-	-	-	5,894	-	-	-	-
-	-	-	-	-	-	-	-
-	-	-	-	-	60,569	-	-
91,505	3,580,091	1,494,258	-	9,853,114	-	4,095,190	3,027,012
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
-	-	-	-	-	25,822	-	-
<u>91,505</u>	<u>3,580,091</u>	<u>1,494,258</u>	<u>5,894</u>	<u>9,853,114</u>	<u>86,391</u>	<u>4,095,190</u>	<u>3,027,012</u>
<u>526,495</u>	<u>87,400</u>	<u>6,264</u>	<u>(2,253)</u>	<u>646,677</u>	<u>745</u>	<u>(100,396)</u>	<u>(12,095)</u>
-	-	-	-	-	-	-	-
-	4,980	22,464	2,000	11,711	-	211,351	12,095
(398,236)	-	(30,564)	-	(149,988)	-	-	-
<u>(398,236)</u>	<u>4,980</u>	<u>(8,100)</u>	<u>2,000</u>	<u>(138,277)</u>	<u>-</u>	<u>211,351</u>	<u>12,095</u>
128,259	92,380	(1,836)	(253)	508,400	745	110,955	-
1,230,110	1,106,575	95,845	54,668	3,371,203	158,768	897,349	-
-	-	1,734	-	-	-	-	-
<u>\$ 1,358,369</u>	<u>\$ 1,198,955</u>	<u>\$ 95,743</u>	<u>\$ 54,415</u>	<u>\$ 3,879,603</u>	<u>\$ 159,513</u>	<u>\$ 1,008,304</u>	<u>\$ -</u>

KITSAP COUNTY, WASHINGTON

Combining Statement of Revenues, Expenditures, and Changes in Fund Balances

Nonmajor Governmental Funds

For the Year Ended December 31, 2018

	Special Revenue Funds				Bethel Corridor Dev Project 333
	Employment Training Fund 192	K. Regional Coordinating Council 193	ARRA EECBG 195	Total Special Revenue Funds	
REVENUES:					
Property taxes	\$ -	\$ -	\$ -	\$ 2,701,327	\$ -
Retail sales & use taxes	-	-	-	18,794,853	-
Other taxes	-	-	-	3,385	-
Licenses and permits	-	-	-	6,073,700	-
Intergovernmental	373,653	79,486	-	27,492,426	-
Charges for services	-	-	-	5,651,372	-
Fines & forfeits	-	-	-	170,462	-
Investment earnings	-	-	-	674,697	-
Miscellaneous	-	1,400	-	1,928,620	-
Total revenues	373,653	80,886	-	63,490,841	-
EXPENDITURES:					
Current:					
General government	-	-	-	3,825,376	-
Judicial Services	-	-	-	137,723	-
Public safety	-	-	-	9,194,865	-
Physical Environment	-	-	-	717,320	-
Transportation	-	-	-	60,569	-
Health & Human Services	388,661	-	-	29,492,370	-
Economic Environment	-	207,787	-	9,180,324	-
Culture & recreation	-	-	-	913,360	-
Debt service					
Principal	-	-	-	99,862	-
Interest and other charges	-	-	-	2,812	-
Capital outlay	-	-	-	541,119	-
Total expenditures	388,661	207,787	-	54,165,700	-
Excess(deficiency) of revenues over expenditures	(15,008)	(126,901)	-	9,325,142	-
OTHER FINANCING SOURCES (USES):					
Sale of capital assets	-	-	-	8,652	-
Transfers in	-	138,710	-	2,684,704	-
Transfers out	-	-	-	(7,837,716)	-
Total other financing sources & uses:	-	138,710	-	(5,144,360)	-
Net change in fund balance	(15,008)	11,809	-	4,180,782	-
Fund balances-beginning	104,633	17,613	8,658	38,738,576	63,558
Prior period adjustment	-	-	-	6,171	-
Fund balances-ending	\$ 89,625	\$ 29,422	\$ 8,658	\$ 42,925,529	\$ 63,558

Capital Project Funds

KCLTGO 2010 Bond 335	Poplars Cap Project 336	Courthouse Project 339	Silverdale Projects 363	Parks Capital Improve. 382	Jail Construction 383	Capital Proj. 2001 384	Administrative Building 387
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
-	-	-	-	35,646	-	4,053	3,080
-	342,096	-	-	92,263	-	-	-
-	342,096	-	-	127,910	-	4,053	3,080
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
-	163,978	400,510	-	-	-	-	-
-	-	-	-	-	-	-	-
-	-	-	-	212,769	-	-	-
-	-	-	-	-	-	-	-
-	-	-	-	89,135	-	-	-
-	-	-	-	10,865	-	-	-
-	-	-	5,000	388,399	-	-	-
-	163,978	400,510	5,000	701,168	-	-	-
-	178,118	(400,510)	(5,000)	(573,258)	-	4,053	3,080
-	-	-	-	-	-	-	-
-	-	408,380	-	205,305	-	-	-
-	(78,400)	-	-	(154,621)	-	-	-
-	(78,400)	408,380	-	50,684	-	-	-
-	99,718	7,870	(5,000)	(522,575)	-	4,053	3,080
1,763	430,480	-	96,926	2,040,755	2,835	217,063	359,743
-	-	-	-	-	-	-	-
\$ 1,763	\$ 530,198	\$ 7,870	\$ 91,926	\$ 1,518,180	\$ 2,835	\$ 221,116	\$ 362,823

KITSAP COUNTY, WASHINGTON

Combining Statement of Revenues, Expenditures, and Changes in Fund Balances

Nonmajor Governmental Funds

For the Year Ended December 31, 2018

	Capital Project Funds		Debt Service Funds		
	2006 LTGO Bond Project 392	Total Capital Projects	KC 2010 LTGO 235	KC 2011 Refunding 236	GO Bond 1999B 282
REVENUES:					
Property taxes	\$ -	\$ -	\$ -	\$ -	\$ -
Retail sales & use taxes	-	-	-	-	-
Other taxes	-	-	-	-	-
Licenses and permits	-	-	-	-	-
Intergovernmental	-	-	-	839,681	-
Charges for services	-	-	-	-	-
Fines & forfeits	-	-	-	-	-
Investment earnings	-	42,780	-	-	-
Miscellaneous	-	434,360	-	108,200	-
Total revenues	-	477,139	-	947,881	-
EXPENDITURES:					
Current:					
General government	-	-	-	-	-
Judicial Services	-	-	-	-	-
Public safety	-	-	-	-	-
Physical Environment	-	564,488	-	-	-
Transportation	-	-	-	-	-
Health & Human Services	-	-	-	-	-
Economic Environment	-	-	-	-	-
Culture & recreation	-	212,769	-	-	-
Debt service	-	-	-	-	-
Principal	-	89,135	530,000	1,495,000	100,000
Interest and other charges	-	10,865	114,433	453,800	-
Capital outlay	-	393,399	-	-	-
Total expenditures	-	1,270,656	644,433	1,948,800	100,000
Excess(deficiency) of revenues over expenditures	-	(793,517)	(644,433)	(1,000,919)	(100,000)
OTHER FINANCING SOURCES (USES)					
Sale of capital assets	-	-	-	-	-
Transfers in	-	613,685	644,433	1,000,918	-
Transfers out	-	(233,021)	-	-	-
Total other financing sources & uses:	-	380,664	644,433	1,000,918	-
Net change in fund balance	-	(412,854)	-	(1)	(100,000)
Fund balances-beginning	2,711	3,215,834	145,888	106,047	205,000
Prior period adjustment	-	-	-	-	-
Fund balances-ending	\$ 2,711	\$ 2,802,980	\$ 145,888	\$ 106,047	\$ 105,000

Debt Service Funds

GO Bond 2002A 286	Road Improvement Guaranty 290	LTGO 2015 Refunding 238	Total Debt Service	Total Nonmajor Governmental Funds
\$ -	\$ -	\$ -	\$ -	\$ 2,701,327
-	-	-	-	18,794,853
-	-	-	-	3,385
-	-	-	-	6,073,700
221,312	-	464,863	1,525,856	29,018,282
-	-	-	-	5,651,372
-	-	-	-	170,462
8,911	-	-	8,911	726,388
-	-	-	108,200	2,471,180
<u>230,224</u>	<u>-</u>	<u>464,863</u>	<u>1,642,968</u>	<u>65,610,948</u>
-	-	-	-	3,825,376
-	-	-	-	137,723
-	-	-	-	9,194,865
-	-	-	-	1,281,808
-	-	-	-	60,569
-	-	-	-	29,492,370
-	-	-	-	9,180,324
-	-	-	-	1,126,129
-	-	-	-	-
610,000	-	1,945,000	4,680,000	4,868,997
229,681	-	755,300	1,553,214	1,566,891
-	-	-	-	934,518
<u>839,681</u>	<u>-</u>	<u>2,700,300</u>	<u>6,233,214</u>	<u>61,669,570</u>
<u>(609,457)</u>	<u>-</u>	<u>(2,235,437)</u>	<u>(4,590,247)</u>	<u>3,941,378</u>
-	-	-	-	8,652
-	-	2,235,437	3,880,788	7,179,180
-	-	-	-	(8,070,737)
-	-	2,235,437	3,880,788	(882,905)
<u>(609,457)</u>	<u>-</u>	<u>(0)</u>	<u>(709,459)</u>	<u>3,058,473</u>
6,475,812	2,737	4	6,935,488	48,889,899
-	-	-	-	6,171
<u>\$ 5,866,355</u>	<u>\$ 2,737</u>	<u>\$ 4</u>	<u>\$ 6,226,030</u>	<u>\$ 51,954,542</u>

KITSAP COUNTY, WASHINGTON

Emergency Services Fund 104

Schedule of Revenues, Expenditures, and Changes in Fund Balances - Budget and Actual
For the Year Ended December 31, 2018

	Budget		Actual	Variance with Final Budget
	Original	Final		
REVENUES:				
Intergovernmental	365,477	365,477	378,072	12,595
Investment earnings	-	-	0	0
Miscellaneous	-	-	2,863	2,863
Total revenues	<u>365,477</u>	<u>365,477</u>	<u>380,935</u>	<u>15,458</u>
EXPENDITURES:				
Current:				
Public safety	630,482	639,864	702,316	(62,452)
Capital Outlay	-	-	-	-
Total expenditures	<u>630,482</u>	<u>639,864</u>	<u>702,316</u>	<u>(62,452)</u>
Excess(deficiency) of revenues over expenditures	<u>(265,005)</u>	<u>(274,387)</u>	<u>(321,381)</u>	<u>(46,994)</u>
OTHER FINANCING SOURCES (USES):				
Transfers in	265,005	276,188	276,188	-
Transfers out	-	-	-	-
Total other financing sources & uses	<u>265,005</u>	<u>276,188</u>	<u>276,188</u>	<u>-</u>
Net change in fund balance	<u>-</u>	<u>1,801</u>	<u>(45,193)</u>	<u>(46,994)</u>
Fund balances-beginning	-	-	-	-
Prior period adjustments	-	-	-	-
Fund balances-ending	<u>\$ -</u>	<u>\$ 1,801</u>	<u>\$ (45,193)</u>	<u>\$ (46,994)</u>

KITSAP COUNTY, WASHINGTON

Law Library Fund 105

Schedule of Revenues, Expenditures, and Changes in Fund Balances - Budget and Actual
For the Year Ended December 31, 2018

	Budget		Actual	Variance with Final Budget
	Original	Final		
REVENUES:				
Charges for services	89,000	89,000	87,366	(1,634)
Miscellaneous	140	140	343	203
Total revenues	<u>89,140</u>	<u>89,140</u>	<u>87,709</u>	<u>(1,431)</u>
EXPENDITURES:				
Current:				
Judicial Services	94,753	94,764	95,177	(413)
Total expenditures	<u>94,753</u>	<u>94,764</u>	<u>95,177</u>	<u>(413)</u>
Excess(deficiency) of revenues over expenditures	<u>(5,613)</u>	<u>(5,624)</u>	<u>(7,468)</u>	<u>(1,844)</u>
OTHER FINANCING SOURCES (USES):				
Transfers in	-	-	-	-
Transfers out	<u>(2,640)</u>	<u>(2,640)</u>	<u>-</u>	<u>2,640</u>
Total other financing sources & uses	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Net change in fund balance	<u>(8,253)</u>	<u>(5,624)</u>	<u>(7,468)</u>	<u>(1,844)</u>
Fund balances-beginning	153,303	153,303	142,091	(11,212)
Prior period adjustments	-	-	-	-
Fund balances-ending	<u>\$ 145,050</u>	<u>\$ 147,679</u>	<u>\$ 134,623</u>	<u>\$ (13,056)</u>

KITSAP COUNTY, WASHINGTON

KPREP Fund 106

Schedule of Revenues, Expenditures, and Changes in Fund Balances - Budget and Actual
For the Year Ended December 31, 2018

	Budget		Actual	Variance with Final Budget
	Original	Final		
REVENUES:				
Intergovernmental	\$ 224,193	\$ 224,292	\$ 158,360	\$ (65,932)
Total revenues	<u>224,193</u>	<u>224,292</u>	<u>158,360</u>	<u>(65,932)</u>
EXPENDITURES:				
Current:				
Public safety	224,193	224,292	160,648	63,644
Total expenditures	<u>224,193</u>	<u>224,292</u>	<u>160,648</u>	<u>63,644</u>
Excess(deficiency) of revenues over expenditures	<u>-</u>	<u>-</u>	<u>(2,288)</u>	<u>(2,288)</u>
OTHER FINANCING SOURCES (USES):				
Transfers in	-	-	-	-
Transfers out	-	-	-	-
Total other financing sources & uses	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Net change in fund balance	<u>-</u>	<u>-</u>	<u>(2,288)</u>	<u>(2,288)</u>
Fund balances-beginning	(42,401)	(42,401)	(42,401)	-
Prior period adjustments	-	-	-	-
Fund balances-ending	<u>\$ (42,401)</u>	<u>\$ (42,401)</u>	<u>\$ (44,689)</u>	<u>\$ (2,288)</u>

KITSAP COUNTY, WASHINGTON

Mental Health Sales Tax Fund 107

Schedule of Revenues, Expenditures, and Changes in Fund Balances - Budget and Actual
For the Year Ended December 31, 2018

	Budget		Actual	Variance with Final Budget
	Original	Final		
REVENUES:				
Retail sales and use taxes	\$ -	\$ 4,292,202	\$ 5,216,569	\$ 924,367
Total revenues	-	4,292,202	5,216,569	924,367
EXPENDITURES:				
Current:				
Health & Human Services	-	3,058,760	3,941,371	(882,611)
Total expenditures	-	3,058,760	3,941,371	(882,611)
Excess(deficiency) of revenues over expenditures	-	1,233,442	1,275,198	41,756
OTHER FINANCING SOURCES (USES):				
Transfers in	-	7,798	7,798	-
Transfers out	-	(1,241,240)	(956,667)	284,573
Total other financing sources & uses	-	(1,233,442)	(948,869)	284,573
Net change in fund balance	-	-	326,329	326,329
Fund balances-beginning	8,198,575	8,198,575	8,198,575	-
Prior period adjustments	-	-	-	-
Fund balances-ending	\$ 8,198,575	\$ 8,198,575	\$ 8,524,904	\$ 326,329

KITSAP COUNTY, WASHINGTON

Homeless Housing 109

Schedule of Revenues, Expenditures, and Changes in Fund Balances - Budget and Actual
For the Year Ended December 31, 2018

	Budget		Actual	Variance with Final Budget
	Original	Final		
REVENUES:				
Retail sales and use taxes	\$ -	\$ -	\$ -	\$ -
Charges for services	99,500	109,500	110,044	544
Miscellaneous	-	-	-	-
Total revenues	99,500	109,500	110,044	544
EXPENDITURES:				
Current:				
Health & human services	99,500	109,500	93,550	15,950
Total expenditures	99,500	109,500	93,550	15,950
Excess(deficiency) of revenues over expenditures	-	-	16,495	16,495
OTHER FINANCING SOURCES (USES):				
Transfers in	-	-	-	-
Transfers out	-	-	-	-
Total other financing sources & uses	-	-	-	-
Net change in fund balance	-	-	16,495	16,495
Fund balances-beginning	84,377	84,377	84,377	-
Prior period adjustments	-	-	-	-
Fund balances-ending	\$ 84,377	\$ 84,377	\$ 100,872	\$ 16,495

KITSAP COUNTY, WASHINGTON

Election Reserve Fund 111

Schedule of Revenues, Expenditures, and Changes in Fund Balances - Budget and Actual
For the Year Ended December 31, 2018

	Budget		Actual	Variance with Final Budget
	Original	Final		
REVENUES:				
Intergovernmental		\$ 67,627	\$ 67,626	\$ 1
Charges for services	255,784	255,791	271,827	16,036
Total revenues	<u>255,784</u>	<u>323,418</u>	<u>339,453</u>	<u>16,036</u>
EXPENDITURES:				
Current:				
General government	13,204	155,887	162,660	(6,773)
Debt service				
Principal	100,028	100,028	98,395	1,633
Interest and other charges	-	-	1,633	(1,633)
Capital outlay	11,500	22,500	11,374	11,126
Total expenditures	<u>124,732</u>	<u>278,415</u>	<u>274,062</u>	<u>4,353</u>
Excess(deficiency) of revenues over expenditures	<u>131,052</u>	<u>45,003</u>	<u>65,391</u>	<u>20,388</u>
OTHER FINANCING SOURCES (USES):				
Transfers in	-	-	-	-
Transfers out	-	-	-	-
Total other financing sources & uses	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Net change in fund balance	<u>131,052</u>	<u>45,003</u>	<u>65,391</u>	<u>20,388</u>
Fund balances-beginning	207,696	207,696	207,696	-
Prior period adjustments	-	-	-	-
Fund balances-ending	<u>\$ 338,748</u>	<u>\$ 252,699</u>	<u>\$ 273,088</u>	<u>\$ 20,388</u>

KITSAP COUNTY, WASHINGTON

Auditor's Document Preservation Fund 112

Schedule of Revenues, Expenditures, and Changes in Fund Balances - Budget and Actual
For the Year Ended December 31, 2018

	Budget		Actual	Variance with Final Budget
	Original	Final		
REVENUES:				
Intergovernmental	\$ 107,716	\$ 107,716	\$ 100,314	\$ (7,402)
Charges for services	139,874	139,874	123,716	(16,158)
Total revenues	<u>247,590</u>	<u>247,590</u>	<u>224,030</u>	<u>(23,560)</u>
EXPENDITURES:				
Current:				
General government	219,864	244,939	224,297	20,642
Debt service				
Principal			1,467	(1,467)
Interest	-	-	579	(579)
Total expenditures	<u>219,864</u>	<u>244,939</u>	<u>226,342</u>	<u>18,597</u>
Excess(deficiency) of revenues over expenditures	<u>27,726</u>	<u>2,651</u>	<u>(2,312)</u>	<u>(4,963)</u>
OTHER FINANCING SOURCES (USES):				
Transfers in	-	-	-	-
Transfers out	-	(64,023)	(59,023)	5,000
Total other financing sources & uses	<u>-</u>	<u>(64,023)</u>	<u>(59,023)</u>	<u>5,000</u>
Net change in fund balance	<u>27,726</u>	<u>(61,372)</u>	<u>(61,335)</u>	<u>37</u>
Fund balances-beginning	334,368	334,368	334,368	-
Prior period adjustments	-	-	-	-
Fund balances-ending	<u>\$ 362,094</u>	<u>\$ 272,996</u>	<u>\$ 273,033</u>	<u>\$ 37</u>

KITSAP COUNTY, WASHINGTON

Housing Affordability Fund 113

Schedule of Revenues, Expenditures, and Changes in Fund Balances - Budget and Actual
For the Year Ended December 31, 2018

	Budget		Actual	Variance with Final Budget
	Original	Final		
REVENUES:				
Intergovernmental	-	1,430,089	1,349,432	(80,657)
Charges for services	1,597,442	1,897,442	1,997,658	100,216
Total revenues	1,597,442	3,327,531	3,347,090	19,559
EXPENDITURES:				
Current:				
General government	2,790,531	3,327,531	2,921,224	406,307
Total expenditures	2,790,531	3,327,531	2,921,224	406,307
Excess(deficiency) of revenues over expenditures	(1,193,089)	-	425,866	425,866
OTHER FINANCING SOURCES (USES):				
Transfers in	-	-	-	-
Transfers out	-	-	-	-
Total other financing sources & uses	-	-	-	-
Net change in fund balance	(1,193,089)	-	425,866	425,866
Fund balances-beginning	2,779,253	2,779,253	2,779,253	-
Prior period adjustments	-	-	-	-
Fund balances-ending	\$ 1,586,164	\$ 2,779,253	\$ 3,205,119	\$ 425,866

KITSAP COUNTY, WASHINGTON

Westnet Fund 114

Schedule of Revenues, Expenditures, and Changes in Fund Balances - Budget and Actual
For the Year Ended December 31, 2018

	Budget		Actual	Variance with Final Budget
	Original	Final		
REVENUES:				
Intergovernmental	\$ 213,000	\$ 213,000	\$ 15,942	\$ (197,058)
Fines & forfeits	75,000	75,000	64,299	(10,701)
Investment earnings	1,500	1,500	3,583	2,083
Miscellaneous	-	-	-	-
Total revenues	<u>289,500</u>	<u>289,500</u>	<u>83,823</u>	<u>(205,677)</u>
EXPENDITURES:				
Current:				
Public safety	394,025	394,085	202,956	191,129
Capital outlay	-	-	-	-
Total expenditures	<u>394,025</u>	<u>394,085</u>	<u>202,956</u>	<u>191,129</u>
Excess(deficiency) of revenues over expenditures	<u>(104,525)</u>	<u>(104,585)</u>	<u>(119,133)</u>	<u>(14,548)</u>
OTHER FINANCING SOURCES (USES):				
Transfers in	75,000	75,000	-	(75,000)
Transfers out	(71,000)	(71,000)	(23,878)	47,122
Total other financing sources & uses	<u>4,000</u>	<u>4,000</u>	<u>(23,878)</u>	<u>(27,878)</u>
Net change in fund balance	<u>(100,525)</u>	<u>(100,585)</u>	<u>(143,011)</u>	<u>(42,426)</u>
Fund balances-beginning	329,346	329,346	329,346	-
Prior period adjustments	-	-	-	-
Fund balances-ending	<u>\$ 228,821</u>	<u>\$ 228,761</u>	<u>\$ 186,335</u>	<u>\$ (42,426)</u>

KITSAP COUNTY, WASHINGTON

Boating Safety Improvement Fund 117

Schedule of Revenues, Expenditures, and Changes in Fund Balances - Budget and Actual
For the Year Ended December 31, 2018

	Budget		Actual	Variance with Final Budget
	Original	Final		
REVENUES:				
Intergovernmental	\$ 48,000	\$ 48,000	\$ 66,596	\$ 18,596
Investment earnings	1,000	1,000	2,601	1,601
Total revenues	<u>49,000</u>	<u>49,000</u>	<u>69,197</u>	<u>20,197</u>
EXPENDITURES:				
Current:				
Public safety	89,135	89,159	54,557	34,602
Capital Outlay	10,000	10,000	-	10,000
Total expenditures	<u>99,135</u>	<u>99,159</u>	<u>54,557</u>	<u>44,602</u>
Excess(deficiency) of revenues over expenditures	<u>(50,135)</u>	<u>(50,159)</u>	<u>14,641</u>	<u>64,800</u>
OTHER FINANCING SOURCES (USES):				
Transfers in	-	-	-	-
Transfers out	-	-	-	-
Total other financing sources & uses	<u>-</u>	<u>-</u>	<u>865</u>	<u>865</u>
Net change in fund balance	<u>(50,135)</u>	<u>(50,159)</u>	<u>15,506</u>	<u>65,665</u>
Fund balances-beginning	215,251	215,251	169,213	(46,038)
Prior period adjustments	-	-	-	-
Fund balances-ending	<u>\$ 165,116</u>	<u>\$ 165,092</u>	<u>\$ 184,719</u>	<u>\$ 19,627</u>

KITSAP COUNTY, WASHINGTON

Noxious Weed Control Fund 120

Schedule of Revenues, Expenditures, and Changes in Fund Balances - Budget and Actual
For the Year Ended December 31, 2018

	Budget		Actual	Variance with Final Budget
	Original	Final		
REVENUES:				
Intergovernmental	\$ -	\$ -	\$ 181,186	\$ 181,186
Charges for services	-	270,000	239,197	(30,803)
Investment earnings	-	-	1,332	1,332
Total revenues	-	270,000	421,715	151,715
EXPENDITURES:				
Current:				
Physical Environment	-	341,270	317,710	23,560
Capital outlay	-	-	-	-
Total expenditures	-	341,270	317,710	23,560
Excess(deficiency) of revenues over expenditures	-	(71,270)	104,005	175,275
OTHER FINANCING SOURCES (USES):				
Transfers in	-	-	-	-
Transfers out	-	-	-	-
Total other financing sources & uses	-	-	-	-
Net change in fund balance	-	(71,270)	104,005	175,275
Fund balances-beginning	240,446	240,446	240,446	-
Prior period adjustments	-	-	-	-
Fund balances-ending	\$ 240,446	\$ 169,176	\$ 344,451	\$ 175,275

KITSAP COUNTY, WASHINGTON

Treasurer's M&O 121

Schedule of Revenues, Expenditures, and Changes in Fund Balances - Budget and Actual
For the Year Ended December 31, 2018

	Budget		Actual	Variance with Final Budget
	Original	Final		
REVENUES:				
Charges for services	\$ 123,000	\$ 123,000	\$ 109,161	\$ (13,839)
Investment earnings	3,500	3,500	10,480	6,980
Miscellaneous	1,500	1,500	2,690	1,190
Total revenues	<u>128,000</u>	<u>128,000</u>	<u>122,331</u>	<u>(5,669)</u>
EXPENDITURES:				
Current:				
General government	172,034	172,101	131,254	40,847
Total expenditures	<u>172,034</u>	<u>172,101</u>	<u>131,254</u>	<u>40,847</u>
Excess(deficiency) of revenues over expenditures	<u>(44,034)</u>	<u>(44,101)</u>	<u>(8,924)</u>	<u>35,177</u>
OTHER FINANCING SOURCES (USES):				
Transfers in	-	-	-	-
Transfers out	-	-	-	-
Total other financing sources & uses	-	-	-	-
Net change in fund balance	<u>(44,034)</u>	<u>(44,101)</u>	<u>(8,924)</u>	<u>35,177</u>
Fund balances-beginning	587,885	587,885	587,885	-
Prior period adjustments	-	-	-	-
Fund balances-ending	<u>\$ 543,851</u>	<u>\$ 543,784</u>	<u>\$ 578,961</u>	<u>\$ 35,177</u>

KITSAP COUNTY, WASHINGTON

Veteran's Relief Fund 124

Schedule of Revenues, Expenditures, and Changes in Fund Balances - Budget and Actual
For the Year Ended December 31, 2018

	Budget		Actual	Variance with Final Budget
	Original	Final		
REVENUES:				
Property taxes	\$ 403,853	\$ 403,853	\$ 445,423	\$ 41,570
Other taxes	-	-	832	832
Intergovernmental	-	-	122	122
Investment earnings	1,000	2,000	1,763	(237)
Miscellaneous			1,027	1,027
Total revenues	<u>404,853</u>	<u>405,853</u>	<u>449,166</u>	<u>43,313</u>
EXPENDITURES:				
Current:				
Health & Human Services	306,000	407,000	360,238	46,762
Total expenditures	<u>306,000</u>	<u>407,000</u>	<u>360,238</u>	<u>46,762</u>
Excess(deficiency) of revenues over expenditures	<u>98,853</u>	<u>(1,147)</u>	<u>88,927</u>	<u>90,074</u>
OTHER FINANCING SOURCES (USES):				
Transfers in	-	-	2,147	2,147
Transfers out	-	-	-	-
Total other financing sources & uses	<u>-</u>	<u>-</u>	<u>2,147</u>	<u>2,147</u>
Net change in fund balance	<u>98,853</u>	<u>(1,147)</u>	<u>91,074</u>	<u>92,221</u>
Fund balances-beginning	215,982	215,982	215,897	(85)
Prior period adjustments	-	-	278	278
Fund balances-ending	<u>\$ 314,835</u>	<u>\$ 214,835</u>	<u>\$ 307,249</u>	<u>\$ 92,414</u>

KITSAP COUNTY, WASHINGTON

Expert Witness Fund 125

Schedule of Revenues, Expenditures, and Changes in Fund Balances - Budget and Actual
For the Year Ended December 31, 2018

	Budget		Actual	Variance with Final Budget
	Original	Final		
REVENUES:				
Fines & forfeits	\$ 24,000	\$ 24,000	\$ 20,826	\$ (3,174)
Total revenues	24,000	24,000	20,826	(3,174)
EXPENDITURES:				
Current:				
General government	86,000	86,000	11,300	74,700
Total expenditures	86,000	86,000	11,300	74,700
Excess(deficiency) of revenues over expenditures	(62,000)	(62,000)	9,526	71,526
OTHER FINANCING SOURCES (USES):				
Transfers in	-	-	-	-
Transfers out	-	-	-	-
Total other financing sources & uses	-	-	-	-
Net change in fund balance	(62,000)	(62,000)	9,526	71,526
Fund balances-beginning	70,896	70,896	70,896	-
Prior period adjustments	-	-	-	-
Fund balances-ending	\$ 8,896	\$ 8,896	\$ 80,422	\$ 71,526

KITSAP COUNTY, WASHINGTON

BOCC Policy Group Fund 128

Schedule of Revenues, Expenditures, and Changes in Fund Balances - Budget and Actual
For the Year Ended December 31, 2018

	Budget		Actual	Variance with Final Budget
	Original	Final		
REVENUES:				
Intergovernmental	\$ -	\$ 28,778	\$ 8,241	\$ (20,537)
Charges for services			1,211	1,211
Miscellaneous	-	-	11,153	11,153
Total revenues	-	28,778	20,605	(8,173)
EXPENDITURES:				
General government	-	32,186	16,895	15,291
Capital outlay	-	-	-	-
Total expenditures	-	32,186	16,895	15,291
Excess(deficiency) of revenues over expenditures	-	(3,408)	3,710	7,118
OTHER FINANCING SOURCES (USES):				
Transfers in	-	-	-	-
Transfers out	-	-	-	-
Total other financing sources & uses	-	-	-	-
Net change in fund balance	-	(3,408)	3,710	7,118
Fund balances-beginning	-	-	3,409	3,409
Prior period adjustments	-	-	-	-
Fund balances-ending	\$ -	\$ (3,408)	\$ 7,119	\$ 10,527

KITSAP COUNTY, WASHINGTON

Conservation Futures Tax Fund 129

Schedule of Revenues, Expenditures, and Changes in Fund Balances - Budget and Actual
For the Year Ended December 31, 2018

	Budget		Actual	Variance with Final Budget
	Original	Final		
REVENUES:				
Property taxes	\$ 1,365,451	\$ 1,365,451	\$ 1,401,796	\$ 36,345
Other taxes	2,700	2,700	2,554	(146)
Intergovernmental	475	475	382	(93)
Investment earnings	3,000	3,000	7,179	4,179
Miscellaneous	-	-	3,228	3,228
Total revenues	<u>1,371,626</u>	<u>1,371,626</u>	<u>1,415,138</u>	<u>43,512</u>
EXPENDITURES:				
Physical Environment	14,268	14,435	9,435	5,000
Capital outlay		437,200	437,200	
Total expenditures	<u>14,268</u>	<u>451,635</u>	<u>446,635</u>	<u>5,000</u>
Excess(deficiency) of revenues over expenditures	<u>1,357,358</u>	<u>919,991</u>	<u>968,503</u>	<u>48,512</u>
OTHER FINANCING SOURCES (USES):				
Transfers in	-	-	-	-
Transfers out	-	(1,270,272)	(1,190,272)	80,000
Total other financing sources & uses	<u>-</u>	<u>(1,270,272)</u>	<u>(1,190,272)</u>	<u>80,000</u>
Net change in fund balance	<u>1,357,358</u>	<u>(350,281)</u>	<u>(221,769)</u>	<u>128,512</u>
Fund balances-beginning	2,161,540	2,161,540	2,161,540	-
Prior period adjustments	-	-	872	872
Fund balances-ending	<u>\$ 3,518,898</u>	<u>\$ 1,811,259</u>	<u>\$ 1,940,643</u>	<u>\$ 129,384</u>

KITSAP COUNTY, WASHINGTON

Community Service Fund 130

Schedule of Revenues, Expenditures, and Changes in Fund Balances - Budget and Actual
For the Year Ended December 31, 2018

	Budget		Actual	Variance with Final Budget
	Original	Final		
REVENUES:				
Charges for services	\$ 95,000	\$ 95,000	\$ 108,046	\$ 13,046
Fines & forfeits	30,000	30,000	33,806	3,806
Total revenues	<u>125,000</u>	<u>125,000</u>	<u>141,852</u>	<u>16,852</u>
EXPENDITURES:				
Current:				
Health & Human Services	125,000	125,000	129,642	(4,642)
Total expenditures	<u>125,000</u>	<u>125,000</u>	<u>129,642</u>	<u>(4,642)</u>
Excess(deficiency) of revenues over expenditures	<u>-</u>	<u>-</u>	<u>12,210</u>	<u>12,210</u>
OTHER FINANCING SOURCES (USES):				
Transfers in	-	-	-	-
Transfers out	-	-	-	-
Total other financing sources & uses	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Net change in fund balance	<u>-</u>	<u>-</u>	<u>12,210</u>	<u>12,210</u>
Fund balances-beginning	114,251	114,251	121,270	7,019
Prior period adjustments	-	-	-	-
Fund balances-ending	<u>\$ 114,251</u>	<u>\$ 114,251</u>	<u>\$ 133,480</u>	<u>\$ 19,229</u>

KITSAP COUNTY, WASHINGTON

Kitsap County Stadium Fund 132

Schedule of Revenues, Expenditures, and Changes in Fund Balances - Budget and Actual
For the Year Ended December 31, 2018

	Budget		Actual	Variance with Final Budget
	Original	Final		
REVENUES:				
Retail sales & use taxes	\$ 500,000	\$ 500,000	\$ 586,814	\$ 86,814
Total revenues	500,000	500,000	586,814	86,814
EXPENDITURES:				
Current:				
Culture & recreation	479,476	479,476	465,465	14,011
Total expenditures	479,476	479,476	465,465	14,011
Excess(deficiency) of revenues over expenditures	20,524	20,524	121,350	100,826
OTHER FINANCING SOURCES (USES):				
Transfers in	-	-	-	-
Transfers out	(20,524)	(20,524)	(20,524)	0
Total other financing sources & uses	(20,524)	(20,524)	(20,524)	0
Net change in fund balance	-	-	100,826	100,826
Fund balances-beginning	606,958	606,958	606,958	-
Prior period adjustments	-	-	-	-
Fund balances-ending	\$ 606,958	\$ 606,958	\$ 707,784	\$ 100,826

KITSAP COUNTY, WASHINGTON

Kitsap County Fair Fund 133

Schedule of Revenues, Expenditures and Changes in Fund Balance - Budget and Actual
For the Year Ended December 31, 2018

	Budget		Actual	Variance with Final Budget
	Original	Final		
REVENUES:				
Invest earnings	\$ 300	\$ 300	\$ 1,095	\$ 795
Miscellaneous	237,000	237,000	182,041	(54,959)
Total revenues	<u>237,300</u>	<u>237,300</u>	<u>183,136</u>	<u>(54,164)</u>
EXPENDITURES:				
Current:				
Culture & recreation	104,944	104,957	115,157	(10,200)
Total expenditures	<u>104,944</u>	<u>104,957</u>	<u>115,157</u>	<u>(10,200)</u>
Excess(deficiency) of revenues over expenditures	<u>132,356</u>	<u>132,343</u>	<u>67,979</u>	<u>(64,364)</u>
OTHER FINANCING SOURCES (USES):				
Transfers in	-	-	-	-
Transfers out	-	(90,000)	(90,000)	-
Total other financing sources & uses	<u>-</u>	<u>(90,000)</u>	<u>(90,000)</u>	<u>-</u>
Net change in fund balance	<u>132,356</u>	<u>42,343</u>	<u>(22,021)</u>	<u>(64,364)</u>
Fund balances-beginning	168,171	168,171	168,171	-
Prior period adjustments	-	-	-	-
Fund balances-ending	<u>\$ 300,527</u>	<u>\$ 210,514</u>	<u>\$ 146,150</u>	<u>\$ (64,364)</u>

KITSAP COUNTY, WASHINGTON

Inmate Welfare Fund 135

Schedule of Revenues, Expenditures, and Changes in Fund Balances - Budget and Actual
For the Year Ended December 31, 2018

	Budget		Actual	Variance with Final Budget
	Original	Final		
REVENUES:				
Miscellaneous	190,000	190,000	272,531	82,531
Total revenues	190,000	190,000	272,531	82,531
EXPENDITURES:				
Public safety	184,871	184,896	153,364	31,532
Total expenditures	184,871	184,896	153,364	31,532
Excess(deficiency) of revenues over expenditures	5,129	5,104	119,167	114,063
OTHER FINANCING SOURCES (USES):				
Transfers in	-	-	-	-
Transfers out	-	-	-	-
Total other financing sources & uses	-	-	-	-
Net change in fund balance	5,129	5,104	119,167	114,063
Fund balances-beginning	240,502	240,502	240,502	-
Prior period adjustments	-	-	-	-
Fund balances-ending	\$ 245,631	\$ 245,606	\$ 359,669	\$ 114,063

KITSAP COUNTY, WASHINGTON

SIU Revenue Fund 136

Schedule of Revenues, Expenditures, and Changes in Fund Balances - Budget and Actual

For the Year Ended December 31, 2018

	Budget		Actual	Variance with Final Budget
	Original	Final		
REVENUES:				
Intergovernmental	\$ 124,000	\$ 124,000	\$ -	\$ (124,000)
Fines & forfeits	50,000	50,000	35,998	(14,002)
Investment earnings	4,500	4,500	11,873	7,373
Miscellaneous	-	-	-	-
Total revenues	<u>178,500</u>	<u>178,500</u>	<u>47,871</u>	<u>(130,629)</u>
EXPENDITURES:				
Current:				
Public safety	132,997	133,025	87,562	45,463
Capital outlay	38,000	38,000	43,106	(5,106)
Total expenditures	<u>170,997</u>	<u>171,025</u>	<u>130,669</u>	<u>40,356</u>
Excess(deficiency) of revenues over expenditures	<u>7,503</u>	<u>7,475</u>	<u>(82,798)</u>	<u>(90,273)</u>
OTHER FINANCING SOURCES (USES):				
Sale of capital assets	-	-	-	-
Transfers in	50,000	50,000	-	(50,000)
Transfers out	(75,000)	(77,374)	(2,373)	75,001
Total other financing sources & uses	<u>(25,000)</u>	<u>(27,374)</u>	<u>(2,373)</u>	<u>25,001</u>
Net change in fund balance	<u>(17,497)</u>	<u>(19,899)</u>	<u>(85,171)</u>	<u>(65,272)</u>
Fund balances-beginning	709,552	709,552	709,552	-
Prior period adjustments	-	-	-	-
Fund balances-ending	<u>\$ 692,055</u>	<u>\$ 689,653</u>	<u>\$ 624,381</u>	<u>\$ (65,272)</u>

KITSAP COUNTY, WASHINGTON

Kitsap SAIVS Fund 139

Schedule of Revenues, Expenditures, and Changes in Fund Balances - Budget and Actual
For the Year Ended December 31, 2018

	Budget		Actual	Variance with Final Budget
	Original	Final		
REVENUES:				
Intergovernmental	\$ 45,163	\$ 45,176	\$ 45,832	\$ 656
Charges for services	5,200	5,200	5,491	291
Interest earnings	-	-	1,128	1,128
Total revenues	<u>50,363</u>	<u>50,376</u>	<u>52,451</u>	<u>2,075</u>
EXPENDITURES:				
Current:				
General government	80,898	80,911	57,303	23,608
Total Expenditures	<u>80,898</u>	<u>80,911</u>	<u>57,303</u>	<u>23,608</u>
Excess(deficiency) of revenues over expenditures	<u>(30,535)</u>	<u>(30,535)</u>	<u>(4,852)</u>	<u>25,683</u>
OTHER FINANCING SOURCES (USES):				
Transfers in	-	-	5,090	5,090
Transfers out	-	-	-	-
Total other financing sources & uses	-	-	5,090	5,090
Net change in fund balance	<u>(30,535)</u>	<u>(30,535)</u>	<u>238</u>	<u>30,773</u>
Fund balances-beginning	37,223	37,223	37,223	-
Prior period adjustments	-	-	-	-
Fund balances-ending	<u>\$ 6,688</u>	<u>\$ 6,688</u>	<u>\$ 37,461</u>	<u>\$ 30,773</u>

KITSAP COUNTY, WASHINGTON

Anti-Profitteering Revolving Fund 141

Schedule of Revenues, Expenditures, and Changes in Fund Balances - Budget and Actual

For the Year Ended December 31, 2018

	Budget		Actual	Variance with Final Budget
	Original	Final		
REVENUES:				
Fines & forfeits	\$ 2,400	\$ 2,400	\$ 2,244	\$ (156)
Total revenues	<u>2,400</u>	<u>2,400</u>	<u>2,244</u>	<u>(156)</u>
EXPENDITURES:				
Current:				
General government	29,400	29,400	116	29,284
Total expenditures	<u>29,400</u>	<u>29,400</u>	<u>116</u>	<u>29,284</u>
Excess(deficiency) of revenues over expenditures	<u>(27,000)</u>	<u>(27,000)</u>	<u>2,128</u>	<u>29,128</u>
OTHER FINANCING SOURCES (USES):				
Transfers in	-	-	-	-
Transfers out	-	-	-	-
Total other financing sources & uses	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Net change in fund balance	<u>(27,000)</u>	<u>(27,000)</u>	<u>2,128</u>	<u>29,128</u>
Fund balances-beginning	17,996	17,996	17,996	-
Prior period adjustments	-	-	-	-
Fund balances-ending	<u>\$ (9,004)</u>	<u>\$ (9,004)</u>	<u>\$ 20,124</u>	<u>\$ 29,128</u>

KITSAP COUNTY, WASHINGTON

Family Court Services Fund 142

Schedule of Revenues, Expenditures, and Changes in Fund Balances - Budget and Actual

For the Year Ended December 31, 2018

	Budget		Actual	Variance with Final Budget
	Original	Final		
REVENUES:				
Licenses and permits	\$ 17,374	\$ 17,374	\$ 18,995	\$ 1,621
Total revenues	<u>17,374</u>	<u>17,374</u>	<u>18,995</u>	<u>1,621</u>
EXPENDITURES:				
Current:				
Judicial Services	25,889	25,888	6,088	19,800
Total expenditures	<u>25,889</u>	<u>25,888</u>	<u>6,088</u>	<u>19,800</u>
Excess(deficiency) of revenues over expenditures	<u>(8,515)</u>	<u>(8,514)</u>	<u>12,908</u>	<u>21,422</u>
OTHER FINANCING SOURCES (USES):				
Transfers in	-	-	-	-
Transfers out	-	-	-	-
Total other financing sources & uses	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Net change in fund balance	<u>(8,515)</u>	<u>(8,514)</u>	<u>12,908</u>	<u>21,422</u>
Fund balances-beginning	44,933	44,933	44,933	-
Prior period adjustments	-	-	-	-
Fund balances-ending	<u>\$ 36,418</u>	<u>\$ 36,419</u>	<u>\$ 57,841</u>	<u>\$ 21,422</u>

KITSAP COUNTY, WASHINGTON

Trial Court Improvement Fund 143

Schedule of Revenues, Expenditures, and Changes in Fund Balances - Budget and Actual

For the Year Ended December 31, 2018

	Budget		Actual	Variance with Final Budget
	Original	Final		
REVENUES:				
Intergovernmental	\$ 99,000	\$ 99,000	\$ 92,805	\$ (6,195)
Total revenues	<u>99,000</u>	<u>99,000</u>	<u>92,805</u>	<u>(6,195)</u>
EXPENDITURES:				
Current:				
Total expenditures	-	-	-	-
Excess(deficiency) of revenues over expenditures	<u>99,000</u>	<u>99,000</u>	<u>92,805</u>	<u>(6,195)</u>
OTHER FINANCING SOURCES (USES):				
Transfers in	-	-	-	-
Transfers out	<u>(99,000)</u>	<u>(99,000)</u>	<u>(99,000)</u>	-
Total other financing sources & uses	<u>(99,000)</u>	<u>(99,000)</u>	<u>(99,000)</u>	-
Net change in fund balance	-	-	<u>(6,195)</u>	<u>(6,195)</u>
Fund balances-beginning	158,306	158,306	158,306	-
Prior period adjustments	-	-	-	-
Fund balances-ending	<u>\$ 158,306</u>	<u>\$ 158,306</u>	<u>\$ 152,111</u>	<u>\$ (6,195)</u>

KITSAP COUNTY, WASHINGTON

Public Defense Funding 144

Schedule of Revenues, Expenditures, and Changes in Fund Balances - Budget and Actual

For the Year Ended December 31, 2018

	Budget		Actual	Variance with Final Budget
	Original	Final		
REVENUES:				
Intergovernmental	\$ -	\$ -	\$ -	\$ -
Total revenues	-	-	-	-
EXPENDITURES:				
Current:				
Judicial Services	-	-	-	-
Total expenditures	-	-	-	-
Excess(deficiency) of revenues over expenditures	-	-	-	-
OTHER FINANCING SOURCES (USES):				
Transfers in	-	-	122,350	(122,350)
Transfers out	-	-	-	-
Total other financing sources & uses	-	-	122,350	(122,350)
Net change in fund balance	-	-	122,350	(122,350)
Fund balances-beginning	(122,350)	(122,350)	(122,350)	-
Prior period adjustments	-	-	-	-
Fund balances-ending	\$ (122,350)	\$ (122,350)	\$ -	\$ (122,350)

KITSAP COUNTY, WASHINGTON

Pooling Fees Fund 145

Schedule of Revenues, Expenditures, and Changes in Fund Balances - Budget and Actual

For the Year Ended December 31, 2018

	Budget		Actual	Variance with Final Budget
	Original	Final		
REVENUES:				
Investment earnings	\$ 500,000	\$ 500,000	\$ 568,033	\$ 68,033
Total revenues	<u>500,000</u>	<u>500,000</u>	<u>568,033</u>	<u>68,033</u>
EXPENDITURES:				
Current:				
General government	327,470	327,470	300,327	27,143
Capital outlay	<u>5,000</u>	<u>5,000</u>	-	<u>5,000</u>
Total expenditures	<u>332,470</u>	<u>332,470</u>	<u>300,327</u>	<u>32,143</u>
Excess(deficiency) of revenues over expenditures	<u>167,530</u>	<u>167,530</u>	<u>267,706</u>	<u>100,176</u>
OTHER FINANCING SOURCES (USES):				
Transfers in	-	-	-	-
Transfers out	-	(1,863)	-	-
Total other financing sources & uses	<u>-</u>	<u>(1,863)</u>	<u>(1,862)</u>	<u>1</u>
Net change in fund balance	<u>167,530</u>	<u>165,667</u>	<u>265,843</u>	<u>100,176</u>
Fund balances-beginning	912,968	912,968	912,968	-
Prior period adjustments	-	-	-	-
Fund balances-ending	<u>\$ 1,080,498</u>	<u>\$ 1,078,635</u>	<u>\$ 1,178,811</u>	<u>\$ 100,176</u>

KITSAP COUNTY, WASHINGTON

GMA Park Impact Fees Fund 146

Schedule of Revenues, Expenditures, and Changes in Fund Balances - Budget and Actual

For the Year Ended December 31, 2018

	Budget		Actual	Variance with Final Budget
	Original	Final		
REVENUES:				
Charges for services	\$ 150,000	\$ 150,000	\$ 284,571	\$ 134,571
Investment earnings	-	-	-	-
Total revenues	<u>150,000</u>	<u>150,000</u>	<u>284,571</u>	<u>134,571</u>
EXPENDITURES:				
Physical Environment	<u>1,477</u>	<u>1,477</u>	<u>1,477</u>	-
Total expenditures	<u>1,477</u>	<u>1,477</u>	<u>1,477</u>	-
Excess(deficiency) of revenues over expenditures	<u>148,523</u>	<u>148,523</u>	<u>283,094</u>	<u>134,571</u>
OTHER FINANCING SOURCES (USES):				
Transfers in	80,000	80,000	-	(80,000)
Transfers out	<u>(189,260)</u>	<u>(189,260)</u>	<u>(189,259)</u>	<u>1</u>
Total other financing sources & uses	<u>(109,260)</u>	<u>(109,260)</u>	<u>(189,259)</u>	<u>(79,999)</u>
Net change in fund balance	<u>39,263</u>	<u>39,263</u>	<u>93,835</u>	<u>54,572</u>
Fund balances-beginning	<u>282,911</u>	<u>282,911</u>	<u>282,911</u>	-
Prior period adjustments	-	-	-	-
Fund balances-ending	<u>\$ 322,174</u>	<u>\$ 322,174</u>	<u>\$ 376,746</u>	<u>\$ 54,572</u>

KITSAP COUNTY, WASHINGTON

County Parks Acquisition & Development Fund 150

Schedule of Revenues, Expenditures, and Changes in Fund Balances - Budget and Actual

For the Year Ended December 31, 2018

	Budget		Actual	Variance with Final Budget
	Original	Final		
REVENUES:				
Charges for services	\$ 49,700	\$ 49,700	\$ 56,494	\$ 6,794
Fines & forfeits	300	300	39	(261)
Investment earnings	600	600	2,003	1,403
Miscellaneous	253,700	253,700	334,447	80,747
Total revenues	<u>304,300</u>	<u>304,300</u>	<u>392,982</u>	<u>88,682</u>
EXPENDITURES:				
Current:				
Culture & recreation	459,466	459,466	322,707	136,759
Capital outlay	-	-	10,371	(10,371)
Total expenditures	<u>459,466</u>	<u>459,466</u>	<u>333,078</u>	<u>126,388</u>
Excess(deficiency) of revenues over expenditures	<u>(155,166)</u>	<u>(155,166)</u>	<u>59,905</u>	<u>215,071</u>
OTHER FINANCING SOURCES (USES):				
Transfers in	-	-	-	-
Transfers out	(25,000)	(25,000)	-	25,000
Total other financing sources & uses	<u>(25,000)</u>	<u>(25,000)</u>	<u>7,787</u>	<u>32,787</u>
Net change in fund balance	<u>(180,166)</u>	<u>(180,166)</u>	<u>67,692</u>	<u>247,858</u>
Fund balances-beginning	436,051	436,051	436,051	-
Prior period adjustments	-	-	-	-
Fund balances-ending	<u>\$ 255,885</u>	<u>\$ 255,885</u>	<u>\$ 503,743</u>	<u>\$ 247,858</u>

KITSAP COUNTY, WASHINGTON

USDOJ BJA JAG Grants Fund 152

Schedule of Revenues, Expenditures, and Changes in Fund Balances - Budget and Actual

For the Year Ended December 31, 2018

	Budget		Actual	Variance with Final Budget
	Original	Final		
REVENUES:				
Intergovernmental	\$ -	\$ 37,212	\$ 1,346	\$ (35,866)
Total revenues	-	37,212	1,346	-
EXPENDITURES:				
Current:				
Public Safety	\$ -	37,212	1,346	35,866
Total expenditures	-	37,212	1,346	35,866
Excess(deficiency) of revenues over expenditures	-	-	-	-
OTHER FINANCING SOURCES (USES):				
Transfers in	-	-	-	-
Transfers out	-	-	-	-
Total other financing sources & uses	-	-	-	-
Net change in fund balance	-	-	-	-
Fund balances-beginning	-	-	-	-
Prior period adjustments	-	-	-	-
Fund balances-ending	\$ -	\$ -	\$ -	\$ -

KITSAP COUNTY, WASHINGTON

Point No Point Lighthouse Fund 155

Schedule of Revenues, Expenditures, and Changes in Fund Balances - Budget and Actual

For the Year Ended December 31, 2018

	Budget		Actual	Variance with Final Budget
	Original	Final		
REVENUES:				
Investment earnings	\$ 100	\$ 100	\$ 135	\$ 35
Miscellaneous	21,000	21,000	20,865	(135)
Total revenues	<u>21,100</u>	<u>21,100</u>	<u>21,000</u>	<u>(100)</u>
EXPENDITURES:				
Current:				
Culture & recreation	41,923	41,922	10,031	31,891
Total expenditures	<u>41,923</u>	<u>41,922</u>	<u>10,031</u>	<u>31,891</u>
Excess(deficiency) of revenues over expenditures	<u>(20,823)</u>	<u>(20,822)</u>	<u>10,969</u>	<u>31,791</u>
OTHER FINANCING SOURCES (USES):				
Transfers in	-	-	-	-
Transfers out	-	-	-	-
Total other financing sources & uses	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Net change in fund balance	<u>(20,823)</u>	<u>(20,822)</u>	<u>10,969</u>	<u>31,791</u>
Fund balances-beginning	11,385	11,385	11,385	-
Prior period adjustments	-	-	-	-
Fund balances-ending	<u>\$ (9,438)</u>	<u>\$ (9,437)</u>	<u>\$ 22,354</u>	<u>\$ 31,791</u>

KITSAP COUNTY, WASHINGTON

Crime Prevention Fund 159

Schedule of Revenues, Expenditures, and Changes in Fund Balances - Budget and Actual

For the Year Ended December 31, 2018

	Budget		Actual	Variance with Final Budget
	Original	Final		
REVENUES:				
Licenses and permits	\$ 3,000	\$ 3,000	\$ 2,740	\$ (260)
Fines & forfeits	10,000	10,000	13,251	3,251
Investment earnings	500	500	1,388	888
Miscellaneous	-	-	29,342	29,342
Total revenues	<u>13,500</u>	<u>13,500</u>	<u>46,721</u>	<u>33,221</u>
EXPENDITURES:				
Current:				
Public safety	<u>45,715</u>	<u>45,715</u>	<u>15,973</u>	<u>29,742</u>
Total expenditures	<u>45,715</u>	<u>45,715</u>	<u>15,973</u>	<u>29,742</u>
Excess(deficiency) of revenues over expenditures	<u>(32,215)</u>	<u>(32,215)</u>	<u>30,748</u>	<u>62,963</u>
OTHER FINANCING SOURCES (USES):				
Transfers in	-	-	-	-
Transfers out	-	-	-	-
Total other financing sources & uses	-	-	-	-
Net change in fund balance	<u>(32,215)</u>	<u>(32,215)</u>	<u>30,748</u>	<u>62,963</u>
Fund balances-beginning	<u>100,747</u>	<u>100,747</u>	<u>100,747</u>	-
Prior period adjustments	-	-	-	-
Fund balances-ending	<u>\$ 68,532</u>	<u>\$ 68,532</u>	<u>\$ 131,495</u>	<u>\$ 62,963</u>

KITSAP COUNTY, WASHINGTON

Recovery Center Fund 162

Schedule of Revenues, Expenditures, and Changes in Fund Balances - Budget and Actual

For the Year Ended December 31, 2018

	Budget		Actual	Variance with Final Budget
	Original	Final		
REVENUES:				
Intergovernmental	\$ -	\$ -	\$ 161,608	\$ 161,608
Charges for services	74,599	74,599	323,897	249,298
Investment earnings	10,000	10,000	13,536	3,536
Miscellaneous	100,000	100,000	101,897	1,897
Total revenues	<u>184,599</u>	<u>184,599</u>	<u>600,937</u>	<u>416,338</u>
EXPENDITURES:				
Current:				
Health & Human Services	3,161,960	3,161,960	2,437,738	724,222
Capital outlay	-	-	-	-
Total expenditures	<u>3,161,960</u>	<u>3,161,960</u>	<u>2,437,738</u>	<u>724,222</u>
Excess(deficiency) of revenues over expenditures	<u>(2,977,361)</u>	<u>(2,977,361)</u>	<u>(1,836,801)</u>	<u>1,140,560</u>
OTHER FINANCING SOURCES (USES):				
Transfers in	2,989,801	2,989,801	1,750,010	(1,239,791)
Transfers out	-	-	-	-
Total other financing sources & uses	<u>2,989,801</u>	<u>2,989,801</u>	<u>1,750,010</u>	<u>(1,239,791)</u>
Net change in fund balance	<u>12,440</u>	<u>12,440</u>	<u>(86,791)</u>	<u>(99,231)</u>
Fund balances-beginning	1,231,192	1,231,192	1,231,192	-
Prior period adjustments	-	-	-	-
Fund balances-ending	<u>\$ 1,243,632</u>	<u>\$ 1,243,632</u>	<u>\$ 1,144,401</u>	<u>\$ (99,231)</u>

KITSAP COUNTY, WASHINGTON

Dispute Resolution Center Fund 163

Schedule of Revenues, Expenditures, and Changes in Fund Balances - Budget and Actual

For the Year Ended December 31, 2018

	Budget		Actual	Variance with Final Budget
	Original	Final		
REVENUES:				
Charges for services	\$ 40,000	\$ 40,000	\$ 36,180	\$ (3,820)
Total revenues	<u>40,000</u>	<u>40,000</u>	<u>36,180</u>	<u>(3,820)</u>
EXPENDITURES:				
Current:				
Judicial Services	40,000	40,000	36,458	3,542
Total expenditures	<u>40,000</u>	<u>40,000</u>	<u>36,458</u>	<u>3,542</u>
Excess(deficiency) of revenues over expenditures	<u>-</u>	<u>-</u>	<u>(278)</u>	<u>(278)</u>
OTHER FINANCING SOURCES (USES):				
Transfers in	-	-	-	-
Transfers out	-	-	-	-
Total other financing sources & uses	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Net change in fund balance	<u>-</u>	<u>-</u>	<u>(278)</u>	<u>(278)</u>
Fund balances-beginning	9,947	9,947	9,947	-
Prior period adjustments	-	-	-	-
Fund balances-ending	<u>\$ 9,947</u>	<u>\$ 9,947</u>	<u>\$ 9,669</u>	<u>\$ (278)</u>

KITSAP COUNTY, WASHINGTON

CDBG Entitlement Fund 164

Schedule of Revenues, Expenditures, and Changes in Fund Balances - Budget and Actual

For the Year Ended December 31, 2018

	Budget		Actual	Variance with Final Budget
	Original	Final		
REVENUES:				
Intergovernmental	\$ 1,483,688	\$ 1,483,688	\$ 1,131,339	\$ (352,349)
Investment earnings	75	75	170	95
Miscellaneous	25,000	25,000	55,268	30,268
Total revenues	<u>1,508,763</u>	<u>1,508,763</u>	<u>1,186,777</u>	<u>(321,986)</u>
EXPENDITURES:				
Current:				
Economic Environment	1,517,550	1,517,550	1,168,738	348,813
Total expenditures	<u>1,517,550</u>	<u>1,517,550</u>	<u>1,168,738</u>	<u>348,813</u>
Excess(deficiency) of revenues over expenditures	<u>(8,787)</u>	<u>(8,787)</u>	<u>18,040</u>	<u>26,827</u>
OTHER FINANCING SOURCES (USES):				
Transfers in	-	-	8,787	8,787
Transfers out	-	-	-	-
Total other financing sources & uses	<u>-</u>	<u>-</u>	<u>8,787</u>	<u>8,787</u>
Net change in fund balance	<u>(8,787)</u>	<u>(8,787)</u>	<u>26,827</u>	<u>35,614</u>
Fund balances-beginning	467	467	467	-
Prior period adjustments	-	-	-	-
Fund balances-ending	<u>\$ (8,320)</u>	<u>\$ (8,320)</u>	<u>\$ 27,294</u>	<u>\$ 35,614</u>

KITSAP COUNTY, WASHINGTON

Home Entitlement Fund 166

Schedule of Revenues, Expenditures, and Changes in Fund Balances - Budget and Actual

For the Year Ended December 31, 2018

	Budget		Actual	Variance with Final Budget
	Original	Final		
REVENUES:				
Intergovernmental	\$ 2,062,834	\$ 2,062,834	\$ 533,367	\$ (1,529,467)
Investment earnings	13,004	13,004	12,820	(184)
Miscellaneous	57,062	57,062	216,013	158,951
Total revenues	<u>2,132,900</u>	<u>2,132,900</u>	<u>762,200</u>	<u>(1,370,700)</u>
EXPENDITURES:				
Current:				
Health & Human Services	-	-	-	-
Economic Environment	2,132,900	2,132,900	560,527	1,572,373
Total Expenditures	<u>2,132,900</u>	<u>2,132,900</u>	<u>560,527</u>	<u>1,572,373</u>
Excess(deficiency) of revenues over expenditures	<u>-</u>	<u>-</u>	<u>201,673</u>	<u>201,673</u>
OTHER FINANCING SOURCES (USES):				
Transfers in	-	-	-	-
Transfers out	-	-	-	-
Total other financing sources & uses	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Net change in fund balance	<u>-</u>	<u>-</u>	<u>201,673</u>	<u>201,673</u>
Fund balances-beginning	213,979	213,979	213,979	-
Prior period adjustments	-	-	-	-
Fund balances-ending	<u>\$ 213,979</u>	<u>\$ 213,979</u>	<u>\$ 415,652</u>	<u>\$ 201,673</u>

KITSAP COUNTY, WASHINGTON

Kitsap Abatement 167

Schedule of Revenues, Expenditures, and Changes in Fund Balances - Budget and Actual

For the Year Ended December 31, 2018

	Budget		Actual	Variance with Final Budget
	Original	Final		
REVENUES:				
Charges for services	-	-	27,840	27,840
Miscellaneous			1	
Total revenues	-	-	27,840	27,840
EXPENDITURES:				
Current:				
Physical Environment	-	102,276	3,272	99,004
Total expenditures	-	102,276	3,272	99,004
Excess(deficiency) of revenues over expenditures	-	(102,276)	24,568	126,844
OTHER FINANCING SOURCES (USES):				
Transfers in	-	50,000	50,000	-
Transfers out	-	-	-	-
Total other financing sources & uses	-	50,000	50,000	-
Net change in fund balance	-	(52,276)	74,568	126,844
Fund balances-beginning	52,277	52,277	52,277	-
Prior period adjustments	-	-	-	-
Fund balances-ending	\$ 52,277	\$ 1	\$ 126,845	\$ 126,844

KITSAP COUNTY, WASHINGTON

Community Development 168

Schedule of Revenues, Expenditures, and Changes in Fund Balances - Budget and Actual

For the Year Ended December 31, 2018

	Budget		Actual	Variance with Final Budget
	Original	Final		
REVENUES:				
Licenses and permits	\$ 5,089,545	5,089,545	6,051,965	\$ 962,420
Intergovernmental	411,500	431,500	312,891	(118,609)
Charges for services	1,822,350	1,824,693	1,476,834	(347,859)
Miscellaneous	430,485	430,514	417,869	(12,645)
Total revenues	<u>7,753,880</u>	<u>7,776,252</u>	<u>8,259,558</u>	<u>483,306</u>
EXPENDITURES:				
Current:				
Physical Environment	\$ 412,992	\$ 433,021	\$ 324,464	\$ 108,557
Economic Environment	4,483,523	7,369,183	7,042,258	326,925
Capital outlay	15,000	15,000	12,156	2,844
Total expenditures	<u>4,911,515</u>	<u>7,817,204</u>	<u>7,378,879</u>	<u>438,325</u>
Excess(deficiency) of revenues over expenditures	<u>2,842,365</u>	<u>(40,952)</u>	<u>880,679</u>	<u>921,631</u>
OTHER FINANCING SOURCES (USES):				
Transfers in	-	-	59,023	59,023
Transfers out	-	(33,260)	(62,853)	(29,593)
Total other financing sources & uses	<u>-</u>	<u>(33,260)</u>	<u>(3,830)</u>	<u>29,430</u>
Net change in fund balance	<u>2,842,365</u>	<u>(74,212)</u>	<u>876,849</u>	<u>951,061</u>
Fund balances-beginning	4,904,491	4,904,491	4,904,491	-
Prior period adjustments	-	-	-	-
Fund balances-ending	<u>\$ 7,746,856</u>	<u>\$ 4,830,279</u>	<u>\$ 5,781,340</u>	<u>\$ 951,061</u>

KITSAP COUNTY, WASHINGTON

Jail & Juvenile Sales Tax Fund 171

Schedule of Revenues, Expenditures, and Changes in Fund Balances - Budget and Actual

For the Year Ended December 31, 2018

	Budget		Actual	Variance with Final Budget
	Original	Final		
REVENUES:				
Retail sales & use taxes	\$ 4,594,805	\$ 4,594,805	\$ 5,219,982	\$ 625,177
Investment earnings	-	-	-	-
Total revenues	<u>4,594,805</u>	<u>4,594,805</u>	<u>5,219,982</u>	<u>625,177</u>
EXPENDITURES:				
Current:				
Public Safety	-	214,000	38,760	175,240
Interest and other charges	-	-	600	(600)
Total expenditures	-	214,000	39,360	174,640
Excess(deficiency) of revenues over expenditures	<u>4,594,805</u>	<u>4,380,805</u>	<u>5,180,622</u>	<u>799,817</u>
OTHER FINANCING SOURCES (USES):				
Transfers in	-	-	-	-
Transfers out	<u>(4,563,217)</u>	<u>(4,563,217)</u>	<u>(4,563,216)</u>	<u>1</u>
Total other financing sources & uses	<u>(4,563,217)</u>	<u>(4,563,217)</u>	<u>(4,563,216)</u>	<u>1</u>
Net change in fund balance	<u>31,588</u>	<u>(182,412)</u>	<u>617,406</u>	<u>799,818</u>
Fund balances-beginning	2,986,053	2,986,053	2,986,053	-
Prior period adjustments	-	-	-	-
Fund balances-ending	<u>\$ 3,017,641</u>	<u>\$ 2,803,641</u>	<u>\$ 3,603,459</u>	<u>\$ 799,818</u>

KITSAP COUNTY, WASHINGTON

PEG Fund 179

Schedule of Revenues, Expenditures, and Changes in Fund Balances - Budget and Actual

For the Year Ended December 31, 2018

	Budget		Actual	Variance with Final Budget
	Original	Final		
REVENUES:				
Miscellaneous	\$ 92,500	\$ 92,500	\$ 88,375	\$ (4,125)
Total revenues	<u>92,500</u>	<u>92,500</u>	<u>88,375</u>	<u>(4,125)</u>
	6			
EXPENDITURES:				
Current:				
Economic Environment	41,106	41,126	201,015	(159,889)
Capital outlay	<u>80,000</u>	<u>159,000</u>	<u>1,090</u>	<u>157,910</u>
Total expenditures	121,106	200,126	202,105	(1,979)
Excess(deficiency) of revenues over expenditures	<u>(28,606)</u>	<u>(107,626)</u>	<u>(113,729)</u>	<u>(6,103)</u>
OTHER FINANCING SOURCES (USES):				
Transfers in	-	-	-	-
Transfers out	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total other financing sources & uses	-	-	-	-
Net change in fund balance	<u>(28,606)</u>	<u>(107,626)</u>	<u>(113,729)</u>	<u>(6,103)</u>
Fund balances-beginning	198,919	198,919	198,919	-
Prior period adjustments	-	-	-	-
Fund balances-ending	<u>\$ 170,313</u>	<u>\$ 91,293</u>	<u>\$ 85,190</u>	<u>\$ (6,103)</u>

KITSAP COUNTY, WASHINGTON

Mental Health Fund 181

Schedule of Revenues, Expenditures, and Changes in Fund Balances - Budget and Actual

For the Year Ended December 31, 2018

	Budget		Actual	Variance with Final Budget
	Original	Final		
REVENUES:				
Property taxes	\$ 550,000	\$ 550,000	\$ 604,108	\$ 54,108
Investment earnings	-	-	13,892	13,892
Miscellaneous	5,000	5,000	-	(5,000)
Total revenues	<u>555,000</u>	<u>555,000</u>	<u>618,000</u>	<u>63,000</u>
EXPENDITURES:				
Current:				
Health & Human Services	103,120	103,120	91,505	11,615
Total expenditures	<u>103,120</u>	<u>103,120</u>	<u>91,505</u>	<u>11,615</u>
Excess(deficiency) of revenues over expenditures	<u>451,880</u>	<u>451,880</u>	<u>526,495</u>	<u>74,615</u>
OTHER FINANCING SOURCES (USES):				
Transfers in	-	-	-	-
Transfers out	<u>(451,880)</u>	<u>(451,880)</u>	<u>(398,236)</u>	<u>53,644</u>
Total other financing sources & uses	<u>(451,880)</u>	<u>(451,880)</u>	<u>(398,236)</u>	<u>53,644</u>
Net change in fund balance	-	-	128,259	128,259
Fund balances-beginning	1,230,110	1,230,110	1,230,110	-
Prior period adjustments	-	-	-	-
Fund balances-ending	<u>\$ 1,230,110</u>	<u>\$ 1,230,110</u>	<u>\$ 1,358,369</u>	<u>\$ 128,259</u>

KITSAP COUNTY, WASHINGTON

Developmental Disabilities Fund 182

Schedule of Revenues, Expenditures, and Changes in Fund Balances - Budget and Actual

For the Year Ended December 31, 2018

	Budget		Actual	Variance with Final Budget
	Original	Final		
REVENUES:				
Property taxes	\$ 250,000	\$ 250,000	\$ 250,000	\$ -
Intergovernmental	3,399,380	3,399,380	3,417,491	18,111
Miscellaneous	-	-	-	-
Total revenues	<u>3,649,380</u>	<u>3,649,380</u>	<u>3,667,491</u>	<u>18,111</u>
EXPENDITURES:				
Current:				
Health & Human Services	3,834,730	3,834,730	3,580,091	254,639
Total expenditures	<u>3,834,730</u>	<u>3,834,730</u>	<u>3,580,091</u>	<u>254,639</u>
Excess(deficiency) of revenues over expenditures	<u>(185,350)</u>	<u>(185,350)</u>	<u>87,400</u>	<u>272,750</u>
OTHER FINANCING SOURCES (USES):				
Transfers in	4,980	4,980	4,980	-
Transfers out	(1,630)	(1,630)	-	1,630
Total other financing sources & uses	<u>3,350</u>	<u>3,350</u>	<u>4,980</u>	<u>1,630</u>
Net change in fund balance	<u>(182,000)</u>	<u>(182,000)</u>	<u>92,380</u>	<u>274,380</u>
Fund balances-beginning	1,106,575	1,106,575	1,106,575	-
Prior period adjustments	-	-	-	-
Fund balances-ending	<u>\$ 924,575</u>	<u>\$ 924,575</u>	<u>\$ 1,198,955</u>	<u>\$ 274,380</u>

KITSAP COUNTY, WASHINGTON

Substance Abuse 183

Schedule of Revenues, Expenditures and Changes in Fund Balances - Budget and Actual

For the Year Ended December 31, 2018

	Budget		Actual	Variance with Final Budget
	Original	Final		
REVENUES:				
Intergovernmental	\$ 761,000	\$ 1,586,000	\$ 1,500,523	\$ (85,477)
Miscellaneous	700	100	-	(100)
Total revenues	<u>761,700</u>	<u>1,586,100</u>	<u>1,500,523</u>	<u>(85,577)</u>
EXPENDITURES:				
Current:				
Health & Human Services	<u>771,564</u>	<u>1,596,564</u>	<u>1,494,258</u>	<u>102,306</u>
Total expenditures	<u>771,564</u>	<u>1,596,564</u>	<u>1,494,258</u>	<u>102,306</u>
Excess(deficiency) of revenues over expenditures	<u>(9,864)</u>	<u>(10,464)</u>	<u>6,264</u>	<u>16,728</u>
OTHER FINANCING SOURCES (USES):				
Transfers in	21,864	22,464	22,464	-
Transfers out	<u>(12,000)</u>	<u>(12,000)</u>	<u>(30,564)</u>	<u>(18,564)</u>
Total other financing sources & uses	<u>9,864</u>	<u>10,464</u>	<u>(8,100)</u>	<u>(18,564)</u>
Net change in fund balance	<u>-</u>	<u>-</u>	<u>(1,836)</u>	<u>(1,836)</u>
Fund balances-beginning	95,845	95,845	95,845	-
Prior period adjustments	-	-	1,734	1,734
Fund balances-ending	<u>\$ 95,845</u>	<u>\$ 95,845</u>	<u>\$ 95,744</u>	<u>\$ (101)</u>

KITSAP COUNTY, WASHINGTON

Youth Services Juvenile 185

Schedule of Revenues, Expenditures, and Changes in Fund Balances - Budget and Actual

For the Year Ended December 31, 2018

	Budget		Actual	Variance with Final Budget
	Original	Final		
REVENUES:				
Miscellaneous	\$ 1,018	\$ 1,018	\$ 3,641	\$ 2,623
Total revenues	<u>1,018</u>	<u>1,018</u>	<u>3,641</u>	<u>2,623</u>
EXPENDITURES:				
Current:				
Public safety	44,824	44,824	5,894	38,930
Total expenditures	<u>44,824</u>	<u>44,824</u>	<u>5,894</u>	<u>38,930</u>
Excess(deficiency) of revenues over expenditures	<u>(43,806)</u>	<u>(43,806)</u>	<u>(2,253)</u>	<u>41,553</u>
OTHER FINANCING SOURCES (USES):				
Transfers in	-	-	2,000	2,000
Transfers out	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total other financing sources & uses	<u>-</u>	<u>-</u>	<u>2,000</u>	<u>2,000</u>
Net change in fund balance	<u>(43,806)</u>	<u>(43,806)</u>	<u>(253)</u>	<u>43,553</u>
Fund balances-beginning	54,668	54,668	54,668	-
Prior period adjustments	-	-	-	-
Fund balances-ending	<u>\$ 10,862</u>	<u>\$ 10,862</u>	<u>\$ 54,415</u>	<u>\$ 43,553</u>

KITSAP COUNTY, WASHINGTON

Mental Health Non-Medicaid Fund 188

Schedule of Revenues, Expenditures, and Changes in Fund Balances - Budget and Actual

For the Year Ended December 31, 2018

	Budget		Actual	Variance with Final Budget
	Original	Final		
REVENUES:				
Intergovernmental	\$ 9,999,789	\$ 10,649,789	\$ 10,488,989	\$ (160,800)
Investment earnings	4,000	4,000	10,802	6,802
Miscellaneous	-	-	-	-
Total revenues	<u>10,003,789</u>	<u>10,653,789</u>	<u>10,499,791</u>	<u>(153,998)</u>
EXPENDITURES:				
Current:				
Health and human services	<u>9,389,620</u>	<u>10,572,620</u>	<u>9,853,114</u>	<u>719,506</u>
Total expenditures	<u>9,389,620</u>	<u>10,572,620</u>	<u>9,853,114</u>	<u>719,506</u>
Excess(deficiency) of revenues over expenditures	<u>614,169</u>	<u>81,169</u>	<u>646,677</u>	<u>565,508</u>
OTHER FINANCING SOURCES (USES):				
Transfers in	11,711	11,711	11,711	-
Transfers out	<u>(625,880)</u>	<u>(625,880)</u>	<u>(149,988)</u>	<u>475,892</u>
Total other financing sources & uses	<u>(614,169)</u>	<u>(614,169)</u>	<u>(138,277)</u>	<u>475,892</u>
Net change in fund balance	<u>-</u>	<u>(533,000)</u>	<u>508,400</u>	<u>1,041,400</u>
Fund balances-beginning	<u>3,371,203</u>	<u>3,371,203</u>	<u>3,371,203</u>	<u>-</u>
Prior period adjustments	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Fund balances-ending	<u>\$ 3,371,203</u>	<u>\$ 2,838,203</u>	<u>\$ 3,879,603</u>	<u>\$ 1,041,400</u>

KITSAP COUNTY, WASHINGTON

Commute Trip Reduction Fund 189

Schedule of Revenues, Expenditures, and Changes in Fund Balances - Budget and Actual

For the Year Ended December 31, 2018

	Budget		Actual	Variance with Final Budget
	Original	Final		
REVENUES:				
Fines & forfeits	\$ -	\$ -	\$ -	\$ -
Miscellaneous	\$ 83,740	\$ 83,740	\$ 87,137	\$ 3,397
Total revenues	<u>83,740</u>	<u>83,740</u>	<u>87,137</u>	<u>3,397</u>
EXPENDITURES:				
Current:				
Transportation	69,298	69,298	60,569	8,729
Capital outlays		25,687	25,822	135
Total expenditures	<u>69,298</u>	<u>94,985</u>	<u>86,391</u>	<u>8,864</u>
Excess(deficiency) of revenues over expenditures	<u>14,442</u>	<u>(11,245)</u>	<u>745</u>	<u>(5,467)</u>
OTHER FINANCING SOURCES (USES):				
Transfers in	-	-	-	-
Transfers out	-	-	-	-
Total other financing sources & uses	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Net change in fund balance	<u>14,442</u>	<u>(11,245)</u>	<u>745</u>	<u>(5,467)</u>
Fund balances-beginning	158,768	158,768	158,768	-
Prior period adjustments	-	-	-	-
Fund balances-ending	<u>\$ 173,210</u>	<u>\$ 147,523</u>	<u>\$ 159,513</u>	<u>\$ (5,467)</u>

KITSAP COUNTY, WASHINGTON

Area Agency on Aging Fund 190

Schedule of Revenues, Expenditures, and Changes in Fund Balances - Budget and Actual

For the Year Ended December 31, 2018

	Budget		Actual	Variance with Final Budget
	Original	Final		
REVENUES:				
Intergovernmental	\$ 4,093,107	\$ 4,377,607	\$ 3,992,193	\$ (385,414)
Fines & forfeits	-	-	-	-
Miscellaneous	2,500	2,500	2,600	100
Total revenues	<u>4,095,607</u>	<u>4,380,107</u>	<u>3,994,794</u>	<u>(385,313)</u>
EXPENDITURES:				
Current:				
Health & Human Services	4,199,048	4,576,048	4,095,190	480,858
Total expenditures	<u>4,199,048</u>	<u>4,576,048</u>	<u>4,095,190</u>	<u>480,858</u>
Excess(deficiency) of revenues over expenditures	<u>(103,441)</u>	<u>(195,941)</u>	<u>(100,396)</u>	<u>95,545</u>
OTHER FINANCING SOURCES (USES):				
Transfers in	116,351	211,351	211,351	-
Transfers out	<u>(12,910)</u>	<u>(12,910)</u>	-	12,910
Total other financing sources & uses	<u>103,441</u>	<u>198,441</u>	<u>211,351</u>	<u>12,910</u>
Net change in fund balance	-	2,500	110,955	108,455
Fund balances-beginning	897,349	897,349	897,349	-
Prior period adjustments	-	-	-	-
Fund balances-ending	<u>\$ 897,349</u>	<u>\$ 899,849</u>	<u>\$ 1,008,304</u>	<u>\$ 108,455</u>

KITSAP COUNTY, WASHINGTON

JTPA Admin Fund 191

Schedule of Revenues, Expenditures, and Changes in Fund Balances - Budget and Actual

For the Year Ended December 31, 2018

	Budget		Actual	Variance with Final Budget
	Original	Final		
REVENUES:				
Intergovernmental	\$ 2,656,168	\$ 3,347,924	\$ 3,014,917	\$ (333,007)
Miscellaneous	-	-	-	-
Total revenues	<u>2,656,168</u>	<u>3,347,924</u>	<u>3,014,917</u>	<u>(333,007)</u>
EXPENDITURES:				
Current:				
Health & Human Services	2,660,389	3,358,389	3,027,012	331,377
Total expenditures	<u>2,660,389</u>	<u>3,358,389</u>	<u>3,027,012</u>	<u>331,377</u>
Excess(deficiency) of revenues over expenditures	<u>(4,221)</u>	<u>(10,465)</u>	<u>(12,095)</u>	<u>(1,630)</u>
OTHER FINANCING SOURCES (USES):				
Transfers in	5,851	12,095	12,095	-
Transfers out	<u>(1,630)</u>	<u>(1,630)</u>	-	1,630
Total other financing sources & uses	<u>4,221</u>	<u>10,465</u>	<u>12,095</u>	<u>1,630</u>
Net change in fund balance	-	-	-	-
Fund balances-beginning	-	-	-	-
Prior period adjustments	-	-	-	-
Fund balances-ending	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

KITSAP COUNTY, WASHINGTON

Employment Training Fund 192

Schedule of Revenues, Expenditures, and Changes in Fund Balances - Budget and Actual

For the Year Ended December 31, 2018

	Budget		Actual	Variance with Final Budget
	Original	Final		
REVENUES:				
Intergovernmental	\$ 1,000,000	\$ 1,000,000	\$ 373,653	\$ (626,347)
Charges for services	-	-	-	-
Fines & forfeits	-	-	-	-
Investment earnings	-	-	-	-
Miscellaneous	50,000	50,000	-	(50,000)
Total revenues	1,050,000	1,050,000	373,653	(676,347)
EXPENDITURES:				
Current:				
Health & Human Services	1,050,000	1,050,000	388,661	661,339
Total expenditures	1,050,000	1,050,000	388,661	661,339
Excess(deficiency) of revenues over expenditures	-	-	(15,008)	(15,008)
OTHER FINANCING SOURCES (USES):				
Transfers in	-	-	-	-
Transfers out	-	-	-	-
Total other financing sources & uses	-	-	-	-
Net change in fund balance	-	-	(15,008)	(15,008)
Fund balances-beginning	110,992	110,992	104,633	(6,359)
Prior period adjustments	-	-	-	-
Fund balances-ending	\$ 110,992	\$ 110,992	\$ 89,625	\$ (21,367)

KITSAP COUNTY, WASHINGTON

Kitsap/Regional Coordinating Council Fund 193

Schedule of Revenues, Expenditures, and Changes in Fund Balances - Budget and Actual

For the Year Ended December 31, 2018

	Budget		Actual	Variance with Final Budget
	Original	Final		
REVENUES:				
Intergovernmental	\$ 79,469	\$ 91,364	\$ 79,486	\$ (11,878)
Charges for services	-	-	-	-
Miscellaneous	-	-	1,400	1,400
Total revenues	<u>79,469</u>	<u>91,364</u>	<u>80,886</u>	<u>(10,478)</u>
EXPENDITURES:				
Current:				
Economic Environment	<u>205,023</u>	<u>216,918</u>	<u>207,787</u>	<u>9,131</u>
Total expenditures	<u>205,023</u>	<u>216,918</u>	<u>207,787</u>	<u>9,131</u>
Excess(deficiency) of revenues over expenditures	<u>(125,554)</u>	<u>(125,554)</u>	<u>(126,901)</u>	<u>(1,347)</u>
OTHER FINANCING SOURCES (USES):				
Transfers in	140,554	140,554	138,710	(1,844)
Transfers out	-	-	-	-
Total other financing sources & uses	<u>140,554</u>	<u>140,554</u>	<u>138,710</u>	<u>(1,844)</u>
Net change in fund balance	<u>15,000</u>	<u>15,000</u>	<u>11,809</u>	<u>(3,191)</u>
Fund balances-beginning	17,613	17,613	17,613	-
Prior period adjustments	-	-	-	-
Fund balances-ending	<u>\$ 32,613</u>	<u>\$ 32,613</u>	<u>\$ 29,422</u>	<u>\$ (3,191)</u>

KITSAP COUNTY, WASHINGTON

Poplars Capital Project 336

Schedule of Revenues, Expenditures, and Changes in Fund Balances - Budget and Actual

For the Year Ended December 31, 2018

	Budget		Actual	Variance with Final Budget
	Original	Final		
REVENUES:				
Investment earnings	\$ -	\$ -	\$ -	\$ -
Miscellaneous	343,000	343,000	342,096	\$ (904)
Total revenues	<u>343,000</u>	<u>343,000</u>	<u>342,096</u>	<u>(904)</u>
EXPENDITURES:				
Physical Environment	194,330	194,330	163,978	30,352
Interest and other charges	-	-	-	-
Total expenditures	<u>194,330</u>	<u>194,330</u>	<u>163,978</u>	<u>30,352</u>
Excess(deficiency) of revenues over expenditures	<u>148,670</u>	<u>148,670</u>	<u>178,118</u>	<u>29,448</u>
OTHER FINANCING SOURCES (USES):				
Transfers in	-	-	-	-
Transfers out	(78,400)	(78,400)	(78,400)	-
Total other financing sources & uses	<u>(78,400)</u>	<u>(78,400)</u>	<u>(78,400)</u>	<u>-</u>
Net change in fund balance	70,270	70,270	99,718	29,448
Fund balances-beginning	435,043	435,043	430,480	(4,563)
Fund balances-ending	<u>\$ 505,313</u>	<u>\$ 505,313</u>	<u>\$ 530,198</u>	<u>\$ 24,885</u>

KITSAP COUNTY, WASHINGTON

Silverdale Projects 363

Schedule of Revenues, Expenditures, and Changes in Fund Balances - Budget and Actual
For the Year Ended December 31, 2018

	Budget		Actual	Variance with Final Budget
	Original	Final		
REVENUES:				
Intergovernmental	\$ -	\$ -	\$ -	\$ -
Total revenues	-	-	-	-
EXPENDITURES:				
Current:				
Physical Environment	-	-	-	-
Capital outlay	95,000	95,000	5,000	90,000
Total Expenditures	95,000	95,000	5,000	90,000
Excess(deficiency) of revenues over expenditures	(95,000)	(95,000)	(5,000)	90,000
OTHER FINANCING SOURCES (USES):				
Transfers in	-	-	-	-
Transfers out	-	-	-	-
Total other financing sources & uses	-	-	-	-
Net change in fund balance	(95,000)	(95,000)	(5,000)	90,000
Fund balances-beginning	96,926	96,926	96,926	-
Prior period adjustments	-	-	-	-
Fund balances-ending	\$ 1,926	\$ 1,926	\$ 91,926	\$ 90,000

KITSAP COUNTY, WASHINGTON

Parks Capital Improvement 382

Schedule of Revenues, Expenditures, and Changes in Fund Balances - Budget and Actual

For the Year Ended December 31, 2018

	Budget		Actual	Variance with Final Budget
	Original	Final		
REVENUES:				
Intergovernmental	\$ -	\$ -	\$ -	\$ -
Investment earnings	-	-	35,646	35,646
Miscellaneous	-	-	92,263	92,263
Total revenues	-	-	127,910	127,910
EXPENDITURES:				
Current:				
Culture & recreation	425,000	425,000	212,769	212,231
Debt service:				
Principal	-	-	89,135	(89,135)
Interest and other charges	-	-	10,865	(10,865)
Capital outlay	1,203,100	2,113,067	388,399	1,724,668
Total expenditures	1,628,100	2,538,067	701,168	1,836,899
Excess(deficiency) of revenues over expenditures	(1,628,100)	(2,538,067)	(573,258)	1,964,809
OTHER FINANCING SOURCES (USES):				
Sale of assets	-	-	-	-
Transfers in	871,000	1,610,967	205,305	(1,405,662)
Transfers out	(154,621)	(154,621)	(154,621)	-
Total other financing sources & uses	716,379	1,456,346	50,684	(1,405,662)
Net change in fund balance	(911,721)	(1,081,721)	(522,575)	559,146
Fund balances-beginning	2,040,755	2,040,755	2,040,755	-
Prior period adjustments	-	-	-	-
Fund balances-ending	\$ 1,129,034	\$ 959,034	\$ 1,518,180	\$ 559,146

KITSAP COUNTY, WASHINGTON

KC2010 LTGO 235

Schedule of Revenues, Expenditures, and Changes in Fund Balances - Budget and Actual
For the Year Ended December 31, 2018

	Budget		Actual	Variance with Final Budget
	Original	Final		
REVENUES:				
Investment earnings	\$ -	\$ -	\$ -	\$ -
Total revenues	-	-	-	-
EXPENDITURES:				
Current:				
Principal	530,000	530,000	530,000	-
Interest and other charges	114,433	114,433	114,433	-
Total expenditures	644,433	644,433	644,433	-
Excess(deficiency) of revenues over expenditures	(644,433)	(644,433)	(644,433)	-
OTHER FINANCING SOURCES (USES):				
Transfers in	644,433	644,433	644,433	-
Transfers out	-	-	-	-
Total other financing sources & uses	644,433	644,433	644,433	-
Net change in fund balance	-	-	-	-
Fund balances-beginning	145,888	145,888	145,888	-
Prior period adjustments	-	-	-	-
Fund balances-ending	\$ 145,888	\$ 145,888	\$ 145,888	\$ -

KITSAP COUNTY, WASHINGTON

KC2011 LTGO 236

Schedule of Revenues, Expenditures, and Changes in Fund Balances - Budget and Actual
For the Year Ended December 31, 2018

	Budget		Actual	Variance with Final Budget
	Original	Final		
REVENUES:				
Intergovernmental	\$ -	\$ -	\$ 839,681	\$ 839,681
Miscellaneous	-	-	108,200	108,200.00
Total revenues	-	-	947,881	947,881
EXPENDITURES:				
Current:				
Principal	1,495,000	1,495,000	1,495,000	-
Interest and other charges	453,800	453,800	453,800	-
Total expenditures	1,948,800	1,948,800	1,948,800	-
Excess(deficiency) of revenues over expenditures	(1,948,800)	(1,948,800)	(1,000,919)	947,881
OTHER FINANCING SOURCES (USES):				
Transfers in	1,840,600	1,840,600	1,000,918	(839,682)
Transfers out	-	-	-	-
Total other financing sources & uses	1,840,600	1,840,600	1,000,918	(839,682)
Net change in fund balance	(108,200)	(108,200)	(1)	108,199
Fund balances-beginning	106,047	106,047	106,047	-
Prior period adjustments	-	-	-	-
Fund balances-ending	\$ (2,153)	\$ (2,153)	\$ 106,047	108,199

KITSAP COUNTY, WASHINGTON

KC LTGO Bond Fund 2013 237

Schedule of Revenues, Expenditures, and Changes in Fund Balances - Budget and Actual
For the Year Ended December 31, 2018

	Budget		Actual	Variance with Final Budget
	Original	Final		
REVENUES:				
Intergovernmental	\$ 416,088	\$ 416,088	\$ (14,013)	\$ (430,101)
Interest earnings		-	174,418	\$ 174,418
Miscellaneous	-	-	-	
Total revenues	<u>416,088</u>	<u>416,088</u>	<u>160,406</u>	<u>(255,682)</u>
EXPENDITURES:				
Current:				
Physical environment		-	-	
Principal	2,280,000	2,280,000	2,280,000	-
Interest and other charges	1,549,075	1,549,075	1,470,675	78,400
Total expenditures	<u>3,829,075</u>	<u>3,829,075</u>	<u>3,750,675</u>	<u>78,400</u>
Excess(deficiency) of revenues over expenditures	<u>(3,412,987)</u>	<u>(3,412,987)</u>	<u>(3,590,269)</u>	<u>(177,282)</u>
OTHER FINANCING SOURCES (USES):				
Transfers in	4,685,957	4,685,957	4,685,958	1
Transfers out	-	-	-	-
Total other financing sources & uses	<u>4,685,957</u>	<u>4,685,957</u>	<u>4,685,958</u>	<u>1</u>
Net change in fund balance	<u>1,272,970</u>	<u>1,272,970</u>	<u>1,095,688</u>	<u>(177,282)</u>
Fund balances-beginning	1,775,452	1,775,452	1,775,452	-
Prior period adjustments	-	-	-	-
Fund balances-ending	<u>\$ 3,048,422</u>	<u>\$ 3,048,422</u>	<u>\$ 2,871,140</u>	<u>\$ (177,282)</u>

KITSAP COUNTY, WASHINGTON

KC LTGO 2015 Refunding 238

Schedule of Revenues, Expenditures, and Changes in Fund Balances - Budget and Actual

For the Year Ended December 31, 2018

	Budget		Actual	Variance with Final Budget
	Original	Final		
REVENUES:				
Intergovernmental	\$ 444,116	\$ 444,116	\$ 464,863	\$ 20,747
Total revenues	444,116	444,116	464,863	20,747
EXPENDITURES:				
Current:				
Principal	1,971,800	1,971,800	1,945,000	26,800
Interest and other charges	728,500	728,500	755,300	(26,800)
Total expenditures	2,700,300	2,700,300	2,700,300	-
Excess(deficiency) of revenues over expenditures	(2,256,184)	(2,256,184)	(2,235,437)	20,747
OTHER FINANCING SOURCES (USES):				
Transfers in	2,235,437	2,235,437	2,235,437	-
Transfers out	-	-	-	-
Total other financing sources & uses	2,235,437	2,235,437	2,235,437	-
Net change in fund balance	(20,747)	(20,747)	(0)	20,747
Fund balances-beginning	4	4	4	-
Prior period adjustments	-	-	-	-
Fund balances-ending	\$ (20,743)	\$ (20,743)	\$ 4	\$ 20,747

KITSAP COUNTY, WASHINGTON

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Schedule of Revenues, Expenditures, and Changes in Fund Balances - Budget and Actual
For the Year Ended December 31, 2018

	Budget		Actual	Variance with Final Budget
	Original	Final		
REVENUES:				
Intergovernmental	\$ 839,681	\$ 839,681	\$ 221,312	\$ (618,369)
Investment earnings	-	-	8,911	8,911
Total revenues	<u>839,681</u>	<u>839,681</u>	<u>230,224</u>	<u>(609,457)</u>
EXPENDITURES:				
Current:				
Principal	-	-	610,000	(610,000)
Interest and other charges	-	-	229,681	(229,681)
Total expenditures	-	-	839,681	(839,681)
Excess(deficiency) of revenues over expenditures	<u>839,681</u>	<u>839,681</u>	<u>(609,457)</u>	<u>(1,449,138)</u>
OTHER FINANCING SOURCES (USES):				
Transfers in			-	
Transfers out	(839,681)	(839,681)	-	839,681
Total other financing sources & uses	<u>(839,681)</u>	<u>(839,681)</u>	<u>-</u>	<u>839,681</u>
Net change in fund balance	-	-	(609,457)	(609,457)
Fund balances-beginning	6,476,039	6,476,039	6,475,812	(227)
Prior period adjustments	-	-	-	-
Fund balances-ending	<u>\$ 6,476,039</u>	<u>\$ 6,476,039</u>	<u>\$ 5,866,355</u>	<u>\$ (609,684)</u>

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Component Unit

Kitsap County Auditor | Financial Division

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KITSAP COUNTY, WASHINGTON

COMPONENT UNIT

The County has one discretely presented Component Unit, the Public Facilities District (PFD). The PFD fund statements are as follows:

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KITSAP COUNTY, WASHINGTON

Combining Statement of Position

Component Unit - Public Facilities District

December 31, 2018

	PFD KFEC Facility 966	PFD Operations 968	PFD Kitsap Con 976	PFD Regional Center Cap 977	Total
ASSETS					
Current assets:					
Cash and Cash equivalents	\$ 46,646	\$ 31,080	\$ -	\$ 147,707	\$ 225,433
Deposits with fiscal agents	-	-	-	250,000	250,000
Investments	-	-	1,159	2,120,485	2,121,644
Total current assets	\$ 46,646	\$ 31,080	\$ 1,159	\$ 2,518,192	2,597,077
Total assets					
Deferred outflows	-	-	-	-	-
LIABILITIES AND FUND BALANCES					
LIABILITIES					
Other liabilities	-	10,219	-	635,000	645,219
Notes/Contracts	-	-	-	5,160,000	5,160,000
Total liabilities	-	10,219	-	5,795,000	5,805,219
Deferred inflows	-	-	-	-	-
NET POSITION					
Net investment in capital assets	-	-	-	-	-
Unrestricted	46,646	20,861	1,159	(3,276,808)	(3,208,142)
Total net position	\$ 46,646	\$ 20,861	\$ 1,159	\$ (3,276,808)	\$ (3,208,142)

KITSAP COUNTY, WASHINGTON

Combining Statement of Revenues, Expenditures and Changes in Fund Balances

Component Unit - Public Facilities District

For the Year Ended December 31, 2018

	PFD KFEC Facility 966	PFD Operations 968	PFD Kitsap Con 976	PFD Regional Center Cap 977	Total
REVENUES:					
Retail sales & use taxes	\$ -	\$ -	\$ -	\$ 1,707,652	\$ 1,707,652
Intergovernmental	-	-	-	-	-
Interest earnings	-	-	21	31,542	31,563
Miscellaneous	-	-	-	-	-
Total revenues	-	-	21	1,739,194	1,739,215
EXPENDITURES:					
Current:					
Physical environment	-	142,837	-	302,059	444,896
Capital outlay	-	-	-	-	-
Total expenditures	-	142,837	-	302,059	444,896
Excess(deficiency) of revenues over expenditures	-	(142,837)	21	1,437,135	1,294,319
OTHER FINANCING SOURCES (USES):					
Transfers out	-	-	-	(150,000)	(150,000)
Transfers in	-	150,000	-	-	150,000
Total other financing sources & uses	-	150,000	-	(150,000)	-
Net change in fund balance	-	7,163	21	1,287,135	1,294,319
Net position-beginning	46,646	13,698	1,138	(4,563,942)	(4,502,460)
Prior period adjustments	-	-	-	-	-
Net position-ending	\$ 46,646	\$ 20,861	\$ 1,159	\$ (3,276,808)	\$ (3,208,142)



Internal Service Funds

Kitsap County Auditor | Financial Division

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KITSAP COUNTY, WASHINGTON

Internal Service Funds

Internal Service Funds are used by Kitsap County to account for the financing of goods and services provided by a department to other departments or agencies of Kitsap County, or to other governmental units, on a cost-reimbursement basis.

A description of each fund follows:

Equipment Rental and Revolving Fund – A fund used to account for the operation of County vehicles and rental of equipment to other funds within the County.

Building Repair and Replacement Fund – This fund accounts for operation and maintenance/repair of County buildings.

Employer Benefits Fund – Accounts for the activities of the County's self-funded employee welfare benefit plans. The fund manages employer medical, dental, vision, life, accidental death and dismemberment, and long-term disability benefit programs.

Self Insurance Fund – Funds, finances and administers the County's property and casualty, and workers compensation insurance programs. The Fund also manages the County's unemployment risk.

Elections Fund – A fund used to account for elections operations for the County and other government agencies/districts within the County.

Information Services Fund – This fund maintains and manages the County's computer equipment and software.

KITSAP COUNTY, WASHINGTON

Combining Statement of Net Position

Internal Service Funds

December 31, 2018

	Equipment Rental and Revolving	Building Repair and Replacement	Employer Benefits	Self Insurance
ASSETS				
Current assets:				
Cash and Cash equivalents	\$ 22,786,235	\$ 386,756	\$ 4,904,777	\$ 10,411,878
Deposits with fiscal agents	-	-	-	-
Receivables, net	14,781	-	705,558	-
Due from other funds	538,179	-	7,957	-
Due from other governments	-	-	-	-
Prepayments	-	-	-	160,208
Inventories	1,945,346	-	-	-
Total current assets	<u>25,284,541</u>	<u>386,756</u>	<u>5,618,292</u>	<u>10,572,086</u>
Noncurrent assets:				
Buildings	\$ 1,659,927	\$ -	\$ -	\$ -
Improvements & Other Buildings	-	1,168,580	-	-
Machinery & Equipment	35,802,775	6,812	-	-
Construction In Progress	-	93,144	-	-
Less accumulated depreciation	(19,141,088)	(119,825)	-	-
Total noncurrent assets	<u>18,321,614</u>	<u>1,148,711</u>	<u>-</u>	<u>-</u>
Total assets	<u>\$ 43,606,155</u>	<u>\$ 1,535,467</u>	<u>\$ 5,618,292</u>	<u>\$ 10,572,086</u>
DEFERRED OUTFLOWS				
Deferred Outflows Related to Pensions	73,002	-	-	-
Total assets and deferred outflows	<u>\$ 43,679,157</u>	<u>\$ 1,535,467</u>	<u>\$ 5,618,292</u>	<u>\$ 10,572,086</u>
LIABILITIES				
Current liabilities:				
Accounts payable	\$ 430,024	\$ 11,479	\$ 3,496	\$ 50,327
Due to other funds	27,235	-	1,365	44
Due to other governments	-	-	-	-
Other liabilities	48,896	-	11,102	8,667,098
Current portion of long term liabilities	9,040	-	1,493	4,046
Total current liabilities	<u>515,195</u>	<u>11,479</u>	<u>17,456</u>	<u>8,721,515</u>
Noncurrent Liabilities				
Net pension liability	338,724	-	-	-
Due in more than one year	81,358	-	13,436	36,409
Total noncurrent liabilities	<u>420,082</u>	<u>-</u>	<u>13,436</u>	<u>36,409</u>
Total liabilities	<u>935,277</u>	<u>11,479</u>	<u>30,892</u>	<u>8,757,924</u>
DEFERRED INFLOWS				
Deferred Inflows Related to Pensions	173,574	-	-	-
Total liabilities and deferred inflows	<u>\$ 1,108,851</u>	<u>\$ 11,479</u>	<u>\$ 30,892</u>	<u>\$ 8,757,924</u>
NET POSITION				
Net investment in capital assets	\$ 18,321,614	\$ 1,148,711	\$ -	\$ -
Restricted:				
Debt service	-	-	-	-
Unrestricted	24,248,692	375,277	5,587,400	1,814,162
Total net position	<u>\$ 42,570,306</u>	<u>\$ 1,523,988</u>	<u>\$ 5,587,400</u>	<u>\$ 1,814,162</u>

Elections	Information Services	Total
\$ 54,412	\$ 2,472,653	\$ 41,016,711
-	-	-
-	-	720,339
-	18,653	564,789
170,916	-	170,916
24,951	-	185,159
-	-	1,945,346
<u>250,279</u>	<u>2,491,306</u>	<u>44,603,260</u>
\$ -	\$ -	\$ 1,659,927
-	-	1,168,580
270,846	4,227,593	40,308,026
-	-	93,144
<u>(270,846)</u>	<u>(3,618,605)</u>	<u>(23,150,364)</u>
-	608,988	20,079,313
<u>\$ 250,279</u>	<u>\$ 3,100,294</u>	<u>\$ 64,682,573</u>
73,002	292,008	438,012
<u>\$ 323,281</u>	<u>\$ 3,392,302</u>	<u>\$ 65,120,585</u>
\$ 6,674	\$ 176,347	\$ 678,347
126,628	2,058	157,330
-	-	-
124,541	133,979	8,985,616
4,934	30,372	49,885
<u>262,777</u>	<u>342,756</u>	<u>9,871,178</u>
338,724	1,354,897	2,032,345
<u>44,409</u>	<u>273,349</u>	<u>448,961</u>
<u>383,133</u>	<u>1,628,246</u>	<u>2,481,306</u>
<u>645,910</u>	<u>1,971,002</u>	<u>12,352,484</u>
173,574	694,294	1,041,442
<u>\$ 819,484</u>	<u>\$ 2,665,296</u>	<u>\$ 13,393,926</u>
\$ -	\$ 608,988	\$ 20,079,313
-	-	-
<u>(496,203)</u>	<u>118,018</u>	<u>31,647,346</u>
<u>\$ (496,203)</u>	<u>\$ 727,006</u>	<u>\$ 51,726,659</u>

KITSAP COUNTY, WASHINGTON

Combining Statement of Revenues, Expenses, and Changes in Fund Net Assets Internal Service Funds For the Year Ended December 31, 2018

	Equipment Rental and Revolving	Building Repair and Replacement	Employer Benefits	Self Insurance
Operating revenues:				
Charges for services	\$ 12,157,599	\$ -	\$ 17,164,429	\$ 3,447,062
Miscellaneous	8,336	-	-	313
Total operating revenues	<u>12,165,935</u>	<u>-</u>	<u>17,164,429</u>	<u>3,447,375</u>
Operating expenses:				
Personal services	1,391,053	-	316,288	1,383,683
Contractual services	231,585	6,565	16,355,449	757,950
Utilities	22,543	357	-	193
Repair and maintenance	83,870	21,437	60,708	-
Other supplies and expenses	5,711,591	20,017	120,821	389,633
Ins. claims and expenses	5,330	-	745,900	1,031,218
Depreciation	2,723,831	58,339	-	-
Total operating expenses	<u>10,169,803</u>	<u>106,715</u>	<u>17,599,166</u>	<u>3,562,677</u>
Operating income	<u>1,996,132</u>	<u>(106,715)</u>	<u>(434,737)</u>	<u>(115,302)</u>
Nonoperating revenue (expenses)				
Interest revenue	-	-	-	-
Miscellaneous revenue	26,017	-	-	-
Interest expense	-	-	-	-
Miscellaneous expense	-	-	-	-
Total nonoperating exp.	<u>26,017</u>	<u>-</u>	<u>-</u>	<u>-</u>
Income (loss) before contributions & transfers	2,022,149	(106,715)	(434,737)	(115,302)
Capital contributions	198,466	-	-	-
Transfers in	-	200,000	1,150,000	-
Transfers out	(20,362)	-	(1,414)	(1,874)
Change in Net Position	<u>2,200,253</u>	<u>93,285</u>	<u>713,849</u>	<u>(117,176)</u>
Total net position - beginning	40,370,053	1,430,703	4,873,551	1,931,338
Prior period adjustment related to pensions	-	-	-	-
Total net position - ending	<u>\$ 42,570,306</u>	<u>\$ 1,523,988</u>	<u>\$ 5,587,400</u>	<u>\$ 1,814,162</u>

Elections	Information Services	Total
\$ 1,812,254	\$ 8,659,476	\$ 43,240,820
-	2	\$ 8,651
<u>1,812,254</u>	<u>8,659,478</u>	<u>43,249,471</u>
899,260	3,949,370	7,939,654
274,276	314,670	17,940,495
-	1,799	24,892
32,621	1,358,372	1,557,008
513,575	1,888,335	8,643,972
1,395	5,118	1,788,961
-	215,411	2,997,581
<u>1,721,127</u>	<u>7,733,075</u>	<u>40,892,563</u>
<u>91,127</u>	<u>926,403</u>	<u>2,356,908</u>
-	-	-
-	-	26,017
-	-	-
-	-	-
<u>-</u>	<u>-</u>	<u>26,017</u>
91,127	926,403	2,382,925
-	-	198,466
-	849,732	2,199,732
(22,461)	(48,132)	(94,243)
<u>68,666</u>	<u>1,728,003</u>	<u>4,686,880</u>
(564,869)	(1,000,997)	47,039,779
-	-	-
<u>\$ (496,203)</u>	<u>\$ 727,006</u>	<u>\$ 51,726,659</u>

Combining Statement of Cash Flows
Internal Service Funds
For the Year Ended December 31, 2018

	Equipment Rental and Revolving	Building Repair and Replacement	Employer Benefits	Self Insurance
CASH FLOWS FROM OPERATING ACTIVITIES				
Receipts from customers	\$ 12,185,422	\$ 15,000	\$ 16,451,103	\$ 3,447,375
Payments to suppliers	(5,708,769)	(46,867)	(17,359,093)	(2,223,816)
Payments to employees	(1,467,852)	-	(321,225.00)	(1,374,998)
Net cash provided by operating activities	<u>5,008,801</u>	<u>(31,867)</u>	<u>(1,229,215)</u>	<u>(151,439)</u>
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES				
Operating grants received	-	-	-	-
Transfers in	-	200,000	1,150,000.00	-
Transfers out	(20,362)	-	(1,414.00)	(1,874)
Net cash provided by noncapital activities	<u>(20,362)</u>	<u>200,000</u>	<u>1,148,586</u>	<u>(1,874)</u>
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES				
Capital contributions	-	-	-	-
Proceeds from sales and maturities of investments	-	-	-	-
Purchases of capital assets	(3,303,752)	(101,387)	-	-
Principal paid on capital debt	-	-	-	-
Interest paid on capital debt	-	-	-	-
Net cash from related financing activities	<u>(3,303,752)</u>	<u>(101,387)</u>	<u>-</u>	<u>-</u>
CASH FLOWS FROM INVESTING ACTIVITIES				
Proceeds from sales and maturities of investments	-	-	-	-
Purchase of investments	-	-	-	-
Interest and dividends	-	-	-	-
Net cash provided by investing activities	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Net (decrease) in cash and cash equivalents	1,684,687	66,746	(80,629)	(153,313)
Balances - beginning of the year	21,075,531	320,010	4,985,406	10,565,191
Balances - end of the year	<u>\$ 22,760,218</u>	<u>\$ 386,756</u>	<u>\$ 4,904,777</u>	<u>\$ 10,411,878</u>
Reconciliation of operating income (loss) to net cash provided (used) by operating activities:				
Operating income (loss)	\$ 1,996,132	\$ (106,715)	\$ (434,737)	\$ (115,302)
Adjustments to reconcile operating income to net cash provided (used) by operating activities:				
Depreciation expense	2,723,831	58,339	-	-
Change in assets and liabilities:				
Receivables, net	(13,201)	-	(705,369)	-
Due from other funds	55,595	15,000	(7,957)	-
Due from other governments	-	-	-	-
Prepayments	-	-	-	(14,906)
Inventories	(22,907)	-	-	-
Deferred inflows	69,550	-	-	-
Accounts and other payables	333,612	1,509	2,296	23,905
Due to other funds	2,644	-	1,365	(13,861)
Due to other governments	-	-	-	-
Accrued expenses	9,894	-	(79,876)	(39,960)
Deferred outflows	10,228	-	-	-
Net pension liability	(158,411)	-	-	-
Employee leave benefits	1,834	-	(4,937)	8,685
Net cash provided by operating activities	<u>\$ 5,008,801</u>	<u>\$ (31,867)</u>	<u>\$ (1,229,215)</u>	<u>\$ (151,439)</u>
Noncash investing, capital and financing activities				
Contribution of capital assets	\$ 198,466			

Elections	Information Services	Total
\$ 2,134,826	\$ 8,887,043	43,120,769
(1,089,443)	(3,573,908)	(30,001,896)
(968,510)	(4,754,436)	(8,887,021)
<u>76,873</u>	<u>558,699</u>	<u>4,231,852</u>

-	-	-
-	849,732	2,199,732
(22,461)	(48,132)	(94,243)
<u>(22,461)</u>	<u>801,600</u>	<u>2,105,489</u>

-	-	-
-	-	-
-	(266,531)	(3,671,670)
-	-	-
-	-	-
<u>-</u>	<u>(266,531)</u>	<u>(3,671,670)</u>

-	-	-
-	-	-
-	-	-
-	-	-
54,412	1,093,768	2,665,671
-	1,378,885	38,325,023
<u>\$ 54,412</u>	<u>\$ 2,472,653</u>	<u>\$ 40,990,694</u>

\$ 91,127	\$ 926,403	\$ 2,356,908
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-	215,411	2,997,581
-	-	-
-	11,223	(707,347)
-	(18,653)	43,985
347,520	234,995	582,515
(24,951)	-	(39,857)
-	-	(22,907)
69,550	174,179	313,279
204	(25,878)	335,648
125,574	(2,737)	112,985
-	-	-
(393,351)	23,001	(480,292)
10,228	124,141	144,597
(158,411)	(1,130,781)	(1,447,603)
9,383	27,395	42,360
<u>\$ 76,873</u>	<u>\$ 558,699</u>	<u>\$ 4,231,852</u>

\$ 198,466

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Investment Trust Funds

Kitsap County Auditor | Financial Division

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KITSAP COUNTY, WASHINGTON

FIDUCIARY FUNDS

Investment Trust Funds

Investment trust funds are used to account for the external portion of monies held in the Kitsap County Investment Pool (“KCIP”), an external investment pool sponsored by the county. Cash and investments held for separate legal entities that are not part of the county are reported in these funds.

Investment Trust Funds are custodial in nature (assets equal liabilities) and do not measure the results of operations. Each entity is responsible for the preparation of its own financial report.

**Combining Statement of Fiduciary Net Position
Investment Trust Funds
December 31, 2018**

	State School	School Districts	Public Utility Districts	Recreation Districts
ASSETS				
Cash and Pooled Investments	\$ 408,107	\$ 231,997,717	\$ 9,884,668	\$ 4,064,385
Cash and Investments in Trust	-	5,667,704	-	-
Total Assets	<u>\$ 408,107</u>	<u>\$ 237,665,421</u>	<u>\$ 9,884,668</u>	<u>\$ 4,064,385</u>
LIABILITIES				
Warrants Payable	-	-	-	-
Accounts Payable and Other Liabilities	-	-	-	-
Total Liabilities	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
NET POSITION				
Net Position Held in Trust for Pool Participants	\$ 408,107	\$ 237,665,421	\$ 9,884,668	\$ 4,064,385
Net Position Held in Trust for Other Purposes	-	-	-	-
Total Net Position	<u>\$ 408,107</u>	<u>\$ 237,665,421</u>	<u>\$ 9,884,668</u>	<u>\$ 4,064,385</u>

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

Public Health District	Library Districts	Cities	Ports	Water Districts	Fire Districts	Sewer Districts
\$ 3,068,038	\$ 6,866,234	\$ 352,853	\$ 6,164,601	\$ 15,014,781	\$ 46,425,466	\$ 12,583,287
-	-	-	-	-	-	-
<u>\$ 3,068,038</u>	<u>\$ 6,866,234</u>	<u>\$ 352,853</u>	<u>\$ 6,164,601</u>	<u>\$ 15,014,781</u>	<u>\$ 46,425,466</u>	<u>\$ 12,583,287</u>
-	-	-	-	-	-	-
<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
\$ 3,068,038	\$ 6,866,234	\$ 352,853	\$ 6,164,601	\$ 15,014,781	\$ 46,425,466	\$ 12,583,287
-	-	-	-	-	-	-
<u>\$ 3,068,038</u>	<u>\$ 6,866,234</u>	<u>\$ 352,853</u>	<u>\$ 6,164,601</u>	<u>\$ 15,014,781</u>	<u>\$ 46,425,466</u>	<u>\$ 12,583,287</u>

**Combining Statement of Fiduciary Net Position
Investment Trust Funds
December 31, 2018**

	Public Transport District	Public Authority	Passthrough	Totals 2018
ASSETS				
Cash and Pooled Investments	\$ 65,432,435	\$ 5,197,642	\$ 60,505	\$ 407,520,717
Cash and Investments in Trust	-	-	-	5,667,704
Total Assets	<u>\$ 65,432,435</u>	<u>\$ 5,197,642</u>	<u>\$ 60,505</u>	<u>\$ 413,188,422</u>
LIABILITIES				
Warrants Payable	-	-	-	-
Accounts Payable and Other Liabilities	-	-	-	-
Total Liabilities	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
NET POSITION				
Investments Held in Trust for Pool Participants	\$ 65,432,435	\$ 5,197,642	\$ 60,505	\$ 413,188,422
Investments Held in Trust for Other Purposes	-	-	-	-
Total Net Position	<u>\$ 65,432,435</u>	<u>\$ 5,197,642</u>	<u>\$ 60,505</u>	<u>\$ 413,188,422</u>

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

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**Combining Statement of Changes in Fiduciary Net Position
Investment Trust Funds
December 31, 2018**

	State School	School Districts	Public Utility Districts	Recreation Districts
Additions:				
Contributions				
Additions by Participants	\$ 102,925,675	\$ 620,873,538	\$ 15,761,828	\$ 10,476,280
Trust Revenues	-	-	-	-
Total Contributions	<u>\$ 102,925,675</u>	<u>\$ 620,873,538</u>	<u>\$ 15,761,828</u>	<u>\$ 10,476,280</u>
Investment Income				
Net Increase (Decrease) in Fair Value of Investments	\$ -	\$ (235,904)	\$ (10,043)	\$ (2,913)
Interest, Dividends & Other	-	5,221,846	215,764	43,430
Total Investment Income	<u>-</u>	<u>4,985,941</u>	<u>205,721</u>	<u>40,517</u>
Total Additions	\$ 102,925,675	\$ 625,859,479	\$ 15,967,549	\$ 10,516,796
Deductions:				
Distributions to Participants	\$ 102,867,456	\$ 745,049,807	\$ 15,887,965	\$ 10,059,471
Trust Administrative Costs	-	-	-	-
Total Deductions	<u>102,867,456</u>	<u>745,049,807</u>	<u>15,887,965</u>	<u>10,059,471</u>
Change in Net Position Held for Individuals, Organizations & Other Governments	\$ 58,218	\$ (119,190,328)	\$ 79,584	\$ 457,325
Net Position as of January 1, 2018	<u>\$ 349,888</u>	<u>\$ 356,855,749</u>	<u>\$ 9,805,083</u>	<u>\$ 3,607,060</u>
Net Position as of December 31, 2018	<u>\$ 408,107</u>	<u>\$ 237,665,421</u>	<u>\$ 9,884,668</u>	<u>\$ 4,064,385</u>

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

Public Health District	Library Districts	Cities	Ports	Water Districts	Fire Districts	Sewer Districts
\$ 12,511,789	\$ 15,498,688	\$ 15,617,513	\$ 12,180,309	\$ 13,593,253	\$ 69,356,159	\$ 11,763,534
-	-	-	-	-	-	-
\$ 12,511,789	\$ 15,498,688	\$ 15,617,513	\$ 12,180,309	\$ 13,593,253	\$ 69,356,159	\$ 11,763,534
\$ (3,298)	\$ (7,587)	\$ -	\$ (5,441)	\$ (15,575)	\$ (50,399)	\$ (13,015)
56,751	96,109	18,117	96,589	255,444	864,592	209,969
53,453	88,522	18,117	91,147	239,869	814,194	196,954
\$ 12,565,241	\$ 15,587,210	\$ 15,635,630	\$ 12,271,456	\$ 13,833,122	\$ 70,170,352	\$ 11,960,488
\$ 11,946,561	\$ 13,495,950	\$ 15,551,353	\$ 13,403,168	\$ 13,655,105	\$ 78,796,569	\$ 10,666,531
-	-	-	-	-	-	-
11,946,561	13,495,950	15,551,353	13,403,168	13,655,105	78,796,569	10,666,531
\$ 618,680	\$ 2,091,260	\$ 84,277	\$ (1,131,712)	\$ 178,017	\$ (8,626,217)	\$ 1,293,957
\$ 2,449,358	\$ 4,774,974	\$ 268,576	\$ 7,296,313	\$ 14,836,764	\$ 55,051,683	\$ 11,289,330
\$ 3,068,038	\$ 6,866,234	\$ 352,853	\$ 6,164,601	\$ 15,014,781	\$ 46,425,466	\$ 12,583,287

KITSAP COUNTY, WASHINGTON

Combining Statement of Changes in Fiduciary Net Position Investment Trust Funds December 31, 2018

	Public Transport District	Public Authority	Passthrough	Totals 2018
Additions:				
Contributions				
Additions by Participants	\$ 75,038,612	\$ 10,618,983	\$ 296,905	\$ 986,513,064
Trust Revenues	-	-	-	-
Total Contributions	<u>\$ 75,038,612</u>	<u>\$ 10,618,983</u>	<u>\$ 296,905</u>	<u>\$ 986,513,064</u>
Investment Income				
Net Increase (Decrease) in Fair Value of Investments	\$ (63,065)	\$ (4,682)	\$ (9)	\$ (411,932)
Interest, Dividends & Other	1,120,202	78,569	149	8,277,530
Total Investment Income	<u>1,057,136</u>	<u>73,887</u>	<u>140</u>	<u>7,865,598</u>
Total Additions	\$ 76,095,748	\$ 10,692,871	\$ 297,045	\$ 994,378,662
Deductions:				
Distributions to Participants	\$ 79,265,118	\$ 10,335,185	\$ 290,248	\$ 1,121,270,486
Trust Administrative Costs	-	-	-	-
Total Deductions	<u>79,265,118</u>	<u>10,335,185</u>	<u>290,248</u>	<u>1,121,270,486</u>
Change in Net Position Held for Individuals, Organizations & Other Governments	\$ (3,169,370)	\$ 357,686	\$ 6,797	\$ (126,891,824)
Net Position as of January 1, 2018	<u>\$ 68,601,805</u>	<u>\$ 4,839,956</u>	<u>\$ 53,708</u>	<u>\$ 540,080,246</u>
Net Position as of December 31, 2018	<u>\$ 65,432,435</u>	<u>\$ 5,197,642</u>	<u>\$ 60,505</u>	<u>\$ 413,188,422</u>

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



Agency Funds

Kitsap County Auditor | Financial Division

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KITSAP COUNTY, WASHINGTON

AGENCY FUNDS

Agency funds are used to account for monies held by Kitsap County as an agent for other government units. Many independent governmental entities are required by statute to deposit and disburse all funds through the County Treasurer's Office. Agency funds are custodial in nature (assets equal liabilities) and do not measure the results of operations. Each agency is responsible for the preparation of its own financial report.

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KITSAP COUNTY, WASHINGTON

Combining Statement of Assets and Liabilities

Agency Funds

December 31, 2018

	City of Port Orchard	City of Bainbridge Island	Total
ASSETS			
Cash	\$ 7,638	\$ 5,811	\$ 13,449
Deposits with Fiscal Agents/Trustees	-	-	-
Investments	11,357,136	23,299,190	34,656,325
Taxes Receivable	53,490	138,648	192,138
Other Current Receivables	-	36,977	36,977
Due From Other Funds	-	-	-
Due from Other Governmental Units	-	-	-
Total Assets	<u>\$ 11,418,263</u>	<u>\$ 23,480,627</u>	<u>\$ 34,898,890</u>
LIABILITIES			
Warrants Payable	-	-	-
Accounts Payable	-	-	-
Due to Other Governments	-	5,128,247	5,128,247
Interfund Loans	-	-	-
Custodial Accounts	11,418,263	18,352,379	29,770,642
Total Liabilities	<u>\$ 11,418,263</u>	<u>\$ 23,480,627</u>	<u>\$ 34,898,890</u>

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

KITSAP COUNTY, WASHINGTON

Combining Statement of Changes in Assets and Liabilities

Agency Funds

December 31, 2018

City of Port Orchard	Balance 1/1/2018	Increases	Decreases	Balance 12/31/2018
ASSETS				
Cash	\$ 8,513	\$ -	\$ 875	\$ 7,638
Deposits with Fiscal Agents/Trustees	-	-	-	-
Investments	9,900,815	1,456,321	-	11,357,136
Taxes Receivable	63,490	-	10,000	53,490
Other Current Receivables	-	-	-	-
Due From Other Funds	-	-	-	-
Due from Other Governmental Units	-	-	-	-
Total Assets	<u>\$ 9,972,818</u>	<u>\$ 1,456,321</u>	<u>\$ 10,875</u>	<u>\$ 11,418,263</u>
LIABILITIES				
Warrants Payable	-	-	-	-
Accounts Payable	-	-	-	-
Due to Other Governments	-	-	-	-
Interfund Loans	-	-	-	-
Custodial Accounts	9,972,818	1,456,321	10,875	11,418,263
Total Liabilities	<u>\$ 9,972,818</u>	<u>\$ 1,456,321</u>	<u>\$ 10,875</u>	<u>\$ 11,418,263</u>

City of Bainbridge Island	Balance 1/1/2018	Increases	Decreases	Balance 12/31/2018
ASSETS				
Cash	\$ 18,641	\$ -	\$ 12,830	\$ 5,811
Deposits with Fiscal Agents/Trustees	-	-	-	-
Investments	26,344,841	-	3,045,651	23,299,190
Taxes Receivable	159,164	-	20,516	138,648
Other Current Receivables	52,292	-	15,314	36,977
Due From Other Funds	-	-	-	-
Due from Other Governmental Units	-	-	-	-
Total Assets	<u>\$ 26,574,938</u>	<u>\$ -</u>	<u>\$ 3,094,312</u>	<u>\$ 23,480,627</u>
LIABILITIES				
Warrants Payable	-	-	-	-
Accounts Payable	-	-	-	-
Due to Other Governments	5,128,247	-	-	5,128,247
Interfund Loans	-	-	-	-
Custodial Accounts	21,446,691	-	3,094,312	18,352,379
Total Liabilities	<u>\$ 26,574,938</u>	<u>\$ -</u>	<u>\$ 3,094,312</u>	<u>\$ 23,480,627</u>

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



Statistical Section

Kitsap County Auditor | Financial Division

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KITSAP COUNTY, WASHINGTON

Statistical Section

The section of Kitsap County's Comprehensive Annual Financial Report presents detailed historical information and statistics to augment the information presented in the financial statements, note disclosures and required supplementary information.

This information is presented in a series of tables in the following categories and is designed to enhance the user's understanding of the county's overall financial health and condition.

Financial Trends (1 – 4)

Information to help the user gain a better understanding of how the county's financial position has changed over time.

Revenue Capacity (5 – 8)

Information to help the user assess and understand the factors that affect the county's ability to generate its own revenues, specifically its most significant revenue source, property taxes.

Debt Capacity (9 – 13)

Information to assist the user in understanding and assessing the county's debt burden and its ability to issue additional debt.

Demographic and Economic (14 – 15)

Information to help the user understand the socioeconomic environment within which the county operates. This information also allows the user to compare the county's performance with other similar governments.

Operating (16 – 18)

Information about the county's operations and resources that help provide the user with the ability to understand and assess the county's economic condition, operations and activities.

KITSAP COUNTY, WASHINGTON

Table 1

Net Position by Component

Last Ten Fiscal Years

(amounts expressed in thousands)

	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018
Governmental activities										
Invested in capital assets, net of related debt	\$ 337,423	\$ 329,346	\$ 330,249	\$ 325,882	\$ 319,654	\$ 320,748	\$ 326,360	\$ 335,511	\$ 347,090	\$ 356,325
Restricted	21,404	18,758	15,984	13,681	13,022	13,981	12,194	11,707	11,927	11,897
Unrestricted	44,582	50,676	52,207	53,902	86,958	97,403	63,595	65,851	88,553	95,949
Total governmental activities net position	<u>\$ 403,409</u>	<u>\$ 398,780</u>	<u>\$ 398,440</u>	<u>\$ 393,465</u>	<u>\$ 419,634</u>	<u>\$ 432,132</u>	<u>\$ 402,149</u>	<u>\$ 413,069</u>	<u>\$ 447,571</u>	<u>\$ 464,171</u>
Business-type activities										
Invested in capital assets, net of related debt	\$ 47,506	\$ 53,159	\$ 53,847	\$ 53,332	\$ 61,483	\$ 80,135	\$ 70,080	\$ 85,810	\$ 96,670	\$ 108,141
Restricted	44	3,449	3,342	3,342	3,342	4,441	5,222	4,472	4,524	4,601
Unrestricted	67,734	60,168	60,238	62,209	54,738	41,054	51,756	49,834	47,614	58,858
Total business-type activities net position	<u>\$ 115,284</u>	<u>\$ 116,776</u>	<u>\$ 117,427</u>	<u>\$ 118,883</u>	<u>\$ 119,563</u>	<u>\$ 125,630</u>	<u>\$ 127,059</u>	<u>\$ 140,115</u>	<u>\$ 148,808</u>	<u>\$ 171,600</u>
Primary government										
Net investment in capital assets	\$ 384,929	\$ 382,505	\$ 384,095	\$ 379,215	\$ 381,137	\$ 400,883	\$ 396,440	\$ 421,321	\$ 443,761	\$ 464,465
Restricted	21,448	22,207	19,326	17,023	16,375	18,421	17,416	16,179	16,450	16,498
Unrestricted	112,316	110,844	112,446	116,111	141,685	138,458	115,352	115,685	136,167	154,807
Total primary government net position	<u>\$ 518,693</u>	<u>\$ 515,556</u>	<u>\$ 515,867</u>	<u>\$ 512,349</u>	<u>\$ 539,197</u>	<u>\$ 557,763</u>	<u>\$ 529,208</u>	<u>\$ 553,185</u>	<u>\$ 596,379</u>	<u>\$ 635,771</u>

KITSAP COUNTY, WASHINGTON

Table 2

Change in Net Position

Last Ten Fiscal Years

(amounts expressed in thousands)

	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018
Expenses										
Governmental Activities:										
General Government	\$ 27,213	\$ 27,402	\$ 25,549	\$ 24,934	\$ 19,290	\$ 25,090	\$ 21,904	\$ 23,378	\$ 26,393	\$ 25,226
Judicial Services	14,577	13,506	13,872	13,331	13,954	14,063	15,098	15,759	16,267	17,102
Public Safety	51,901	50,796	49,375	49,145	49,931	50,590	52,483	59,463	44,065	50,182
Physical Environment	4,198	4,588	3,044	3,288	3,342	3,493	4,045	3,746	976	1,221
Transportation	37,761	36,831	37,020	38,056	37,842	38,456	40,574	42,458	41,248	42,393
Health & Human Services	47,931	46,998	43,615	43,974	43,858	49,067	52,533	59,966	69,624	81,319
Economic Environment	7,639	7,698	6,523	6,747	6,459	7,004	6,623	7,180	8,612	11,299
Culture & Recreation	6,885	6,436	6,766	6,908	6,494	6,628	7,112	7,402	7,212	7,490
Interest on Long-Term Debt	5,367	6,445	5,599	5,399	4,715	4,359	4,287	3,637	3,359	3,050
Total Governmental	\$ 203,472	\$ 200,700	\$ 191,363	\$ 191,782	\$ 185,885	\$ 198,752	\$ 204,660	\$ 222,989	\$ 217,755	\$ 239,281
Business Type Activities										
Solid Waste	13,780	13,823	14,373	13,637	13,749	14,259	14,907	15,924	16,710	17,446
Sewer Utility	14,026	14,545	15,763	16,613	17,805	16,986	16,930	18,070	20,582	22,098
Surface Water	5,505	6,150	7,055	7,388	7,918	8,060	8,201	8,701	9,491	10,109
Golf	416	-	-	-	-	-	-	-	-	-
Total Business Type Activities	\$ 33,727	\$ 34,518	\$ 37,191	\$ 37,638	\$ 39,472	\$ 39,306	\$ 40,038	\$ 42,695	\$ 46,784	\$ 49,653
Total Primary Government Expenses	\$ 237,199	\$ 235,218	\$ 228,554	\$ 229,420	\$ 225,357	\$ 238,058	\$ 244,698	\$ 265,685	\$ 264,539	\$ 288,933
Program Revenues										
Governmental Activities										
Charges for Services										
General Government	\$ 10,327	\$ 10,581	\$ 8,502	\$ 8,639	\$ 9,077	\$ 8,743	\$ 9,061	\$ 9,512	\$ 9,289	\$ 10,050
Judicial Services	4,486	4,414	4,804	5,007	5,255	4,974	4,701	4,182	3,817	3,868
Public Safety	1,269	1,289	1,033	1,053	868	693	652	1,602	633	1,585
Physical Environment	4,068	4,094	3,850	4,224	4,361	4,844	5,826	7,087	7,959	8,125
Transportation	2,462	2,468	3,445	3,012	2,401	2,448	2,987	2,668	2,256	2,402
Health & Human Services	219	203	199	182	195	167	179	271	554	590
Economic Environment	86	79	75	91	100	78	-	-	-	-
Culture and Recreation	1,117	1,006	1,055	1,449	1,124	1,076	1,013	1,157	961	775
Operating Grants	71,831	72,055	67,947	66,458	66,651	78,453	75,878	87,466	87,778	98,756
Capital Grants and Contributions	4,053	1,662	3,265	2,556	3,035	1,463	6,369	7,259	9,422	2,873
Total Governmental Activities	\$ 99,918	\$ 97,851	\$ 94,175	\$ 92,671	\$ 93,067	\$ 102,939	\$ 106,665	\$ 121,204	\$ 122,670	\$ 129,024
Program Revenues										

KITSAP COUNTY, WASHINGTON

Table 2

Change in Net Position

Last Ten Fiscal Years

(amounts expressed in thousands)

	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018
Business Type Activities										
Charges for Services										
Solid Waste	\$ 12,665	\$ 12,407	\$ 12,290	\$ 12,163	\$ 12,632	\$ 13,777	\$ 14,855	\$ 16,068	\$ 17,272	\$ 18,131
Sewer Utility	14,398	14,325	15,809	16,029	17,391	19,878	20,670	21,871	21,435	29,157
Surface Water	7,347	7,493	7,397	7,394	7,689	8,311	10,530	9,382	10,289	10,923
Golf	-	-	-	-	-	-	-	-	-	-
Operating Grants	-	608	1,037	998	1,161	2,265	1,882	4,948	4,105	11,650
Capital Grants and contributions	3,117	742	784	1,925	1,186	903	1,726	3,642	1,690	1,746
Total business-type activities	\$ 37,527	\$ 35,575	\$ 37,317	\$ 38,509	\$ 40,059	\$ 45,134	\$ 49,664	\$ 55,911	\$ 54,791	\$ 71,607
program revenues										
Total Primary Government	\$ 137,445	\$ 133,426	\$ 131,492	\$ 131,180	\$ 133,126	\$ 148,074	\$ 156,329	\$ 177,115	\$ 177,461	\$ 200,632
Program Revenues										
Net (Expense)/ Revenue										
Governmental Activities	(103,554)	(102,849)	(97,188)	(99,111)	(92,818)	(95,813)	(97,994)	(101,786)	(95,085)	(110,256)
Business-type activities	3,800	1,057	126	871	587	5,828	9,626	13,216	8,008	21,955
Total Primary Government Net Expense	\$ (99,754)	\$ (101,792)	\$ (97,062)	\$ (98,240)	\$ (92,231)	\$ (89,985)	\$ (88,369)	\$ (88,570)	\$ (87,077)	\$ (88,302)
General Revenues and Other Changes in Net Position										
Governmental activities										
Taxes										
Property taxes, levied for general purposes	\$ 52,821	\$ 54,472	\$ 55,249	\$ 56,249	\$ 57,360	\$ 58,720	\$ 59,764	\$ 60,221	\$ 61,717	\$ 63,397
Property taxes, levied for debt service	-	-	-	-	-	-	-	-	-	-
Sales & use taxes	27,339	26,498	26,995	27,008	27,667	32,383	35,976	39,436	37,377	51,203
Other taxes	9,288	10,139	9,989	11,062	12,288	11,958	13,349	13,918	12,765	12,522
Investment earnings	3,064	2,183	1,704	1,683	1,512	1,541	2,044	2,279	2,844	4,348
Miscellaneous	5,133	4,763	3,772	3,428	3,357	3,741	4,170	4,071	7,335	4,165
Special item - gain(loss) transfer of assets to Kitsap 911	(10,330)	-	-	(2,578)	(1,181)	-	-	(7,212)	-	-
Extraordinary item - gain(loss) on annexation	(2,168)	(216)	-	(1,081)	-	-	-	-	-	-
Special item - gain - Housing Kitsap receivable	-	-	-	-	16,090	-	-	-	-	-
Special item - loss on demolition of building	-	-	(1,195)	(1,977)	-	-	-	(508)	-	-
Transfers	542	382	334	349	350	378	472	350	395	262
Total Governmental activities	\$ 85,689	\$ 98,221	\$ 96,848	\$ 94,143	\$ 117,443	\$ 108,722	\$ 115,775	\$ 112,556	\$ 122,433	\$ 135,897
Business-type activities										
Investment earnings	\$ 1,189	\$ 816	\$ 859	\$ 649	\$ 442	\$ 346	\$ 393	\$ 496	\$ 655	\$ 1,100
Miscellaneous	776	-	-	-	-	-	-	-	-	(2.36)
Special item - gain(loss) on sale of capital assets	-	-	-	-	-	-	-	-	-	-
Transfers	(542)	(382)	(334)	(349)	(350)	(378)	(472)	(350)	(395)	(262)
Total business-type activities	\$ 1,423	\$ 434	\$ 525	\$ 300	\$ 92	\$ (32)	\$ (79)	\$ 146	\$ 260	\$ 835
Total Primary Government	\$ 87,112	\$ 98,655	\$ 97,373	\$ 94,443	\$ 117,535	\$ 108,690	\$ 115,696	\$ 112,702	\$ 122,693	\$ 136,732
Change in Net Position										
Governmental activities	(17,865)	(4,628)	(340)	(4,968)	24,625	12,909	17,781	10,771	27,349	25,641
Business Type activities	5,223	1,491	651	1,171	679	5,797	9,546	13,362	8,268	22,790
Total Primary Government	\$ (12,642)	\$ (3,137)	\$ 311	\$ (3,797)	\$ 25,304	\$ 18,705	\$ 27,327	\$ 24,133	\$ 35,616	\$ 48,431

KITSAP COUNTY, WASHINGTON

Table 3

Fund Balances of Governmental Funds

Last Ten Fiscal Years

(amounts expressed in thousands)

	2009 (1)	2010	2011 (2)	2012	2013	2014	2015	2016	2017	2018
General Fund (Per GASB 54) (2)										
Nonspendable	-	-	\$ 440	\$ 443	\$ 418	\$ 387	\$ 376	\$ 365	\$ 474	\$ 465
Restricted	-	-	-	-	-	-	-	-	-	-
Committed	-	-	-	-	-	-	-	-	-	-
Assigned	-	-	-	-	-	-	-	-	-	-
Unassigned	-	-	13,233	18,018	18,395	20,589	18,455	20,681	25,807	28,904
General Fund (Prior to GASB 54) (2)										
Reserved	\$ 462	\$ 451	-	-	-	-	-	-	-	-
Unreserved	5,111	7,900	-	-	-	-	-	-	-	-
Total General Fund	\$ 5,573	\$ 8,351	\$ 13,673	\$ 18,461	\$ 18,813	\$ 20,976	\$ 18,830	\$ 21,045	\$ 26,281	\$ 29,368
All Other Governmental Funds (Per GASB 54) (2)										
Nonspendable	-	-	\$ 9,785	\$ 9,260	\$ 8,710	\$ 8,150	\$ 7,580	\$ 7,000	\$ 6,610	\$ 5,900
Restricted	-	-	55,836	26,728	29,646	35,920	42,592	48,598	56,422	64,013
Committed	-	-	1,535	32,334	35,309	37,410	39,811	33,258	36,846	29,623
Assigned	-	-	-	-	-	-	-	-	-	-
Unassigned	-	-	(413)	-	(268)	(136)	(47)	(6)	(165)	(90)
All Other Governmental Funds (Prior to GASB 54) (2)										
Reserved	\$ 2,713	\$ 2,042	-	-	-	-	-	-	-	-
Unreserved, reported in:										
Special Revenue Funds	46,522	49,966	-	-	-	-	-	-	-	-
Debt Service Funds	12,319	11,716	-	-	-	-	-	-	-	-
Capital Projects Funds	9,052	7,074	-	-	-	-	-	-	-	-
Total all other Governmental Funds	\$ 70,606	\$ 70,798	\$ 66,743	\$ 68,322	\$ 73,397	\$ 81,345	\$ 89,936	\$ 88,851	\$ 99,713	\$ 99,446

(1) Receivable/Reserved fund balance moved from General fund to Debt Service fund (\$11.015 million).

(2) Prior to the implementation of GASB Statement No. 54 in 2011, fund balances were classified as Reserved or Unreserved.

Under GASB Statement No. 54, fund balances are classified as Nonspendable, Reserved, Committed, Assigned or Unassigned.

General Fund's Fund Balance includes fund balances of thirteen funds previously classified as Special Revenue funds, that did not meet the Special Revenue fund definition of GASB Statement No. 54. See Note 1. E. 13 for details.

KITSAP COUNTY, WASHINGTON

Table 4

Changes in Fund Balances, Governmental Funds

Last Ten Fiscal Years

(amounts expressed in thousands)

	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018
Revenues										
Property Taxes	\$ 52,821	\$ 54,472	\$ 55,249	\$ 56,249	\$ 57,360	\$ 58,720	\$ 59,764	\$ 60,221	\$ 61,717	\$ 63,394
Retail Sales & Use Taxes	27,339	26,498	26,995	27,008	27,667	32,383	35,976	39,436	37,377	51,203
Other Taxes	9,288	10,139	9,989	11,062	12,288	11,958	13,349	13,918	12,765	12,524
Licenses and Permits	1,847	2,597	2,415	2,782	2,917	3,315	4,144	5,605	6,167	6,461
Intergovernmental	75,884	73,717	71,212	68,703	69,686	79,916	82,252	94,724	97,200	101,628
Charges for Services	15,894	15,463	14,066	14,605	14,568	14,370	15,528	16,557	15,201	15,811
Fines & Forfeits	2,719	2,452	2,820	3,105	2,660	2,541	2,382	2,181	2,084	2,177
Investment Earnings	3,064	2,183	1,704	1,682	1,512	1,541	2,044	2,279	2,844	4,343
Miscellaneous	4,669	4,724	3,749	3,415	3,343	4,005	4,088	4,070	7,334	4,165
Total Revenues	\$ 193,525	\$ 192,245	\$ 188,199	\$ 188,611	\$ 192,001	\$ 208,750	\$ 219,528	\$ 238,991	\$ 242,689	\$ 261,705
Expenditures										
Current:										
General Government	\$ 27,540	\$ 27,173	\$ 24,376	\$ 25,254	\$ 25,000	\$ 27,248	\$ 26,888	\$ 28,544	\$ 29,565	\$ 31,089
Judicial Services	14,556	13,486	13,854	13,312	13,938	14,045	15,081	15,742	16,250	17,082
Public Safety	47,703	45,942	45,071	44,512	45,200	46,318	51,164	52,186	44,474	53,734
Physical Environment	4,198	4,588	3,044	3,289	3,342	3,493	4,122	3,746	976	1,282
Transportation	23,249	23,744	24,208	25,215	25,193	25,937	28,334	30,644	29,592	30,435
Health & Human Services	47,780	46,854	43,475	43,834	43,718	48,928	52,479	59,826	68,631	81,238
Economic Environment	7,624	7,684	6,518	6,743	6,455	7,000	6,542	7,177	9,554	11,295
Culture and Recreation	5,482	5,165	5,479	5,595	5,266	5,447	5,942	6,094	6,009	6,207
Debt Service										
Principal	17,438	9,692	11,567	9,803	23,057	6,189	6,424	6,695	8,923	7,196
Interest and Other Charges	6,664	5,959	5,275	5,075	4,553	4,359	4,287	3,637	3,329	3,049
Capital Outlay	14,678	8,038	10,379	4,406	6,216	11,267	11,411	20,045	16,105	15,606
Total Expenditures	\$ 216,912	\$ 198,325	\$ 193,246	\$ 187,038	\$ 201,938	\$ 200,231	\$ 212,675	\$ 234,338	\$ 233,408	\$ 258,212
Excess (Deficiency) of Revenues										
Over Expenditures	\$ (23,387)	\$ (6,080)	\$ (5,047)	\$ 1,573	\$ (9,937)	\$ 8,518	\$ 6,853	\$ 4,653	\$ 9,281	\$ 3,493

KITSAP COUNTY, WASHINGTON

Table 4

Changes in Fund Balances, Governmental Funds

Last Ten Fiscal Years

(amounts expressed in thousands)

	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018
Other Financing Sources (Uses):										
Proceeds from BANS	\$ 40,546	\$ 876	\$ 640	\$ 492	\$ 220	-	-	-	-	-
Refunding Bonds Issued	-	9,416	20,422	-	53,278	-	24,509	-	-	-
Premiums on Bonds	-	73	869	-	-	-	-	-	-	-
Payment to Bond Refunding Escrow Agent	-	(7,141)	(21,363)	-	(37,914)	-	(24,412)	-	-	-
Sale of Capital Assets	-	7	-	567	117	1,659	104	378	478	9
Transfers In	29,349	20,725	15,780	17,659	31,582	14,420	16,428	20,802	14,435	19,111
Transfers Out	(28,775)	(20,373)	(15,492)	(17,607)	(31,982)	(14,077)	(16,932)	(24,854)	(14,667)	(20,954)
Other Adjustments	-	-	-	-	-	-	-	-	-	-
Total Other Financing Sources & Uses	<u>\$ 41,120</u>	<u>\$ 3,583</u>	<u>\$ 856</u>	<u>\$ 1,111</u>	<u>\$ 15,301</u>	<u>\$ 2,002</u>	<u>\$ (303)</u>	<u>\$ (3,673)</u>	<u>\$ 245</u>	<u>\$ (1,835)</u>
Special Items										
Payment of Assumed Debt	(54,103)	-	-	-	-	-	-	-	-	-
Special Item-Sales of Pledged Assets	26,595	5,468	5,459	3,688	121	-	-	-	-	-
Total Special Items	<u>(27,508)</u>	<u>5,468</u>	<u>5,459</u>	<u>3,688</u>	<u>121</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Net Change in Fund Balance	<u>\$ (9,775)</u>	<u>\$ 2,971</u>	<u>\$ 1,268</u>	<u>\$ 6,372</u>	<u>\$ 5,485</u>	<u>\$ 10,521</u>	<u>\$ 6,550</u>	<u>\$ 980</u>	<u>\$ 9,526</u>	<u>\$ 1,659</u>
Debt Service as a Percentage of Non-capital Expenditures	<u>11.9%</u>	<u>8.2%</u>	<u>9.2%</u>	<u>8.1%</u>	<u>14.1%</u>	<u>5.6%</u>	<u>5.3%</u>	<u>4.8%</u>	<u>5.6%</u>	<u>4.2%</u>

KITSAP COUNTY, WASHINGTON

Table 5

Assessed and Estimated Actual Value of Taxable Property Last Ten Fiscal Years

(amounts expressed in thousands)

Fiscal Year	REAL PROPERTY		PERSONAL PROPERTY		TOTALS		Ratio of Total Assessed Value To Total Estimated Actual Value	Total Kitsap County Levy Rate per \$1,000
	Assessed Value	Estimated Actual Value	Assessed Value	Estimated Actual Value	Assessed Value	Estimated Actual Value		
2009	\$ 31,870,208	\$ 37,058,381	\$ 421,446	\$ 434,929	\$ 32,291,654	\$ 37,493,310	86.2%	2.08
2010	\$ 29,476,028	\$ 34,314,352	\$ 442,035	\$ 447,404	\$ 29,918,063	\$ 34,761,756	86.2%	2.32
2011	\$ 27,707,518	\$ 31,414,420	\$ 443,635	\$ 449,934	\$ 28,151,153	\$ 31,864,354	88.4%	2.50
2012	\$ 26,438,990	\$ 29,773,637	\$ 412,734	\$ 464,790	\$ 26,851,724	\$ 30,238,427	88.8%	2.65
2013	\$ 25,423,782	\$ 27,604,640	\$ 394,485	\$ 428,322	\$ 25,818,267	\$ 28,032,962	92.1%	2.65
2014	\$ 25,194,072	\$ 26,586,892	\$ 406,644	\$ 446,861	\$ 25,600,716	\$ 28,132,655	91.0%	2.90
2015	\$ 26,394,721	\$ 28,049,650	\$ 399,946	\$ 425,022	\$ 26,794,667	\$ 28,474,673	94.1%	2.83
2016	\$ 27,555,323	\$ 30,995,864	\$ 397,422	\$ 447,044	\$ 27,952,754	\$ 31,442,908	88.9%	2.77
2017	\$ 30,533,938	\$ 34,307,796	\$ 394,695	\$ 406,483	\$ 30,928,633	\$ 34,673,355	89.2%	2.77
2018	\$ 33,429,777	\$ 37,519,391	\$ 396,288	\$ 444,768	\$ 33,826,065	\$ 37,964,158	89.1%	2.42

Source: Kitsap County Assessor

KITSAP COUNTY, WASHINGTON

Table 6

**Property Tax Rates - All Overlapping Governments
Per \$1,000 of Assessed Value
Last Ten Years**

Fiscal Year	Kitsap County			Other Taxing Districts							Totals
	Kitsap County*	County Roads	Total Kitsap County	School Districts	Fire Districts	Port Districts	Cities	Public Library	Public Utility District	Other*	
2009	0.90	1.18	2.08	4.74	1.40	0.46	1.57	0.29	0.06	1.36	11.96
2010	0.99	1.33	2.32	5.21	1.70	0.50	1.73	0.33	0.07	1.50	13.36
2011	1.07	1.43	2.50	5.49	1.79	0.52	1.87	0.35	0.07	1.50	14.09
2012	1.13	1.52	2.65	6.19	1.82	0.53	1.95	0.37	0.08	1.59	15.18
2013	1.20	1.61	2.81	6.69	1.85	0.30	2.01	0.40	0.09	0.91	15.06
2014	1.24	1.66	2.90	6.76	1.87	0.32	2.05	0.40	0.09	1.08	15.47
2015	1.20	1.63	2.83	6.47	1.90	0.31	1.98	0.39	0.08	0.91	14.95
2016	1.17	1.60	2.77	6.54	2.11	0.31	1.94	0.38	0.08	1.07	15.28
2017	1.09	1.49	2.58	6.06	1.96	0.28	1.80	0.35	0.07	1.00	14.18
2018	1.02	1.40	2.42	6.54	1.90	0.26	1.68	0.43	0.07	1.00	14.38

Source: Kitsap County Assessor

*Includes Current Expense, Conservation Futures, and Cencom / 911 Facility.

KITSAP COUNTY, WASHINGTON

Table 7

Principal Property Taxpayers December 31, 2018

Current Year and Nine Years Ago
Reported in Thousands

Name	2018			2009		
	Assessed Value	Rank	Percent of County Assessed Value**	Assessed Value	Rank	Percent of County Assessed Value**
Puget Sound Energy Elec	205,285	1	0.601%	128,446	1	0.394%
PPR Kitsap Mall LLC	87,657	2	0.256%	100,533	2	0.308%
Fairgrounds Road LLC	50,278	3	0.147%	31,176	6	0.096%
Walmart	47,294	4	0.138%	48,343	4	0.148%
Qwest Corporation	39,896	5	0.117%	54,118	3	0.166%
NA Mariners Glen 68 LP	38,740	6	0.113%	22,240	12	0.068%
Fred Meyer Stores Inc	38,013	7	0.111%	44,103	5	0.135%
Tahoe Lane Apartments LLC	37,932	8	0.111%			
Silverdale Centercal LLC	36,479	9	0.107%			
Santa Fe Ridge Apartments LLC	35,900	10	0.105%			
Trillium Heights Apartments	33,305	11	0.097%			
Gemini Wellington Fee Owner LLC	33,298	12	0.097%			
Brixton Nse Port Orchard Fee Owner LLC	33,235	13	0.097%			
FPA5 Outlook LLC	29,379	14	0.086%			
PK 1 Silverdale Shopping Center LLC	28,669	15	0.084%	28,570	8	0.088%
Compass Signature Apartments LLC	27,970	16	0.082%	16,398	17	0.050%
Comcast Cable Communications Management LLC	26,715	17	0.078%			
LBG Bainbridge LLC	26,554	18	0.078%			
Lowes HW Inc	23,351	19	0.068%	25,556	11	0.078%
Bethel GRF2 LLC	22,561	20	0.066%			
Kitsap Credit Union				29,203	7	0.090%
Cascade Natural Gas Corp				26,299	9	0.081%
United Telephone Co of the NW				25,784	10	0.079%
Mentor J P				20,388	13	0.063%
PNW Island Village LLC				17,217	14	0.053%
Costco Wholesale Corp				16,629	15	0.051%
Laurelhurst Apartments Co				16,533	16	0.051%
Country Club of Seattle				16,020	18	0.049%
Puget Sound Energy Gas				15,926	19	0.049%
Apanage Corp				15,014	20	0.046%
	<u>\$ 902,511</u>		<u>2.641%</u>	<u>\$ 698,496</u>		<u>2.143%</u>
Assessed Value **	34,178	2018		32,597	2009	

Source: Kitsap County Assessor

KITSAP COUNTY, WASHINGTON

Table 8

Property Tax Levies and Collections* Last Ten Fiscal Years

Fiscal Year	Taxes Levied for the Year (Original Levy)		Total Adjusted Tax Levy	Collected in the Year of the Levy		Collections in Subsequent Years	Total Collections to Date		Total Uncollected Taxes (2)	
	Adjustments (1)			Amount	Percentage of Levy		Amount	Percentage of Adj Levy	Amount	Percentage of Adj Levy
2009	\$ 53,644,646	\$ (61,691)	\$ 53,582,955	\$ 51,777,046	96.52%	\$ 1,750,050	\$ 53,527,096	99.90%	\$ 55,859	0.10%
2010	\$ 54,581,251	\$ (153,523)	\$ 54,427,728	\$ 52,778,658	96.70%	\$ 1,600,811	\$ 54,379,469	99.91%	\$ 48,259	0.09%
2011	\$ 55,458,279	\$ (229,827)	\$ 55,228,452	\$ 53,687,415	96.81%	\$ 1,491,964	\$ 55,179,379	99.91%	\$ 49,073	0.09%
2012	\$ 56,410,557	\$ (202,235)	\$ 56,208,322	\$ 54,763,640	97.08%	\$ 1,379,362	\$ 56,143,002	99.88%	\$ 65,321	0.12%
2013	\$ 57,248,798	\$ (106,946)	\$ 57,141,852	\$ 55,825,744	97.51%	\$ 1,316,625	\$ 57,142,369	100.00%	\$ (517)	0.00%
2014	\$ 58,327,285	\$ (70,628)	\$ 58,256,656	\$ 57,263,948	98.18%	\$ 942,993	\$ 58,206,941	99.91%	\$ 49,716	0.09%
2015	\$ 59,452,629	\$ (70,331)	\$ 59,382,298	\$ 58,546,937	98.48%	\$ 764,931	\$ 59,311,868	99.88%	\$ 70,430	0.12%
2016	\$ 60,119,406	\$ (97,426)	\$ 60,021,980	\$ 59,245,780	98.55%	\$ 524,813	\$ 59,770,593	99.58%	\$ 251,387	0.42%
2017	\$ 61,718,967	\$ (45,544)	\$ 61,673,423	\$ 60,958,421	98.77%	\$ 371,531	\$ 61,329,952	99.44%	\$ 343,471	0.56%
2018	\$ 63,258,481	\$ 41,235	\$ 63,299,716	\$ 62,584,880	98.94%	\$ (0)	\$ 62,584,880	98.87%	\$ 714,836	1.13%

Source: Kitsap County Treasurer

* Excludes Agency Funds.

Note: The levy of any given fiscal year is based on the assessed values from the tax roll of the preceding calendar year

(1) Adjustments in original levy are due to omits, cancellations and supplements during the fiscal year.

(2) The amounts in the total uncollected taxes column are cumulative totals of all taxes levied at the end of the year.

KITSAP COUNTY, WASHINGTON

Table 9

Ratios of Outstanding Debt by Type Last Ten Fiscal Years

(amounts expressed in thousands, except per capita amount)

Fiscal Year	Governmental Activities			Business-Type Activities			Total Primary Government	Percentage of Personal Income (1)	Per Capita (1)
	General Obligation Bonds	Special Assessment Bonds	Other Debt (2)	Sewer Bonds	General Obligation Bonds	Other Debt (2)			
2009	\$ 100,335	\$ -	\$ 31,438	\$ 15,825	\$ -	\$ 10,225	\$ 157,822	1.529%	\$ 715
2010	\$ 97,862	\$ -	\$ 27,292	\$ 52,535	\$ -	\$ 10,400	\$ 188,089	1.773%	\$ 828
2011	\$ 91,962	\$ -	\$ 24,484	\$ 50,620	\$ -	\$ 9,485	\$ 176,551	1.617%	\$ 751
2012	\$ 84,644	\$ -	\$ 22,489	\$ 48,650	\$ -	\$ 11,484	\$ 167,267	1.472%	\$ 698
2013	\$ 98,890	\$ -	\$ 2,937	\$ 46,595	\$ -	\$ 12,019	\$ 160,441	1.412%	\$ 665
2014	\$ 93,465	\$ -	\$ 2,734	\$ 44,440	\$ -	\$ 11,329	\$ 151,968	1.257%	\$ 618
2015	\$ 86,085	\$ -	\$ 2,525	\$ 59,540	\$ -	\$ 10,398	\$ 158,547	1.256%	\$ 629
2016	\$ 80,275	\$ -	\$ 2,324	\$ 57,175	\$ -	\$ 9,459	\$ 149,233	1.129%	\$ 577
2017	\$ 72,275	\$ -	\$ 2,092	\$ 55,515	\$ -	\$ 8,512	\$ 138,394	0.989%	\$ 519
2018	\$ 66,025	\$ -	\$ 1,858	\$ 53,710	\$ -	\$ 7,556	\$ 129,149	N/A	N/A

Source: Kitsap County Treasurer

Note: Details regarding the County's outstanding debt can be found in the notes to the financial statements.

(1) See the Schedule of Demographic and Economic Statistics for personal income and population data.

(2) Other Debt - Governmental Activities includes various Public Works Trust Funds debt, notes payable Bremerton Government Center, Bank of America/BAN - KCCHA debt refinance;
Other Debt - Business Type Activities includes various Public Works Trust Fund debt.

KITSAP COUNTY, WASHINGTON

Table 10

Ratios of General Bonded Debt Outstanding Last Ten Fiscal Years

(amounts expressed thousands, except per capita amount)

Fiscal Year	General Obligation Bonds	Less: Amounts Available in Debt Service Funds (2)	Total Net Bonded General Obligation Debt	Net Bonded General Obligation Debt as a Percentage of Estimated Actual Value of Property	Net Bonded General Obligation Debt Per Capita (1)
2009	\$ 100,335	\$ 12,276	\$ 88,059	0.23%	\$ 356
2010	\$ 97,862	\$ 11,540	\$ 86,322	0.25%	\$ 344
2011	\$ 91,962	\$ 10,879	\$ 81,083	0.25%	\$ 319
2012	\$ 84,644	\$ 10,291	\$ 74,353	0.25%	\$ 293
2013	\$ 98,890	\$ 10,260	\$ 88,630	0.32%	\$ 348
2014	\$ 93,465	\$ 10,402	\$ 83,063	0.30%	\$ 325
2015	\$ 86,085	\$ 10,604	\$ 75,481	0.27%	\$ 295
2016	\$ 80,275	\$ 10,995	\$ 69,280	0.25%	\$ 264
2017	\$ 72,275	\$ 8,708	\$ 63,567	0.23%	\$ 242
2018	\$ 66,025	\$ 9,094	\$ 56,931	0.20%	\$ 211

Source: Kitsap County Treasurer, Kitsap County Assessor

Note: Details regarding the County's outstanding debt can be found in the notes to the financial statements.
See the Schedule of Assessed Value and Estimated Actual Value of Taxable Property

(1) Population data can be found in the Schedule of Demographic and Economic Statistics.

(2) Increase in 2009 due to reclassification of a Note Receivable from General Fund into Debt Service Fund where debt is paid.
Less: Amounts Available is all outstanding debt listed on Schedule 09 that has a fund balance at the end of the year.

KITSAP COUNTY, WASHINGTON

Table 11

Computation of Direct and Overlapping Debt December 31, 2018

<u>Jurisdiction</u>	<u>Net Debt Outstanding</u>	<u>Percentage Applicable to Kitsap County</u>	<u>Amount Applicable to Kitsap County</u>
<u>Direct:</u>			
Kitsap County	\$ 67,882,879	100%	\$ 67,882,879
<u>Overlapping debt:</u>			
Cities	\$ 51,997,630	100%	\$ 51,997,630
School Districts	\$ 346,244,646	100%	\$ 346,244,646
Park Districts	\$ 5,410,000	100%	\$ 5,410,000
Fire Districts	\$ 19,239,207	100%	\$ 19,239,207
Port Districts	\$ 5,272,056	100%	\$ 5,272,056
Utility Districts	\$ 3,300,000	100%	\$ 3,300,000
Total Overlapping	\$ 431,463,539		\$ 431,463,539
Total Direct & Overlapping	\$ 499,346,418		\$ 499,346,418

Note: All overlapping governments with debt are contained within the boundaries of the County.

Source: Kitsap County Treasurer

KITSAP COUNTY, WASHINGTON

Table 12

Legal Debt Margin Information Last Ten Fiscal Years

(amounts expressed in thousands)

	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018
Debt Limit	\$ 814,933	\$ 754,916	\$ 710,862	\$ 678,312	\$ 652,991	647,773	\$ 679,005	\$ 708,255	\$ 781,756	\$ 854,443
Total net debt applicable to limit	131,773	125,153	116,446	107,133	101,827	96,199	88,610	82,599	74,367	67,883
Legal debt margin	\$ 683,160	\$ 629,763	\$ 594,416	\$ 571,179	\$ 551,163	\$ 551,574	\$ 590,395	\$ 625,655	\$ 707,389	\$ 786,560
Total net debt applicable to the limit as a percentage of debt limit	16.17%	16.58%	16.38%	15.79%	15.59%	14.85%	13.05%	11.66%	9.51%	7.94%

Legal Debt Margin Calculation for Fiscal Year 2018

Total assessed value	\$ 34,177,711
Debt limit (2.5% of total assessed value)	854,443
Debt applicable to limit:	
General Obligation bonds	66,025
Other debt	1,858
Total net debt applicable to limit	67,883
Legal debt margin	\$ 786,560

Note: Under Washington State finance law, Kitsap County's outstanding general obligation debt should not exceed 2.5% of total assessed property value (or 5%, provided the indebtedness in excess of 2.5% is for utilities, parks, or open space development).
By law, general obligation debt subject to the limitation may be offset by the amount set aside for repaying general obligation bonds.

KITSAP COUNTY, WASHINGTON

Table 13

Pledged Revenue Coverage Last Ten Fiscal Years

(amounts expressed in thousands)

Fiscal Year	Sewer Revenue Bonds							Special Assessment Bonds				
	Sewer Charges and Other (1)	Less: Operating Expenses (2)	Net Available Revenue	Debt Service			Coverage	Special Assessment Collections	Debt Service			Coverage
				Principal	Interest	Total			Principal	Interest	Total	
2009	\$ 14,947,282	\$ 9,346,812	\$ 5,600,470	\$ 1,695,000	\$ 795,720	\$ 2,490,720	2.25	\$ 10,339	\$ 5,000	\$ 268	\$ 5,268	1.96
2010	\$ 14,693,440	\$ 9,548,330	\$ 5,145,110	\$ 1,765,000	\$ 777,645	\$ 2,542,645	2.02	\$ -	\$ -	\$ -	\$ -	N/A
2011	\$ 16,123,263	\$ 9,370,873	\$ 6,752,390	\$ 1,915,000	\$ 2,103,593	\$ 4,018,593	1.68	\$ -	\$ -	\$ -	\$ -	N/A
2012	\$ 16,410,931	\$ 10,228,273	\$ 6,182,658	\$ 1,970,000	\$ 2,163,577	\$ 4,133,577	1.50	\$ -	\$ -	\$ -	\$ -	N/A
2013	\$ 17,660,732	\$ 11,089,471	\$ 6,571,261	\$ 2,055,000	\$ 2,159,958	\$ 4,214,958	1.56	\$ -	\$ -	\$ -	\$ -	N/A
2014	\$ 20,088,432	\$ 10,000,593	\$ 10,087,839	\$ 2,155,000	\$ 2,048,381	\$ 4,203,381	2.40	\$ -	\$ -	\$ -	\$ -	N/A
2015	\$ 20,892,496	\$ 9,423,863	\$ 11,468,633	\$ 2,260,000	\$ 2,278,469	\$ 4,538,469	2.53	\$ -	\$ -	\$ -	\$ -	N/A
2016	\$ 22,176,139	\$ 11,014,625	\$ 11,161,514	\$ 2,365,000	\$ 2,341,294	\$ 4,706,294	2.37	\$ -	\$ -	\$ -	\$ -	N/A
2017	\$ 21,812,611	\$ 11,313,325	\$ 10,499,286	\$ 1,660,000	\$ 2,317,941	\$ 3,977,941	2.64	\$ -	\$ -	\$ -	\$ -	N/A
2018	\$ 29,714,502	\$ 11,697,483	\$ 18,017,019	\$ 1,805,000	\$ 2,255,509	\$ 4,060,509	4.44	\$ -	\$ -	\$ -	\$ -	N/A

Note: Details regarding the government's outstanding debt can be found in the notes to the financial statements.

(1) Sewer charges and other includes investment earnings but not tap fees.

(2) Operating expenses do not include interest or depreciation.

KITSAP COUNTY, WASHINGTON

Table 14

Demographic Statistics Last Ten Fiscal Years

Fiscal Year	Population (1)	Personal Income (millions of dollars) (2)	Per Capita Personal Income (3)	School Enrollment (4)	Unemployment Rate (5)
2009	247,600	10,324	46,775	40,678	7.7
2010	251,133	10,607	46,716	39,280	8.2
2011	253,900	10,921	46,428	39,642	7.9
2012	254,500	11,365	47,406	38,888	7.4
2013	254,000	11,361	47,105	38,411	6.8
2014	255,900	12,085	49,183	38,255	6.6
2015	258,200	12,625	50,103	37,942	5.0
2016	262,590	13,215	51,116	39,020	5.7
2017	264,300	13,989	52,508	38,626	4.9
2018	269,805	N/A	N/A	38,299	4.9

Sources:

(1) State of Washington - Office of Financial Management

(2) Restated using Washington Employment Security Department County Data Tables

(3) Restated using Washington Employment Security Department County Data Tables

(4) Washington Office of Superintendent of Public Instruction Enrollment Reports

(5) Washington Employment Security Department/LMEA; US Bureau of Labor Statistics, Local Area Unemployment Statistics

KITSAP COUNTY, WASHINGTON

Table 15

Principal Employers Current year and Ten Years Ago

EMPLOYER	2017			2008		
	Employees	Rank	Percentage of Total County Employment	Employees	Rank	Percentage of Total County Employment
(1) Naval Base Kitsap	33,800	1	26.70%	14,900	1	12.61%
Washington State Government	2,100	2	1.66%			0.00%
Harrison Hospital	2,000	3	1.58%	2,301	4	1.95%
Kitsap County	1,112	4	0.88%	1,238	7	1.05%
Central Kitsap School District	990	5	0.78%	1,572	5	1.33%
Port Madison Enterprises	962	6	0.76%			
South Kitsap School District	808	7	0.64%	1,220	8	1.03%
Haselwood Auto Group	710	8	0.56%			
Fred Meyer	574	9	0.45%			
North Kitsap school District	533	10	0.42%	1,025	10	0.87%
Martha and Mary	329	11	0.26%			
Puget Sound Naval Shipyard				9,650	2	8.17%
Puget Sound Naval Shipyard Bangor				2,900	3	2.45%
Naval Undersea Warfare Center				1,400	6	1.18%
Olympic College				1,110	9	0.94%
Total	43,918		34.69%	37,316		31.58%
Total non-farm employment	126,601			118,172		

Note - 2017 data is the most recent data available from Kitsap Regional Economic Development Alliance as of the preparation of this report.

Total non-farm employment was changed for 2007 to 87,900 as reported 12/16 in ESDWAGOV-Washington

Sources:

Kitsap Regional Economic Development Alliance
ESDWAGOV-Washington

(1) "Naval Base Kitsap" is the total of all military bases in Kitsap County

KITSAP COUNTY, WASHINGTON

Table 16

Full-time Equivalent County Employees by Function Last Ten Fiscal Years

	2009	2010	2011 (1)	2012	2013	2014	2015	2016	2017	2018
Governmental Activities:										
General Government										
Administrative Services	10	11	11	9	10	11	11	11	10	15
Assessor	32	32	23	23	22	22	22	22	23	23
Auditor	39	39	29	29	28	28	28	28	29	29
Commissioners	12	15	10	10	11	12	12	12	12	12
ER&R	16	15	16	16	16	16	16	16	16	16
Facilities Maintenance	29	29	21	21	11	11	11	11	12	12
Information Services	33	33	33	35	41	41	42	42	45	46
Personnel	15	15	13	12	13	13	15	15	14	14
Purchasing	4	4	2	2	1	2	1	1	1	1
Self insurance	3	3	3	1	2	2	2	2	3	3
Treasurer	13	13	11	11	11	11	12	12	12	12
Workers Compensation	2	2	3	2	2	2	1	1	2	2
Total General Government	208	211	175	171	168	171	174	174	179	185
Judicial Services:	199	204	174	172	173	178	183	183	179	178
Public Safety	460	461	406	393	394	398	400	400	333	321
Physical Environment	3	3	3	3	3	3	3	3	6	6
Transportation	141	140	146	142	137	140	140	148	146	148
Health & Human Services	88	88	83	84	80	81	78	82	84	83
Economic Environment	90	90	47	48	52	57	63	67	70	80
Culture and Recreation	36	34	30	31	33	34	36	36	37	42
Total Governmental	1017	1020	889	873	872	891	903	919	855	858
Business Type Activities:										
Solid Waste	25	25	25	25	26	26	24	24	24	29
Sewer Utility	62	61	64	64	66	66	65	65	65	65
Surface Water	12	30	30	30	30	32	33	34	35	40
Total Business Type Activities	99	116	119	119	122	124	122	123	124	134
Total Government	1324	1347	1183	1163	1162	1186	1199	1216	1158	1177

Source: Kitsap County Budget Book Appendix E.

(1) Beginning in 2011, only authorized funded positions are included in the County's FTE count; unfunded positions that were included in prior years' FTE counts are not included for 2012.

KITSAP COUNTY, WASHINGTON

Table 17

Operating Indicators by Function/ Program Last Ten Fiscal Years

Function	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018
Judicial Services										
Prosecutor										
Total Criminal Referrals	13,424	11,348	15,459	14,309	13,743	12,211	11,210	11,113	11,962	N/A
Public Safety										
Sheriffs										
Complaint Reports	14,859	14,376	14,553	14,238	13,670	13,479	12,607	N/A	13,803	14,278
Jail										
Bookings	10,180	9,835	9,359	9,031	8,813	8,606	8,130	8,436	8,640	8,498
Average Daily Jail Population	376	436	461	396	450	448	387	399	413	415
Cencom										
Emergency Calls Answered (2)	157,027	159,937	157,381	166,809	165,860	178,860	180,824	190,653	N/A	N/A
Incidents Dispatched	238,097	244,984	247,602	283,861	241,623	250,623	306,353	257,889	266,350	269,561
Transportation										
Roads										
Sealcoating (center ln. miles)	0	17.17	0.00	12.54	14.62	14.64	17.34	16.63	19.30	22.52
Maintenance Overlays (center ln. miles)	16.09	18.37	44.82	17.01	18.33	28.89	33.38	18.54	14.64	14.57
Business Type Activities										
Sewer Utility										
Total Treated Sewage (gallons) (1)	1,470,900	1,620,600	1,526,400	1,461,400	1,352,000	1,500,000	1,439,000	1,541,000	1,560,000	1,463,000
Sewer Permits Issued	120	68	131	112	171	77	51	156	162	154
Surface and Storm Water Management										
Catch Basins Maintained	11,015	7,196	6,081	7,566	6,196	7,566	10,799	11,000	11,193	7,399
Number of Request for Action	93	131	117	203	131	122	173	203	93	214
Solid Waste										
Tons of Garbage Disposed	182,299	181,156	178,024	176,398	178,081	187,914	193,432	207,038	214,612	221,828
Tons of Recyclables Collected	37,254	36,383	36,592	36,730	31,053	30,649	36,572	40,790	40,953	38,190

Sources: Various County Departments

Note: Some indicators are not available for government functions.

(1) Reported in thousands

(2) Effective 2016, Kitsap 911 (Public Authority) answers all county emergency calls

KITSAP COUNTY, WASHINGTON

Table 18

Capital Asset Statistics by Function Last Ten Fiscal Years

Function	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018
Judicial Services (1)										
Superior Court Rooms	8	8	8	8	8	8	8	8	8	8
District Court Rooms	4	4	4	4	4	4	4	4	4	4
Public Safety										
Sheriffs										
Stations	3	3	3	3	3	3	3	3	3	3
Jail										
Beds (2)	587	587	587	587	587	587	587	587	587	587
Juvenile Detention Center										
Beds	103	103	103	103	103	103	103	103	103	103
Cencom										
Buildings	1	1	1	1	1	1	1	1	1	1
Broadcast Towers	5	5	8	9	8	9	73	73	73	73
Transportation										
Roads										
Miles of Roads Maintained	914	923	921	904	915	915	907	918	916	915
Traffic Signals	44	44	41	44	45	46	44	44	44	45
Street Lights	545	545	545	554	772	777	777	777	777	799
Culture and Recreation										
Parks										
Developed parks	78	81	79	79	75	79	72	72	73	73
Parks acreage	5,800	6,119	6,344	6,344	6,340	7,000	7,399	7,566	10,478	10,478
Business Type Activities										
Sewer Utility										
Treatment Plants	4	4	4	4	4	4	4	4	4	4
Pump Stations	64	64	64	64	64	64	58	58	58	63
Surface and Storm Water Management										
Number of Retention Facilities (Ponds)	551	551	413	459	459	460	460	475	475	N/A
Solid Waste										
Transfer Stations	4	4	4	4	4	4	4	4	3	3

Sources: Various County Departments

Note: Some indicators are not available for government functions.

(1) Includes both Juvenile and Adult courts

(2) Breakdown of Jail Beds: 479 regular beds, 108 floor space