

Unlike Government-wide Financial Statements that reports on county as a whole, Fund Financial Statements focus on the individual major funds of the county.

Governmental Funds

General Fund: Classified as a major fund and is used to account for resources traditionally associated with government which are not required legally or by sound financial management to be accounted for in another fund.

County Roads: A fund used to account for the maintenance and the construction of county roads and bridges.

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

Home Entitlement: A fund established to account for the use of Federal funds from the housing and urban development (HUD) Department for the HOME Investment Partnership Program. The program was created to expand the supply of decent safe, sanitary, and affordable housing for low-income citizens.

Mental Health: A fund used to account for the funding and operation of the County's mental health program.

CDBG: A fund used to account for the community development block grants.

Model Toxic Control Act: A fund used to account for the financing of landfill closures on Bainbridge Island, Hansville and Norseland Mobile Home Park as required by the State of Washington Model Toxic Control Act.

Enterprise Funds

Solid Waste: A fund used to account for the costs of providing solid waste service to the residents of Kitsap County.

Sanitary Sewer: A fund used to account for the costs of providing sewage disposal service to the residents of Kitsap County.

Village Green Golf Course: A fund used to account for the operation of the County owned golf course.

Surface Water: A fund used to account for the investigation, design and establishment of storm drainage throughout the County.

KITSAP COUNTY, WASHINGTON

Balance Sheet

Governmental Funds

December 31, 2001

	General Fund	Road Department	Real Estate Excise Tax	Home Entitlement
ASSETS				
Cash and Cash equivalents	\$ 9,637,269	\$ 13,013,065	\$ 474,717	\$ 34,139
Deposits with fiscal agents	-	-	-	-
Investments	-	667,661	10,927,195	6,543
Receivables(net)				
Property taxes	1,651,144	1,129,497	-	-
Special assessments	-	89,432	-	1,644,965
Accounts	46,845	-	-	-
Notes/Contracts	-	-	-	-
Others	-	70,550	-	2,041
Due from other funds	759,968	400,253	-	-
Due from other governments	788,330	522,468	-	23,737
Prepayments	22,200	-	-	-
Advance to other funds	200,000	-	-	-
Total Assets	<u>13,105,756</u>	<u>\$ 15,892,926</u>	<u>\$ 11,401,912</u>	<u>\$ 1,711,425</u>
LIABILITIES AND FUND BALANCES				
Liabilities:				
Accounts payable	\$ 1,024,961	\$ 339,071	\$ 401	\$ 7,377
Due to other funds	299,744	925,512	-	-
Due to other governments	79,773	-	-	-
Other liabilities	679,947	254,333	-	-
Advance from other funds	-	-	-	30,000
Revenues collected in advance	2,500	-	-	499
Deferred revenue	1,665,796	1,218,929	-	1,644,965
Long term debt due within one year	-	-	-	-
Total liabilities	<u>3,752,721</u>	<u>2,737,845</u>	<u>401</u>	<u>1,682,841</u>
Fund balances:				
Reserved:				
Advances	200,000	-	-	-
Debt service	-	-	-	-
Unreserved				
General fund	9,153,035	-	-	-
Special revenues	-	13,155,082	11,401,511	28,584
Debt service	-	-	-	-
Capital projects funds	-	-	-	-
Total fund balance	<u>9,353,035</u>	<u>13,155,082</u>	<u>11,401,511</u>	<u>28,584</u>
Total liabilities & fund balances	<u>\$ 13,105,756</u>	<u>\$ 15,892,927</u>	<u>\$ 11,401,912</u>	<u>\$ 1,711,425</u>

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

<u>Mental Health</u>	<u>CDBG Entitlement</u>	<u>Model Toxic Control Act</u>	<u>Other Governmental Funds</u>	<u>Total Governmental Funds</u>
\$ 2,266,645	\$ 49,513	\$ 424	\$ 8,229,001	\$ 33,704,773
-	-	-	145,000	145,000
-	85	6,254,510	46,055,778	63,911,772
-	-	-	173,529	2,954,170
-	-	-	516,222	2,250,619
-	-	-	73,012	119,857
-	300,000	-	1,331,895	1,631,895
-	-	-	0	72,591
1,279	-	-	492,091	1,653,591
104,523	117,903	-	2,422,976	3,979,937
-	-	-	0	22,200
-	-	-	0	200,000
<u>\$ 2,372,447</u>	<u>\$ 467,501</u>	<u>\$ 6,254,934</u>	<u>\$ 59,439,504</u>	<u>\$ 110,646,405</u>
\$ 12,933	\$ 64,834	\$ -	\$ 2,253,614	\$ 3,703,191
291	191	-	502,363	1,728,101
556,009	-	-	952,492	1,588,274
439	2,391	-	60,272	997,382
-	100,000	-	70,000	200,000
-	-	-	(499)	2,500
-	300,000	-	689,752	5,519,442
-	-	-	154,059	154,059
<u>569,672</u>	<u>467,416</u>	<u>-</u>	<u>4,682,053</u>	<u>13,892,949</u>
-	-	-	-	200,000
-	-	-	2,798,584	2,798,584
-	-	-	-	9,153,035
1,802,775	85	6,254,934	16,769,582	49,412,553
-	-	-	2,798,584	2,798,584
-	-	-	32,390,700	32,390,700
<u>1,802,775</u>	<u>85</u>	<u>6,254,934</u>	<u>54,757,450</u>	<u>\$ 96,753,456</u>
<u>\$ 2,372,447</u>	<u>\$ 467,501</u>	<u>\$ 6,254,934</u>	<u>\$ 59,439,503</u>	<u>\$ 110,646,405</u>

KITSAP COUNTY
RECONCILIATION OF THE BALANCE SHEET OF GOVERNMENTAL FUNDS
TO THE STATEMENT OF NET ASSETS
December 31, 2001

Fund balances of governmental funds		\$ 96,753,456
Amounts reported for the governmental activities in the statement of net assets are different because:		
Capital assets net of depreciation have not been included as financial resources in governmental fund activity		
Capital assets	102,892,749	
Depreciation	(21,688,718)	
Capital asset net of depreciation		81,204,031
Long term debt and compensated absences that have not been included in the governmental fund activity.		
Bond payable	(67,412,000)	
Compensated absences	(5,510,405)	
Long-term debts		(72,922,405)
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 assets.		
Assets	23,502,667	
Liabilities	(4,345,095)	
Asset less liabilities		19,157,572
Net assets of governmental activities		\$ 124,192,654

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, 2001

	General Fund	Road Department	Real Estate Excise Tax	Home Entitlement
REVENUES:				
Property taxes	21,592,419	16,612,868	-	-
Retail sales & use taxes	16,632,640	-	-	-
Other taxes	4,173,380	64,474	3,667,557	-
Licence and permits	1,565,116	74,652	-	-
Intergovernmental	7,217,674	5,593,690	-	458,504
Charges for services	8,179,244	802,996	-	-
Fines & forfeits	1,752,488	-	-	-
Investment earnings	1,949,245	32,094	573,003	3,163
Miscellaneous	859,722	30,475	-	2,144
Total revenues	<u>63,921,928</u>	<u>23,211,249</u>	<u>4,240,560</u>	<u>463,811</u>
EXPENDITURES:				
Current:				
General government	22,439,666	-	82,150	-
Judicial Services	11,988,097	-	-	-
Public safety	22,131,360	-	-	-
Physical Environment	1,447,433	-	-	-
Transportation	74,468	17,807,896	-	-
Health & Human Services	-	-	-	-
Economic Environment	4,600,576	-	-	458,504
Culture & recreation	4,198,594	-	-	-
Interest on long-term debt	-	-	-	-
Debt service				
Principal	7,789	41,606	-	-
Interest and other charges	3,981	8,755	2,730	-
Capital outlay	828,427	3,163,438	122,412	-
Total expenditures	<u>67,720,391</u>	<u>21,021,695</u>	<u>207,292</u>	<u>458,504</u>
Excess(deficiency) of revenues over expenditures	<u>(3,798,463)</u>	<u>2,189,554</u>	<u>4,033,268</u>	<u>5,307</u>
OTHER FINANCING SOURCES (USES):				
Refunding bonds issued	-	-	-	-
Capital -related debt issued	-	-	-	-
Payment to bond refunding escrow agent	-	-	-	-
Sale of fixed assets	-	300,308	-	-
Transfers in	4,537,737	6,382,000	-	-
Transfers out	(1,567,131)	(5,258,088)	(2,428,156)	-
Other adjustments				
Total other financing sources & uses	<u>2,970,606</u>	<u>1,424,220</u>	<u>(2,428,156)</u>	<u>0</u>
Net change in fund balance	<u>(827,857)</u>	<u>3,613,774</u>	<u>1,605,112</u>	<u>5,307</u>
Fund balances-beginning	<u>10,180,891</u>	<u>9,541,308</u>	<u>9,796,400</u>	<u>23,277</u>
Fund balances-ending	<u>9,353,034</u>	<u>13,155,082</u>	<u>11,401,512</u>	<u>28,584</u>

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

Mental Health	CDBG Entitlement	Model Toxic Control Act	Other Governmental Funds	Total Governmental Funds
177,914	-	-	1,368,328	39,751,529
-	-	-	2,793,729	19,426,369
-	-	-	1,031,203	8,936,614
-	-	-	29,734	1,669,502
17,835,829	1,002,999	-	18,481,932	50,590,628
-	-	-	1,611,123	10,593,363
-	-	-	249,859	2,002,347
-	-	336,907	3,026,137	5,920,549
1,592	863	3,005	1,046,526	1,944,327
<u>18,015,335</u>	<u>1,003,862</u>	<u>339,912</u>	<u>29,638,571</u>	<u>140,835,228</u>
-	-	-	545,413	23,067,229
-	-	-	135,916	12,124,013
-	-	-	4,275,738	26,407,098
-	-	-	57,407	1,504,840
-	-	-	69,477	17,951,841
17,661,125	-	-	15,819,895	33,481,020
-	1,003,777	-	182,423	6,245,280
-	-	-	422,249	4,620,843
-	-	-	-	-
-	-	-	7,040,313	7,089,708
-	-	-	3,468,850	3,484,316
-	-	-	10,750,052	14,864,329
<u>17,661,125</u>	<u>1,003,777</u>	<u>0</u>	<u>42,767,733</u>	<u>150,840,517</u>
<u>354,210</u>	<u>85</u>	<u>339,912</u>	<u>(13,129,162)</u>	<u>(10,005,289)</u>
-	-	-	4,460,619	4,460,619
-	-	-	6,756,460	6,756,460
-	-	-	(4,460,619)	(4,460,619)
-	-	-	1,215	301,523
7,500	-	-	9,406,691	20,333,928
-	-	(214,237)	(10,370,184)	(19,837,796)
-	-	-	(5,000)	(5,000)
<u>7,500</u>	<u>0</u>	<u>(214,237)</u>	<u>5,789,182</u>	<u>7,549,115</u>
361,710	85	125,675	(7,339,980)	(2,456,174)
1,441,065	-	6,129,259	62,097,429	99,209,629
<u>1,802,775</u>	<u>85</u>	<u>6,254,934</u>	<u>54,757,449</u>	<u>96,753,455</u>

KITSAP COUNTY

C-3

RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES OF GOVERNMENTAL FUNDS TO THE STATEMENT OF ACTIVITIES YEAR ENDED DECEMBER 31, 2001

Net change in fund balances-total governmental funds(C-2) \$ (2,456,174)

Amounts reported for governmental activities in the statement of activities differs from the amounts reported in the statement of activities (B-1) 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 out-lay	14,864,329
Depreciation	(2,587,724)

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 assets. Also, governmental funds report the effect of issuance costs, premiums, discounts, and similar items when debt is first issued, whereas these amounts are deferred and amortized in the statement of activities. This amount is the net effect of these differences in the treatment of long-term debt and related items

Receipts from bond sales	(6,756,460)
Payment on principles	7,089,708

Change in net assets of governmental activities (B-1) \$ 10,153,679

KITSAP COUNTY, WASHINGTON

Statement of Net Assets Proprietary Funds December 31,2001

	Business-type Activities-Enterprise Funds					Governmental Activities Internal Services funds
	Sanitary Sewer	Solid Waste	Village Green Golf Course	Surface Water Utility	Total	
ASSETS						
Current assets:						
Cash and Cash equivalents	\$ 2,016,350	\$ 2,080,732	\$ 253,309	\$ 515,377	\$ 4,865,768	\$ 10,351,172
Deposits with fiscal agents	13,532,341	-	-	-	13,532,341	80,000
Investments	20,456,684	12,106,564	-	7,300,374	39,863,622	-
Receivables(net)						
Special assessments	3,016,670	-	-	-	3,016,670	-
Accounts	1,144,409	209,267	-	321,610	1,675,286	-
Due from other funds	10,490	9,384	-	3,282	23,156	631,254
Due from other governments	21,621	2,001,173	-	155,703	2,178,497	-
Prepayments						669,736
Inventories	294,472	-	-	-	294,472	860,672
Total current assets	<u>40,493,037</u>	<u>16,407,120</u>	<u>253,309</u>	<u>8,296,346</u>	<u>65,449,812</u>	<u>12,592,834</u>
Noncurrent assets:						
Land	1,123,482	-	360,000	-	1,483,482	-
Buildings	28,815,455	647,037	37,267	-	29,499,759	-
Improvements & Other Buildings	45,273,984	1,214,172	163,271	2,622,896	49,274,323	-
Machinery & Equipments	3,444,213	76,809	17,091	101,223	3,639,336	23,838,761
Construction In Progress	12,654,517	-	-	499,330	13,153,847	-
Less accumulated depreciation	(29,970,770)	(537,055)	(102,848)	(376,967)	(30,987,640)	(12,928,928)
Total noncurrent assets	<u>61,340,881</u>	<u>1,400,963</u>	<u>474,781</u>	<u>2,846,482</u>	<u>66,063,107</u>	<u>10,909,833</u>
Total assets	<u>101,833,918</u>	<u>17,808,083</u>	<u>728,090</u>	<u>11,142,828</u>	<u>131,512,919</u>	<u>23,502,667</u>
LIABILITIES						
Current liabilities:						
Accounts payable and accrued expenses	842,109	190,917	1,259	231,071	1,265,356	531,488
Due to other funds	124,197	40,023	67,561	435,332	667,113	11,446
Other liabilities	102,285	28,752	-	46,225	177,262	3,460,506
Total current assets	<u>1,068,591</u>	<u>259,692</u>	<u>68,820</u>	<u>712,628</u>	<u>2,109,731</u>	<u>4,003,440</u>
Non current Liabilities (Note 2):						
Due within one year	-	-	-	-	-	-
Due in more than one year	45,107,167	48,407	-	49,707	45,205,281	341,655
Total noncurrent assets	<u>45,107,167</u>	<u>48,407</u>	<u>-</u>	<u>49,707</u>	<u>45,205,281</u>	<u>341,655</u>
Total liabilities	<u>46,175,758</u>	<u>308,099</u>	<u>68,820</u>	<u>762,335</u>	<u>47,315,012</u>	<u>4,345,095</u>
NET ASSETS						
Invested in capital assets, net of related debt	16,639,881	1,400,963	474,781	2,846,482	21,362,107	10,909,833
Restricted:						
Debt service	618,170	-	-	-	618,170	-
Unrestricted	38,400,109	16,099,021	184,489	7,534,011	62,217,630	8,247,739
Total net assets	<u>\$ 55,658,160</u>	<u>\$ 17,499,984</u>	<u>\$ 659,270</u>	<u>\$ 10,380,493</u>	<u>\$ 84,197,907</u>	<u>\$ 19,157,572</u>

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

KITSAP COUNTY, WASHINGTON

Balance Sheet
Proprietary Funds
December 31,2001

	Business-type Activities-Enterprise Funds					Governmental Activities Internal Services funds
	Sanitary Sewer	Solid Waste	Village Green Golf Course	Surface Water Utility	Total	
ASSETS						
Current assets:						
Cash and Cash equivalents	\$ 2,016,350	\$ 2,080,732	\$ 253,309	\$ 515,377	\$ 4,865,768	\$ 10,351,172
Deposits with fiscal agents	13,532,341	-	-	-	13,532,341	80,000
Investments	20,456,684	12,106,564	-	7,300,374	39,863,622	-
Receivables(net)						
Special assessments	3,016,670	-	-	-	3,016,670	-
Accounts	1,144,409	209,267	-	321,610	1,675,286	-
Due from other funds	10,490	9,384	-	3,282	23,156	631,254
Due from other governments	21,621	2,001,173	-	155,703	2,178,497	-
Prepayments						669,736
Inventories	294,472	-	-	-	294,472	860,672
Total current assets	<u>40,493,037</u>	<u>16,407,120</u>	<u>253,309</u>	<u>8,296,346</u>	<u>65,449,812</u>	<u>12,592,834</u>
Noncurrent assets:						
Capital assets, net (Note1)						
Land	1,123,482	-	360,000	-	1,483,482	-
Buildings	28,815,455	647,037	37,267	-	29,499,759	-
Improvements & Other Buildings	45,273,984	1,214,172	163,271	2,622,896	49,274,323	-
Machinery & Equipments	3,444,213	76,809	17,091	101,223	3,639,336	23,838,761
Construction In Progress	12,654,517	-	-	499,330	13,153,847	-
Less accumulated depreciation	(29,970,770)	(537,055)	(102,848)	(376,967)	(30,987,640)	(12,928,928)
Total noncurrent assets	<u>61,340,881</u>	<u>1,400,963</u>	<u>474,781</u>	<u>2,846,482</u>	<u>66,063,107</u>	<u>10,909,833</u>
Total assets	<u>\$ 101,833,918</u>	<u>\$17,808,083</u>	<u>\$ 728,090</u>	<u>\$ 11,142,828</u>	<u>\$131,512,919</u>	<u>\$ 23,502,667</u>
LIABILITIES						
Current liabilities:						
Accounts payable and accrued expenses	\$ 842,109	\$ 190,917	\$ 1,259	\$ 231,071	\$ 1,265,356	\$ 531,488
Due to other funds	124,197	40,023	67,561	435,332	667,113	11,446
Due to other governments	-	-	-	-	-	-
Other liabilities	102,285	28,752	-	46,225	177,262	3,460,506
Total current assets	<u>1,068,591</u>	<u>259,692</u>	<u>68,820</u>	<u>712,628</u>	<u>2,109,731</u>	<u>4,003,440</u>
Non current Liabilities (Note 2):						
Due within one year	-	-	-	-	-	-
Due in more than one year	45,107,167	48,407	-	49,707	45,205,281	341,655
Total noncurrent assets	<u>45,107,167</u>	<u>48,407</u>	<u>-</u>	<u>49,707</u>	<u>45,205,281</u>	<u>341,655</u>
Total liabilities	<u>46,175,758</u>	<u>308,099</u>	<u>68,820</u>	<u>762,335</u>	<u>47,315,012</u>	<u>4,345,095</u>
NET ASSETS						
Invested in capital assets, net of related debt	16,639,881	1,400,963	474,781	2,846,482	21,362,107	10,909,833
Restricted:						
Debt service	618,170	-	-	-	618,170	-
Unrestricted	38,400,109	16,099,021	184,489	7,534,011	62,217,630	8,247,739
Total net assets	<u>55,658,160</u>	<u>17,499,984</u>	<u>659,270</u>	<u>10,380,493</u>	<u>84,197,907</u>	<u>19,157,572</u>
Total liabilities and net assets	<u>\$ 101,833,918</u>	<u>\$17,808,083</u>	<u>\$ 728,090</u>	<u>\$ 11,142,828</u>	<u>\$131,512,919</u>	<u>\$ 23,502,667</u>

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 Assets

Proprietary Funds

For the Year Ended December 31,2001

	Business-type Activities - Enterprise Funds					Governmental
	Sanitary Sewer	Solid Waste	Village Green Golf course	Surface Water Utility	Total	Activities Internal service Funds
Operating revenues:						
Charges for services	\$ 10,124,135	\$ 2,578,020	\$ -	\$ 4,417,234	\$ 17,119,389	\$ 14,130,555
Miscellaneous	-	-	-	-	-	-
Total operating revenues	<u>10,124,135</u>	<u>2,578,020</u>	<u>-</u>	<u>4,417,234</u>	<u>17,119,389</u>	<u>14,130,555</u>
Operating expenses:						
Personal services	3,131,753	906,559		1,241,423	5,279,735	3,462,876
Contractual services	2,245,269	5,686,847	16,711	2,473,419	10,422,246	3,502,796
Utilities	-	-	-	-	-	-
Repair and maintenance	-	-	-	-	-	-
Other supplies and expenses	684,977	109,694	-	88,199	882,870	3,949,252
Insurance claims and expenses	-	-	-	-	-	-
Depreciation	<u>2,474,122</u>	<u>57,306</u>	<u>9,724</u>	<u>126,765</u>	<u>2,667,917</u>	<u>2,223,655</u>
Total operating expenses	<u>8,536,121</u>	<u>6,760,406</u>	<u>26,435</u>	<u>3,929,806</u>	<u>19,252,768</u>	<u>13,138,579</u>
Operating income	<u>1,588,014</u>	<u>(4,182,386)</u>	<u>(26,435)</u>	<u>487,428</u>	<u>(2,133,379)</u>	<u>991,976</u>
Nonoperating revenue (expenses)						
Interest and investment revenue	1,464,618	832,469	-	410,823	2,707,910	-
Miscellaneous revenue	3,051	2,551,000	-	41,804	2,595,855	(7,754)
Interest expense	(1,827,144)	-	-	-	(1,827,144)	(8,622)
Miscellaneous expense	-	-	-	-	-	-
Total nonoperating expenses	<u>(359,475)</u>	<u>3,383,469</u>	<u>-</u>	<u>452,627</u>	<u>3,476,621</u>	<u>(16,376)</u>
Income (loss) before contributions & transfers	1,228,539	(798,917)	(26,435)	940,055	1,343,242	975,600
Capital contributions	-	-	-	-	-	861,670
Transfers in	3,727,762	1,473,195	-	-	5,200,957	-
Transfers out	<u>(3,797,424)</u>	<u>(1,527,843)</u>	<u>-</u>	<u>(33,609)</u>	<u>(5,358,876)</u>	<u>(338,213)</u>
Change in net assets	<u>1,158,877</u>	<u>(853,565)</u>	<u>(26,435)</u>	<u>906,446</u>	<u>1,185,323</u>	<u>1,499,057</u>
Total net assets - beginning	<u>54,499,283</u>	<u>18,353,551</u>	<u>685,703</u>	<u>9,474,047</u>	<u>83,012,584</u>	<u>17,658,515</u>
Total net assets - ending	<u>\$ 55,658,160</u>	<u>\$ 17,499,986</u>	<u>\$ 659,268</u>	<u>\$ 10,380,493</u>	<u>\$ 84,197,907</u>	<u>\$ 19,157,572</u>

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

KITSAP COUNTY, WASHINGTON

D-

Statement of Cash Flows

Proprietary Funds

For the Year Ended December 31,2001

	Business-type Activities - Enterprise Funds					Governmental
	Sanitary Sewer	Solid Waste	Village Greens Golf course	Surface Water Utility	Total	Activities Internal service Funds
CASH FLOWS FROM OPERATING ACTIVITIES						
Receipts from customers	\$ 10,299,678	\$ 2,535,841	\$ 52,108	\$ 4,536,380	\$ 17,424,007	\$ 13,961,830
Payments to suppliers	(3,788,119)	(5,756,438)	-	(2,553,560)	(12,098,117)	(8,791,189)
Payments to employees	(3,110,034)	(902,605)	-	(988,808)	(5,001,447)	(2,505,241)
Net cash provided by operating activities	3,401,525	(4,123,202)	52,108	994,012	324,443	2,665,400
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES						
Operating grants received	397,330	695,684	-	41,804	1,134,818	-
Operating transfer out	(69,662)	(54,648)	-	(33,609)	(157,919)	(338,213)
Net cash provided by noncapital activities	327,668	641,036	-	8,195	976,899	(338,213)
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES						
Capital contributions	857,923	10,000	-	-	867,923	28,500
Purchases of capital assets	(1,968,832)	(42,364)	-	(627,628)	(2,638,824)	(2,213,188)
Principal paid on capital debt	(1,524,687)	-	-	-	(1,524,687)	(61,609)
Interest paid on capital debt	(1,803,743)	-	-	-	(1,803,743)	(8,622)
Net cash from related financing activities	(4,439,339)	(32,364)	-	(627,628)	(5,099,331)	(2,254,919)
CASH FLOWS FROM INVESTING ACTIVITIES						
Proceeds from sales and maturities of investments	5,110,102	6,370,000	-	3,325,000	14,805,102	-
Purchase of Investment	(4,809,961)	(2,607,469)	-	(4,181,123)	(11,598,553)	-
Interest and dividends	1,464,618	832,469	-	410,823	2,707,910	-
Net cash provided by investing activities	1,764,759	4,595,000	-	(445,300)	5,914,459	-
Net (decrease) in cash and cash equivalents	1,054,613	1,080,470	52,108	(70,721)	2,116,470	72,268
Balances - beginning of the year	961,737	1,000,263	201,200	586,098	2,749,298	10,278,904
Balances - end of the year	2,016,350	2,080,733	253,308	515,377	4,865,768	10,351,172
Reconciliation of operating income (loss) to net cash provided (used) by operating activities:						
Operating income (loss)	1,588,014	(4,182,386)	(26,435)	487,428	(2,133,379)	991,976
Adjustments to reconcile operating income to net cash provided (used) by operating activities:						
Depreciation expense	2,474,122	57,306	9,724	126,765	2,667,917	2,223,655
Change in assets and liabilities:						
Receivables, net	(165,756)	(52,310)	-	5,018	(213,048)	-
DFOF	341,299	10,131	-	9,266	360,696	(23,969)
DFOG	-	-	-	104,862	104,862	-
Inventories	(15,656)	-	-	-	(15,656)	100,542
Prepaid	-	-	-	-	-	(258,703)
Accounts and other payables	(397,772)	85,250	68,819	70,068	(173,635)	21,629
DTOF	(464,959)	(36,683)	-	184,805	(316,837)	(181,195)
Wages payable	1,725	3,955	-	1,159	6,839	-
Employee benefits	19,996	(4,525)	-	1,867	17,338	2,406
Accrued expenses	20,512	(3,940)	-	2,774	19,346	(180,941)
Deposit with Fiscal Agents	-	-	-	-	-	(30,000)
Net cash provided by operating activities	\$ 3,401,525	-\$ 4,123,202	\$ 52,108	\$ 994,012	\$ 324,443	\$ 2,665,400

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

KITSAP COUNTY, WASHINGTON

Statement of Fiduciary Net Assets December 31, 2001

	<u>Agency Funds</u>
ASSETS	
Cash	\$ 20,380,858
Deposits with fiscal Agents/Trustees	17,690,358
Investments	157,939,731
Taxes Receivable	8,698,808
Other current Receivables	259,795
Due From Other Funds	133,526
Due from other Governmental Units	
Total Assets	<u>\$ 205,103,076</u>
LIABILITIES	
Warrants payable	\$ 5,025,415
Due to Other Funds	881
Due to Other Governmental Units	581,981
Custodial Account	199,494,798
Total Liabilities	<u>\$ 205,103,075</u>