



COMPREHENSIVE ANNUAL FINANCIAL REPORT

For The Fiscal Year Ended
December 31, 2017

Kitsap County, Washington



**KITSAP COUNTY
COMPREHENSIVE
ANNUAL
FINANCIAL
REPORT**

County Auditor
Honorable Dolores Gilmore

Financial Services Manager
David Schureman, CPA

For The Fiscal Year Ended
December 31, 2017

Prepared by the Auditor's Office

KITSAP COUNTY, WASHINGTON
 Comprehensive Annual Financial Report
 For the Fiscal Year Ended December 31, 2017

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Introductory Section

Kitsap County Auditor | Financial Division

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July 30, 2018

The County Auditor's Office is pleased to present the Comprehensive Annual Financial Report (CAFR) of Kitsap County for the year ended December 31, 2017.

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 \$67.65 million in 2017 or 73 % of general fund expenditures.

Other priorities include identifying and securing lands and shorelines that should be protected and investing in and transportation systems (roads, trails, transit, and ferries). The County spent over \$46.4 million on road maintenance and construction in 2017 and has a budget of over \$34 million for road maintenance and construction in 2018. Over the past seven 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 2017. March 15, 2015, 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 2017, the County's population increased to an estimated 264,300 which was down by about 300 from last year. We have the third highest population density in the state of Washington, only surpassed by King and Clark Counties.

Employment. All employment categories experienced minor decreases in 2017. Total employment in 2017 was 118,739, a increase of 6,499 from last year, however, unemployment was stable at 4.7% a decrease of .9% from last year. Kitsap County remains strong due to the availability of a well-trained, highly motivated workforce.

Construction. New construction property values climbed to \$343 million which was up 46.3% from last year. The assessed value of all properties in Kitsap County totaled \$34.18 billion which was up 9% from last year. New construction is an important economic indicator that affects county planning. For example, the County issued 2,927 building permits which was up 14% 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 a decrease in consumer confidence, which led to decreased retail sales and sales tax for 2017. Sales tax revenue was \$37,377 which was a 5% decrease from last year. Based on current economic forecasts, total sales tax revenues are expected to continue to stay flat for 2018.

Growth in Expenses There are 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.

AWARDS AND ACKNOWLEDGEMENTS

For the twentieth 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, 2016.

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,



Dolores Gilmore, County Auditor



David G. Schureman, CPA
Internal Auditor



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, 2016

Christopher P. Morill

Executive Director/CEO

KITSAP COUNTY
List of Elected and Appointed Officials
December 31, 2017

Elected Officials

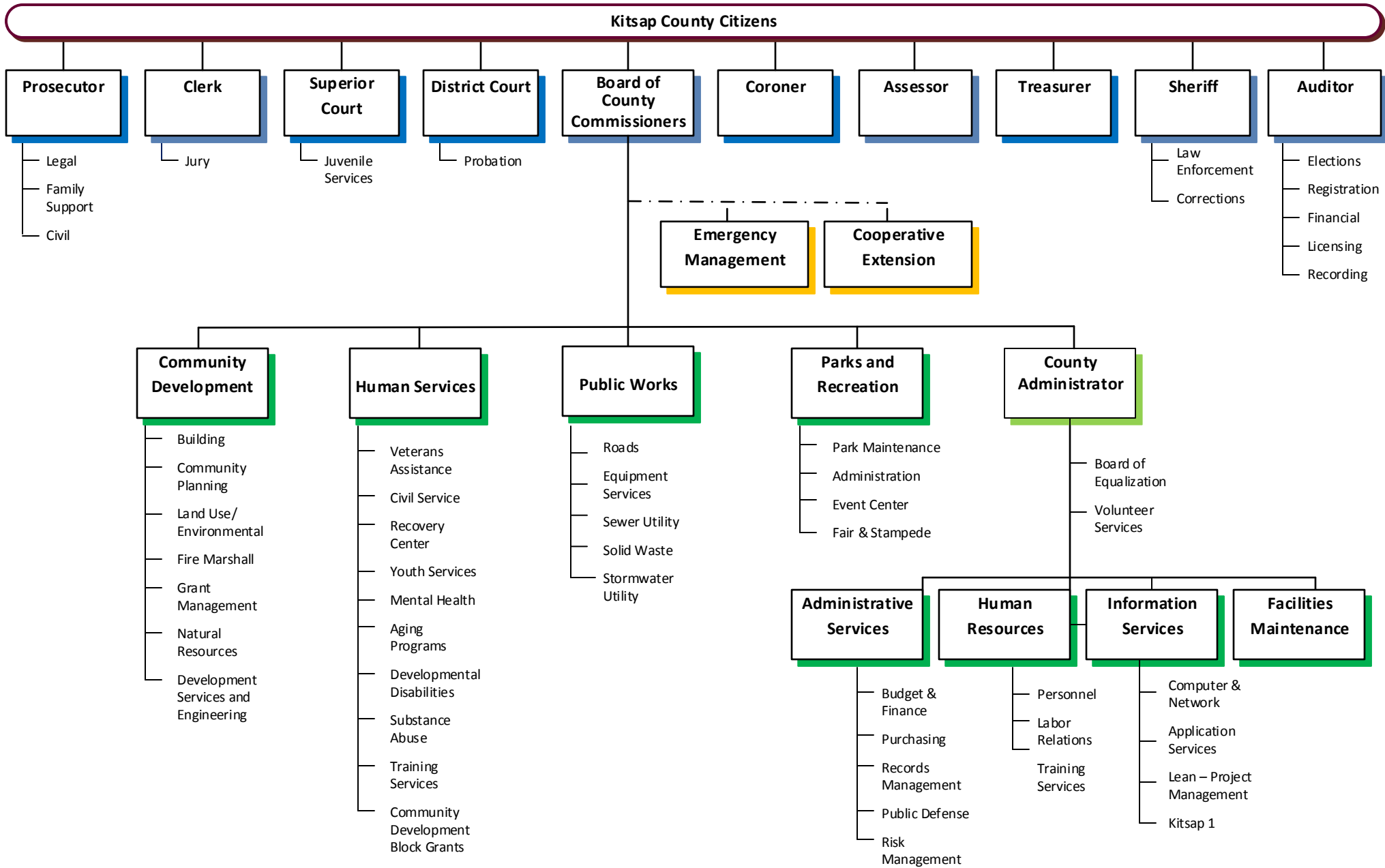
<u>TITLE</u>	<u>INCUMBENT</u>	<u>END OF TERM</u>
<u>Commissioners</u>		
Commissioner, District #1	Robert Gelder	12/31/20
Commissioner, District #2	Charlotte Garrido	12/31/20
Commissioner, District #3	Ed Wolfe	12/31/18
 <u>Judges</u>		
Superior Court Judge, #1	Jeanette Dalton	12/31/20
Superior Court Judge, #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	Louisa Garbo
Director of Cooperative Extension	Meilana Charles
Director of Emergency Management	Mike Gordon
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 - 2017



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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 26, 2018

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, Washington, as of and for the year ended December 31, 2017, 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, 2017, 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 2017, the County adopted new accounting guidance, Governmental Accounting Standards Board Statement No. 77, *Tax Abatement Disclosures*. Our opinion is not modified with respect to this matter.

As discussed in Note 1 to the financial statements, in 2017, the County re-classified assets and activity of the Kitsap County Investment Pool from an Agency fund to an Investment Trust fund. This is a material correction of a prior period misstatement. 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 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 26, 2018, 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,

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

Pat McCarthy

State Auditor

Olympia, WA



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, 2017

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, 2017. 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 \$596.38 (net position). Of this amount, \$136.17 (unrestricted net position) may be used to meet the government's ongoing obligations to citizens and creditors.
- The government's total net position increased \$35.62 with a \$27.35 increase on the Governmental side and an \$ 8.27 increase on the Business-Type side. The economy continues to improve but over half of the increase 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 \$126, an increase of \$16.1 from the prior year. Approximately \$25.64 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 \$25.81 or 28 percent of the total general fund expenditures. \$1.22 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 \$8 (10 percent) during the current fiscal year. This represents 2017 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, 2017

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, 2017

Kitsap County maintains ninety-two 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.

Thirteen 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.13). Data from the other ninety-two 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 1D. 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 - 48 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, 2017

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 - 124 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 137 - 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 \$596.39 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 (74 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	
	2016	2017	2016	2017	2016	2017
Assets:						
Current & other assets	\$ 191.07	\$ 211.36	\$ 75.75	\$ 71.18	\$ 266.82	\$ 282.53
Capital assets	392.92	397.39	142.98	153.55	535.90	550.94
Total assets	583.99	608.74	218.73	224.73	802.72	833.47
Deferred outflows	11.93	7.41	1.47	0.92	13.40	8.32
Liabilities						
Other liabilities	32.10	31.37	6.05	6.53	38.15	37.90
Long-term liabilities	147.27	126.16	73.85	69.16	221.12	195.32
Total liabilities	\$ 179.37	\$ 157.53	\$ 79.90	\$ 75.69	\$ 259.27	\$ 233.22
Deferred inflows	3.48	11.05	0.20	1.14	3.68	12.19
Net position						
Net investment in capital assets	335.51	347.09	85.81	96.67	421.32	443.76
Restricted	11.71	11.93	4.47	4.52	16.18	16.45
Unrestricted	65.85	88.55	49.83	47.61	115.68	136.17
Total net position	\$ 413.07	\$ 447.57	\$ 140.11	\$ 148.81	\$ 553.18	\$ 596.39

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 (\$136) 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, 2017

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 \$35.62 during the current fiscal year. The increase 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 slightly from \$16.18 in 2016 to \$16.45 in 2017. This was caused by an overall reduction in outstanding debt. Unrestricted net position jumped to \$136.17 due to the decrease in the net pension payable.

Governmental activities. Governmental activities increased the County's net position by \$27.35. The key element of this net change was the decrease in pension liability as it dropped by over \$13.

Kitsap County, Washington

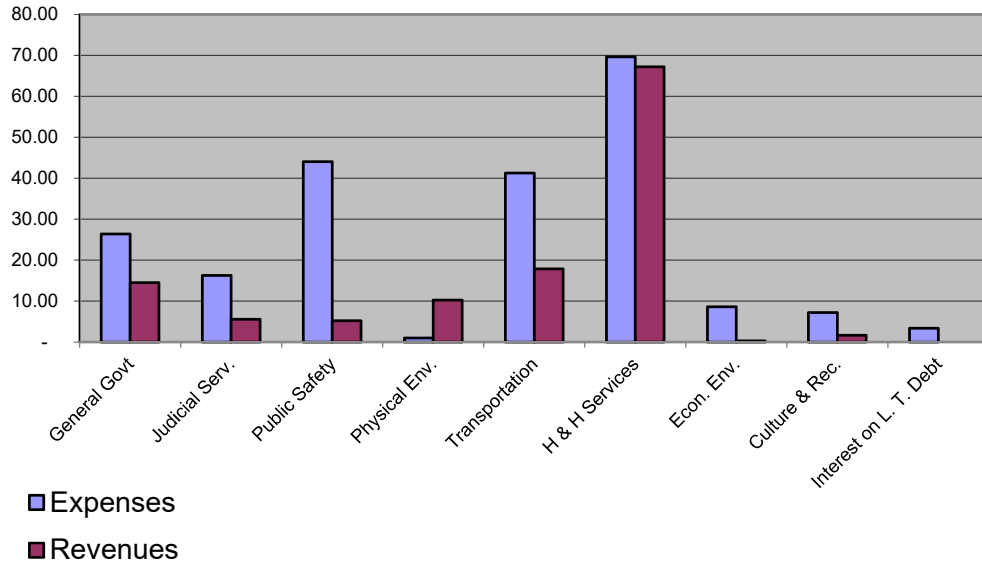
Management's Discussion and Analysis For the Year Ended December 31, 2017

	Governmental Activities		Business-type Activities		Total Primary Government	
	2016	2017	2016	2017	2016	2017
Revenues:						
Program revenues						
Charges for services	\$ 26.48	\$ 25.47	\$ 47.32	\$ 49.00	\$ 73.80	\$ 74.47
Operating grants	87.47	87.78	4.95	4.10	92.42	91.88
Capital grants	7.26	9.42	3.64	1.69	10.90	11.11
General revenues						
Property taxes	60.22	61.72	-	-	60.22	61.72
Sales taxes	39.44	37.38	-	-	39.44	37.38
Other taxes	13.92	12.77	-	-	13.92	12.77
Investment earnings	2.28	2.84	0.50	0.66	2.78	3.50
Other income	4.07	7.34	-	-	4.07	7.34
Total revenues	241.14	244.71	56.41	55.45	297.55	300.15
Expenses						
General government	23.37	26.39	-	-	23.37	26.39
Judicial services	15.76	16.27	-	-	15.76	16.27
Public safety	59.46	44.06	-	-	59.46	44.06
Physical environment	3.75	0.98	-	-	3.75	0.98
Transportation	42.46	41.25	-	-	42.46	41.25
Health & human services	59.97	69.62	-	-	59.97	69.62
Economic environment	7.18	8.61	-	-	7.18	8.61
Culture & recreation	7.40	7.21	-	-	7.40	7.21
Interest on LT debt	3.64	3.36	-	-	3.64	3.36
Utilities	-	-	42.70	46.78	42.70	46.78
Total expenses	222.99	217.75	42.70	46.78	265.69	264.54
Incr (decr) in net position before	18.15	26.95	13.71	8.66	31.86	35.62
Transfers	0.35	0.40	(0.35)	(0.40)	-	-
Special items	(7.73)	-	-	-	(7.73)	-
Incr (decr) in net position	10.77	27.35	13.36	8.27	24.13	35.62
Beginning Net position	402.15	413.07	127.06	140.12	529.21	553.19
Prior period adjustments	0.15	7.15	(0.30)	0.43	(0.15)	7.58
Ending Net position	\$ 413.07	\$ 447.57	\$ 140.12	\$ 148.81	\$ 553.19	\$ 596.38

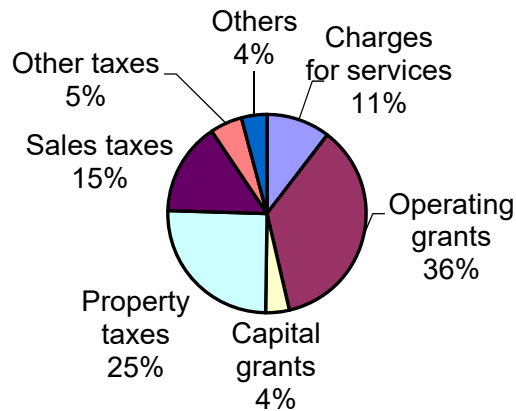
Kitsap County, Washington

Management's Discussion and Analysis For the Year Ended December 31, 2017

Expenses and Program Revenues - Governmental Activities



Revenues by Source – Governmental Activities



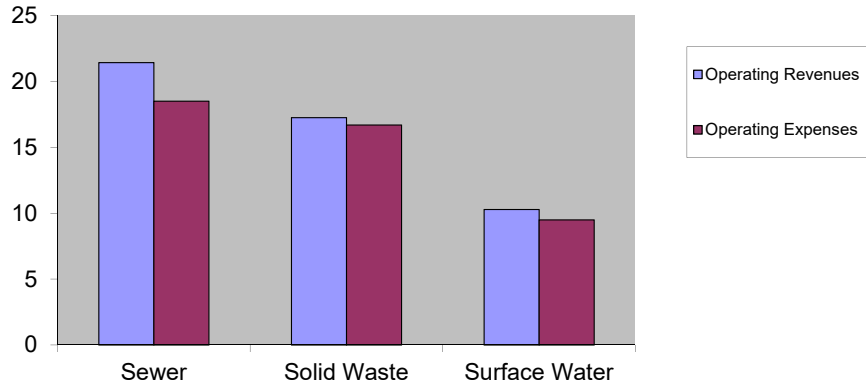
Business-type activities. Business-type activities increased the County's net position by \$8.27. The primary elements of this increase were:

- Profitability of the Sanitary Sewer operation \$5.94
- Profitability of the Surface Water utility \$.91

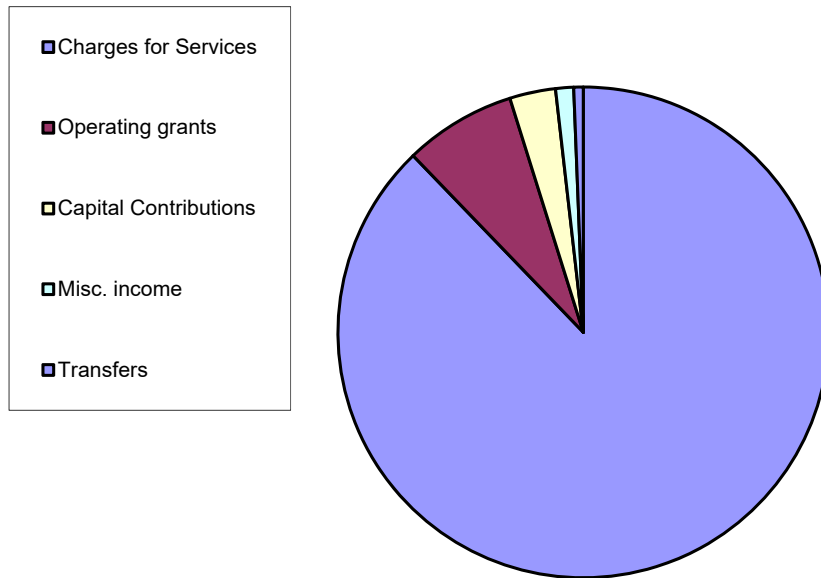
Kitsap County, Washington

Management's Discussion and Analysis For the Year Ended December 31, 2017

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, 2017

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 \$126, an increase of \$16.10 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 \$25.81, while the total fund balance increased to \$26.28. 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 28 percent of the total general fund expenditures.

The key factor to the increase was the continued increase in sales tax. A portion of the increase is attributable to a one-time adjustment (increase) to sales tax revenue as a result of change in accounting method, as described in the Notes to Financial Statements.

County Roads fund balance increased by \$1.77 primarily due to the timing of federal grant revenue collections.

Real Estate Excise Tax fund balance increased from \$7.31 in 2016 to \$12.01 in 2017. 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 to improve in 2017 resulting in an increase Real Estate Excise Tax collected.

Mental Health Medicaid fund had a balance of \$6.56 in 2017 slightly more than the 2016 balance of \$6.25. This reflected increased state funding for the program.

The major debt service fund has a total fund balance of \$1.77, all of which is reserved for the payment of debt service. Fund balance decreased by \$1.39 from \$3.17 in 2016.

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 \$92.59 in 2017, up \$5.90 from 2016. The increase was due to utility rate increases and timing of major capital projects.

Kitsap County, Washington

Management's Discussion and Analysis For the Year Ended December 31, 2017

Solid Waste fund's total net position was \$26.64 for 2017, up \$1.88 from 2016. 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 \$29.57 for 2017 up \$.91 from 2016, primarily due to utility rate increases.

General Fund Budgetary Highlights

Actual general fund revenues exceeded final budgeted revenues by \$.75 during fiscal year 2017. The biggest reasons for this were sales taxes exceeding budget by \$.44 and investment earnings exceeding budget by \$.87.

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 \$1.67 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 \$94.03, with a total of \$92.63.

Capital Assets

At the end of fiscal year 2017, Kitsap County's investment in capital assets for its governmental activities was \$829.14 (and \$397.39 net of accumulated depreciation) as reflected in the following schedule, which represents a net increase of \$16.97 or 2 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	
	2016	2017	2016	2017	2016	2017
Land	\$ 69.76	\$ 74.75	\$ 3.53	\$ 4.68	\$ 73.29	\$ 79.43
Infrastructure	503.02	527.90	-	-	503.02	527.90
Building	120.99	117.08	56.76	63.96	177.76	181.04
Building Improv	34.42	34.75	104.56	136.44	138.98	171.19
Machinery & Equipment	49.07	50.77	9.65	25.29	58.71	76.05
Construction in progress	34.92	23.89	67.56	30.01	102.48	53.90
Total	812.17	829.14	242.06	260.38	1,054.23	1,089.52
Less: accumulated depreciation	419.25	431.75	99.08	106.83	518.33	538.58
Net capital assets	\$ 392.92	\$ 397.39	\$ 142.98	\$ 153.55	\$ 535.90	\$ 550.96

Kitsap County, Washington

Management's Discussion and Analysis For the Year Ended December 31, 2017

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 \$24.34;
- The County purchased land for conservation purposes \$5.31;
- Equipment Rental Fleet was updated at a cost of \$3.80.

Business-type activities.

Following are the major activities in this area in 2017:

- Infrastructure continues to make up the majority of construction in progress, with on-going projects at \$13.81.

Long-term Liabilities

At year-end, the County had \$205.25 in long-term liabilities versus \$230.70 last year, a net decrease of \$25.45 and 11 percent.

Long-term liabilities, at Year-End:

	2016	Additions	Reductions	2017
Government activities:				
Capital leases	\$ 0.21	\$ -	\$ 0.10	\$ 0.11
Bonds Payable	80.27	-	8.00	72.27
Compensated absences - Gov	5.31	0.20	-	5.51
Compensated absences - Int Serv	0.45	0.01	-	0.46
Notes Payable	1.88	-	0.09	1.79
Net OPEB Obligation	7.70	0.77	-	8.47
Net Pension Liability - Gov	54.19	-	13.42	40.77
Net Pension Liability - Int Serv	3.92	-	0.44	3.48
Other items	0.24	-	0.05	0.19
Total	\$ 154.17	\$ 0.98	\$ 22.10	\$ 133.04
Enterprise activities:				
Bonds Payable	\$ 58.72	\$ -	\$ 1.83	\$ 56.89
Compensated absences	0.68	-	-	\$ 0.68
Net Pension Liability	7.14	-	1.67	5.47
Other items	10.00	0.12	0.95	9.17
Total	\$ 76.54	\$ 0.12	\$ 4.45	\$ 72.21
Total Debt	\$ 230.71	\$ 1.11	\$ 26.55	\$ 205.24

GASB Statement No. 68, Accounting and Financial Reporting for Pensions continued to impact the County in 2017. The County's net pension liability decreased by over \$15 in 2017.

Kitsap County, Washington

Management's Discussion and Analysis For the Year Ended December 31, 2017

The Standard and Poor's Corporation and Moody's Investors Service provided a bond rating of AA+ and Aa2 respectively for Kitsap County's debt as of April 2017.

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 \$394.69 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.

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, Financial Manager
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



Basic Financial Statements

Kitsap County Auditor | Financial Division

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KITSAP COUNTY, WASHINGTON

Statement of Net Position December 31, 2017

	Governmental Activities	Business-type Activities	Total	Component Unit PFD
ASSETS				
Cash and Cash equivalents	\$ 131,364,386	\$ 13,138,717	\$ 144,503,103	257,301
Deposits with fiscal agents	-	-	-	-
Investments	11,088,622	50,219,145	61,307,767	1,395,268
Receivables(net)				
Property taxes	2,017,835	-	2,017,835	-
Sales taxes	6,992,988	-	6,992,988	-
Special assessments	1,622	20,092	21,714	-
Accounts	632,898	3,251,564	3,884,462	-
Others	-	-	-	-
Due from agency agency fund	-	-	-	-
Internal balances	607,147	(607,147)	(0)	-
Due from other governments	11,462,109	191,052	11,653,161	-
Prepayments	338,919	-	338,919	-
Inventories	1,922,439	232,765	2,155,204	-
Restricted assets:				
Cash and cash equivalents	4,432,929	284,449	4,717,378	-
Deposits with fiscal agents	-	-	-	250,000
Investments	3,043,710	4,239,167	7,282,877	-
Notes/Contracts	9,600,563	-	9,600,563	-
Special Assessment Receivable	-	205,414	205,414	-
Long-term Receivable from Comp. Unit	6,405,000	-	6,405,000	-
Long-term Receivable from KCCHA	15,574,307	-	15,574,307	-
Capital assets, net (Note 5)				
Land	74,753,715	4,676,399	79,430,114	-
Infrastructure	191,369,919	-	191,369,919	-
Buildings	70,758,296	21,866,100	92,624,396	-
Improvements & Other Buildings	14,892,274	81,803,663	96,695,937	-
Machinery & Equipment	21,723,107	15,190,564	36,913,671	-
Construction In Progress	23,888,880	30,013,515	53,902,395	-
Net pension asset	5,870,074	-	5,870,074	-
Total assets	<u>608,741,739</u>	<u>224,725,459</u>	<u>833,467,198</u>	<u>1,902,569</u>
DEFERRED OUTFLOWS				
Deferred outflows related to pensions	7,407,449	915,528	8,322,977	-
Total assets and deferred outflows	<u>616,149,188</u>	<u>225,640,987</u>	<u>841,790,175</u>	<u>1,902,569</u>
LIABILITIES				
Accounts payable and accrued expenses	6,884,270	2,746,614	9,630,884	-
Due to agency fund	-	-	-	-
Due to other governments	1,042,563	211,146	1,253,709	-
Other liabilities	12,324,715	322,264	12,646,979	30
Debt interest payable	-	203,700	203,700	-
Unearned revenue	3,987,335	-	3,987,335	-
Non current Liabilities (Note 10):				
Due within one year	7,134,888	3,042,775	10,177,663	595,000
Due in more than one year	81,912,380	63,693,599	145,605,979	5,810,000
Net pension liability	44,245,075	5,468,492	49,713,567	-
Total liabilities	<u>157,531,226</u>	<u>75,688,590</u>	<u>233,219,816</u>	<u>6,405,030</u>
DEFERRED INFLOWS				
Deferred inflows related to pensions	9,258,057	1,144,254	10,402,311	-
Golf course service concession arrangement	1,789,381	-	1,789,381	-
Total deferred inflows	<u>11,047,438</u>	<u>1,144,254</u>	<u>12,191,692</u>	<u>-</u>
Total liabilities and deferred inflows	<u>168,578,664</u>	<u>76,832,844</u>	<u>245,411,508</u>	<u>6,405,030</u>
NET POSITION				
Net investment in capital assets	347,090,497	96,670,494	443,760,991	-
Restricted:				
Capital Projects	3,215,855	-	3,215,855	-
Debt service	8,710,942	4,523,616	13,234,558	-
Unrestricted	88,553,230	47,614,034	136,167,264	(4,502,460)
Total net position	<u>\$ 447,570,524</u>	<u>\$ 148,808,146</u>	<u>\$ 596,378,670</u>	<u>\$ (4,502,460)</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, 2017

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	\$ 26,392,997	\$ 9,289,429	\$ 5,207,488	\$ -	\$ (11,896,080)	\$ -	\$ (11,896,080)	\$ -
Judicial Services	16,266,977	3,816,613	1,733,271	-	(10,717,093)	-	(10,717,093)	-
Public Safety	44,064,846	632,650	4,597,401	-	(38,834,794)	-	(38,834,794)	-
Physical Environment	975,641	7,959,455	2,299,545	-	9,283,359	-	9,283,359	-
Transportation	41,248,392	2,256,366	6,195,701	9,422,294	(23,374,031)	-	(23,374,031)	-
Health & Human Services	69,624,086	554,434	66,742,487	-	(2,327,165)	-	(2,327,165)	-
Economic Environment	8,611,773	-	311,758	-	(8,300,015)	-	(8,300,015)	-
Culture & Recreation	7,211,547	961,423	689,895	-	(5,560,228)	-	(5,560,228)	-
Interest on Long-term Debt	3,358,679	-	-	-	(3,358,679)	-	(3,358,679)	-
Total Governmental Activities	217,754,939	25,470,370	87,777,548	9,422,294	(95,084,727)	0	(95,084,727)	-
Business-type Activities								
Solid Waste	16,710,182	17,272,014	623,826	-	-	1,185,658	1,185,658	-
Sewer Utility	20,582,115	21,435,352	3,181,608	1,690,129	-	5,724,974	5,724,974	-
Surface Water	9,491,333	10,289,061	299,237	-	-	1,096,965	1,096,965	-
Total business-type activities	46,783,630	48,996,427	4,104,671	1,690,129	-	8,007,597	8,007,597	-
Total Primary Government	\$ 264,538,569	\$ 74,466,797	\$ 91,882,218	\$ 11,112,423	(95,084,727)	8,007,597	(87,077,130)	-
Component Units:								
Public Facility District(PFD)	396,412	-	-	-	-	-	-	(396,412)
General revenues:								
Taxes:								
Property taxes, levied for general purposes					61,716,606	-	61,716,606	-
Property taxes, levied for debt service					-	-	-	-
Sales & use taxes					37,377,359	-	37,377,359	1,507,252
Other taxes					12,765,295	-	12,765,295	-
Investment earnings					2,843,588	655,173	3,498,761	11,411
Miscellaneous					7,335,466	-	7,335,466	400
Transfers					395,182	(395,182)	-	(15,000)
Total general revenues, special items, and transfers					122,433,496	259,991	122,693,487	1,504,063
Change in net position					27,348,769	8,267,588	35,616,357	1,107,651
Net position - beginning					413,069,748	140,115,269	553,185,017	(5,609,159)
Prior Period Adjustments					7,152,007	425,289	7,577,296	(951)
Net position - ending					\$ 447,570,524	\$ 148,808,146	\$ 596,378,670	\$ (4,502,460)

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

KITSAP COUNTY, WASHINGTON

Balance Sheet Governmental Funds December 31, 2017

	Special Revenue Funds		
	General Fund	County Roads	Real Estate Excise Tax
ASSETS			
Cash and Cash equivalents	\$ 21,683,619	\$ 24,130,679	\$ 10,695,105
Deposits with fiscal agents	-	-	-
Investments	441,113	2,729,592	1,487,241
Receivables(net)			
Property taxes	1,268,005	695,597	-
Sales taxes	5,206,446	-	-
Special assessments	-	1,622	-
Accounts	116,403	449,755	-
Notes/Contracts	-	1,196	3,790,004
Others	-	-	-
Due from other funds	219,416	376,847	-
Due from other governments	1,378,676	5,257,894	-
Interfund loan receivable	-	-	-
Prepayments	193,617	-	-
Advance to other funds	280,000	-	-
Total assets	\$ 30,787,294	\$ 33,643,182	\$ 15,972,350
DEFERRED OUTFLOWS			
Total assets and deferred outflows	-	-	-
	\$ 30,787,294	\$ 33,643,182	\$ 15,972,350
LIABILITIES AND FUND BALANCES			
Liabilities			
Accounts payable	1,263,104	1,209,170	-
Due to other funds	253,942	626,371	-
Due to other governments	-	-	-
Other liabilities	1,571,077	634,882	-
Advance from other fund	-	-	-
Revenues collected in advance	5,569	400	7,480
Unearned revenues	-	-	3,955,004
Interfund loan payable	128,849	-	-
Other long term liabilities	-	-	-
Total liabilities	3,222,542	2,470,824	3,962,484
DEFERRED INFLOWS (Note 15)	1,284,048	697,219	-
Fund balances			
Nonspendable	473,617	-	-
Restricted	-	-	12,009,866
Committed	-	30,475,139	-
Assigned	-	-	-
Unassigned	25,807,088	-	-
Total fund balance	26,280,705	30,475,139	12,009,866
Total inflows, liabilities & fund balances	\$ 30,787,294	\$ 33,643,182	\$ 15,972,350

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

Balance Sheet

Governmental Funds
December 31, 2017

	Special Revenue Funds	Debt Service Funds
	Mental Health Medicaid Fund	KCLTGO 2013 Refund
ASSETS		
Cash and Cash equivalents	\$ 6,425,233	\$ 419,455
Deposits with fiscal agents	-	-
Investments	1,448,814	1,105,997
Receivables(net)		
Property taxes	-	-
Sales taxes	-	-
Special assessments	-	-
Accounts	-	-
Notes/Contracts	-	15,574,307
Others	-	-
Due from other funds	-	-
Due from other governments	-	250,000
Interfund loan receivable	-	-
Prepayments	-	-
Advance to other funds	-	-
Total assets	\$ 7,874,047	\$ 17,349,759
DEFERRED OUTFLOWS		
	\$ 7,874,047	\$ 17,349,759
LIABILITIES AND FUND BALANCES		
Liabilities		
Accounts payable	960,097	-
Due to other funds	315,362	-
Due to other governments	-	-
Other liabilities	35,745	-
Advance from other fund	-	-
Revenues collected in advance	-	-
Unearned revenues	-	-
Interfund loan payable	-	-
Other long term liabilities	-	-
Total liabilities	1,311,203	-
DEFERRED INFLOWS (Note 15)	-	15,574,307
Fund Balances		
Nonspendable	-	-
Restricted	6,562,843	1,775,452
Committed	-	-
Assigned	-	-
Unassigned	-	-
Total fund balances	6,562,843	1,775,452
Total inflows, liabilities and fund balances	\$ 7,874,047	\$ 17,349,759

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

Balance Sheet
Governmental Funds
December 31, 2017

	Other Governmental Funds	Total Governmental Funds
ASSETS		
Cash and Cash equivalents	\$ 34,118,202	\$ 97,472,292
Deposits with fiscal agents	-	-
Investments	6,919,575	14,132,332
Receivables(net)		
Property taxes	54,233	2,017,835
Sales taxes	1,786,542	6,992,988
Special assessments	-	1,622
Accounts	53,748	619,906
Notes/Contracts	12,214,364	31,579,871
Others	-	-
Due from other funds	948,288	1,544,552
Due from other governments	3,822,108	10,708,678
Interfund loan receivable	128,849	128,849
Prepayments	-	193,617
Advance to other funds	-	280,000
Total assets	\$ 60,045,910	\$ 165,672,542
DEFERRED OUTFLOWS	-	-
	\$ 60,045,910	\$ 165,672,542
LIABILITIES AND FUND BALANCES		
Liabilities		
Accounts payable	3,109,200	6,541,571
Due to other funds	304,764	1,500,440
Due to other governments	1,042,563	1,042,563
Other liabilities	491,986	2,733,690
Advance from other fund	280,000	280,000
Revenues collected in advance	13,859	27,309
Unearned revenues	5,022	3,960,026
Interfund loan payable	-	128,849
Other long term liabilities	250,000	250,000
Total liabilities	5,497,395	16,464,448
DEFERRED INFLOWS (Note 15)	5,658,597	23,214,170
Fund Balances		
Nonspendable	6,609,999	7,083,616
Restricted	36,073,845	56,422,007
Committed	6,370,824	36,845,963
Assigned	-	-
Unassigned	(164,751)	25,642,337
Total fund balances	48,889,918	125,993,923
Total inflows, liabilities and fund balances	\$ 60,045,910	\$ 165,672,542

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, 2017

Fund balances of governmental funds - page 39 \$ 125,993,923

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	829,142,666	
Accum Depreciation	(431,756,476)	
Capital assets net of depreciation		397,386,190

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

Capital lease	113,653	
Bond payable	72,275,000	
Compensated absences	5,506,185	
Notes payable	1,789,381	
OPEB Liability	8,467,551	
PWTF Loans	189,013	
Net pension liability	40,765,125	
Other Liabilities	110,467	
Long-term debt		(129,216,375)

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

Taxes/Assessments receivable	2,019,457
Housing Kitsap receivable	15,574,307
Loans receivable CDBG and HOME programs	3,814,982
Net pension asset	5,870,074

Pension adjustments (1,850,608)

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	41,767,961
Liabilities	(13,789,388)

Assets less liabilities 27,978,573

Net position of governmental activities - page 35 \$ 447,570,524

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, 2017

	Special Revenue Funds		
	General Fund	County Roads	Real Estate Excise Tax
REVENUES:			
Property taxes	\$ 34,273,237	\$ 24,895,643	\$ -
Retail sales & use taxes	27,992,311	-	-
Other taxes	5,121,015	49,429	7,591,026
Licenses and permits	151,048	155,220	-
Intergovernmental	9,810,997	15,617,995	-
Charges for services	9,103,172	899,402	-
Fines & forfeits	1,821,161	-	-
Investment earnings	1,750,604	28,483	161,976
Miscellaneous	1,239,130	604,323	-
Total revenues	<u>91,262,676</u>	<u>42,250,496</u>	<u>7,753,002</u>
EXPENDITURES:			
Current:			
General government	27,021,112	-	-
Judicial Services	15,837,719	-	-
Public safety	42,597,307	-	-
Physical Environment	-	-	-
Transportation	-	29,500,527	-
Health & Human Services	-	-	-
Economic Environment	2,085,481	-	-
Culture & recreation	4,849,538	-	-
Debt service			
Principal	-	47,253	-
Interest and other charges	10,817	1,181	-
Capital outlay	413,043	11,178,650	-
Total expenditures	<u>92,815,017</u>	<u>40,727,612</u>	<u>-</u>
Excess(deficiency) of revenues over expenditures	<u>(1,552,341)</u>	<u>1,522,883</u>	<u>7,753,002</u>
OTHER FINANCING SOURCES (USES):			
Sale of capital assets	12,654	-	-
Transfers in	3,965,743	-	-
Transfers out	(1,741,619)	(390,367)	(3,053,294)
Total other financing sources & uses	<u>2,236,778</u>	<u>(390,367)</u>	<u>(3,053,294)</u>
Net change in fund balance	<u>684,437</u>	<u>1,132,516</u>	<u>4,699,709</u>
Fund balances-beginning	21,045,324	28,710,024	7,311,656
Prior period adjustments	4,878,472	632,598	(1,499)
Fund balances	<u>\$ 26,608,234</u>	<u>\$ 30,475,139</u>	<u>\$ 12,009,866</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, 2017

	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	44,775,620	286,995
Charges for services	-	
Fines & forfeits	-	
Investment earnings	15,099	221,169
Miscellaneous	-	
Total revenues	<u>44,790,719</u>	<u>508,164</u>
EXPENDITURES:		
Current:		
General government	-	
Judicial Services	-	
Public safety	-	
Physical Environment	-	-
Transportation	-	
Health & Human Services	43,110,834	
Economic Environment	-	
Culture & recreation	-	
Debt service		
Principal	-	4,155,000
Interest and other charges	-	1,614,925
Capital outlay	-	
Total expenditures	<u>43,110,834</u>	<u>5,769,925</u>
Excess(deficiency) of revenues over expenditures	<u>1,679,885</u>	<u>(5,261,761)</u>
OTHER FINANCING SOURCES (USES):		
Sale of capital assets		
Transfers in	-	3,871,708
Transfers out	(1,367,607)	-
Total other financing sources & uses	<u>(1,367,607)</u>	<u>3,871,708</u>
Net change in fund balance	<u>312,278</u>	<u>(1,390,053)</u>
Fund balances-beginning	6,252,026	3,166,620
Prior period adjustments	(1,460)	(1,115)
Fund balances-ending	<u>\$ 6,562,843</u>	<u>\$ 1,775,452</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, 2017

	Other Governmental Funds	Total Governmental Funds
REVENUES:		
Property taxes	\$ 2,547,726	\$ 61,716,606
Retail sales & use taxes	9,712,576	37,704,888
Other taxes	3,824	12,765,295
Licenses and permits	5,860,716	6,166,984
Intergovernmental	26,708,235	97,199,841
Charges for services	5,198,715	15,201,289
Fines & forfeits	263,101	2,084,262
Investment earnings	666,257	2,843,588
Miscellaneous	5,490,392	7,333,845
	<u>56,451,542</u>	<u>243,016,599</u>
EXPENDITURES:		
Current:		
General government	2,543,974	29,565,086
Judicial Services	412,633	16,250,352
Public safety	1,876,762	44,474,069
Physical Environment	975,641	975,641
Transportation	91,631	29,592,158
Health & Human Services	25,520,068	68,630,902
Economic Environment	7,468,355	9,553,837
Culture & recreation	1,159,583	6,009,121
Debt service		
Principal	4,720,386	8,922,639
Interest and other charges	1,702,357	3,329,280
Capital outlay	4,513,204	16,104,898
Total expenditures	<u>50,984,595</u>	<u>233,407,982</u>
	<u>5,466,947</u>	<u>9,608,616</u>
OTHER FINANCING SOURCES (USES):		
Sale of capital assets	464,915	477,569
Transfers in	6,456,495	14,293,946
Transfers out	(7,973,240)	(14,526,127)
Total other financing sources & uses	<u>(1,051,830)</u>	<u>245,388</u>
Net change in fund balance	<u>4,415,117</u>	<u>9,854,004</u>
Fund balances-beginning	42,829,791	109,315,441
Prior period adjustments	1,645,010	7,152,007
Fund balances-ending	<u>\$ 48,889,916</u>	<u>\$ 126,321,450</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, 2017

Net change in fund balances-total governmental funds - page 43 \$ 9,526,475

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	16,104,898
Depreciation	(16,979,568)

Capital Asset Transactions:

Gain (loss) on the sale and disposition of governmental capital assets	(1,618,329)
Transfer of current assets to Kitsap 911	580,842

Pension transactions

Pension adjustments	3,446,356
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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	8,922,639
Capital lease principal	104,584
Recording of Net OPEB Obligation	(767,692)

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

(80,756)

Accounts Receivable - Housing Kitsap	295,537
Property taxes receivable	2,017,835
Special Assessments	1,622
Compensated absences	199,685
Employee Union Leave donation	11,463

Internal services Activities

Net Transfers	627,367
Depreciation already included above	2,738,709
Net profit	2,217,102

Change in net position of governmental activities - page 36

\$ 27,348,769

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, 2017

2017

	Original Budget	Final Budget	Actual	Variance With Final Budget	Budget to GAAP Basis Differences	Actual GAAP Basis
REVENUES:						
Property taxes	\$ 34,375,195	\$ 34,375,195	\$ 34,271,940	\$ (103,255)	\$ 1,298	\$ 34,273,237
Retail sales & use taxes	26,897,248	26,897,248	27,664,783	767,535	-	27,664,783
Other taxes	5,320,399	5,320,399	5,119,324	(201,075)	1,692	5,121,015
Licenses and permits	133,121	133,121	151,048	17,927	-	151,048
Intergovernmental	9,983,838	10,058,897	9,803,164	(255,733)	7,832	9,810,997
Charges for services	9,115,767	9,158,980	9,103,172	(55,808)	-	9,103,172
Fines & forfeits	1,791,053	1,791,053	1,818,549	27,496	2,612	1,821,161
Investment Earnings	873,550	873,550	1,746,007	872,457	4,597	1,750,604
Miscellaneous	825,992	830,055	846,869	16,814	392,261	1,239,130
	<u>89,316,163</u>	<u>89,438,498</u>	<u>90,524,855</u>	<u>1,086,357</u>	<u>410,292</u>	<u>90,935,147</u>
EXPENDITURES:						
Current:						
Administrative Services	\$ 820,043	\$ 820,043	\$ 794,106	\$ 25,937	\$ -	794,106
Assessor	2,461,111	2,461,111	2,407,926	53,185	-	2,407,926
Auditor	1,988,863	1,988,863	1,987,879	984	-	1,987,879
Commissioners	1,630,586	1,650,904	1,604,081	46,823	-	1,604,081
General Administration	4,905,580	5,112,713	6,708,952	(1,596,239)	-	6,708,952
Human resources	1,470,216	1,470,216	1,385,778	84,438	6,758	1,392,536
Prosecuting attorney	9,403,601	9,423,601	9,236,010	187,591	-	9,236,010
Facilities Maintenance	1,846,389	1,846,389	1,792,475	53,914	-	1,792,475
Treasurer	1,132,234	1,134,849	1,097,147	37,702	-	1,097,147
Total general government	<u>25,658,623</u>	<u>\$ 25,908,689</u>	<u>27,014,354</u>	<u>(1,105,665)</u>	<u>6,758</u>	<u>27,021,112</u>
Judicial Services						
Clerk	\$ 3,512,994	\$ 3,617,994	\$ 3,418,100	\$ 199,895	\$ -	3,418,100
District court	2,875,869	2,937,851	2,883,593	54,258	-	2,883,593
Superior court	3,159,433	3,159,433	3,130,743	28,690	-	3,130,743
Juvenile	2,946,191	2,976,191	2,892,931	83,260	-	2,892,931
Public defense	2,833,707	3,574,346	3,512,353	61,993	-	3,512,353
Total Judicial services	<u>15,328,194</u>	<u>16,265,815</u>	<u>15,837,719</u>	<u>428,096</u>	<u>-</u>	<u>15,837,719</u>
Public safety						
Sheriff	\$ 37,174,959	\$ 37,450,591	\$ 36,410,072	\$ 1,040,519	\$ 16,075	36,426,147
Juvenile	5,444,423	5,233,700	4,745,031	488,669	-	4,745,031
Coroner	1,235,933	1,241,261	1,180,682	60,579	-	1,180,682
Human services	250,882	250,882	245,446	5,436	-	245,446
Total Public Safety	<u>44,106,197</u>	<u>44,176,434</u>	<u>42,581,231</u>	<u>1,595,203</u>	<u>16,075</u>	<u>42,597,307</u>
Economic Environment						
Community Development	\$ 2,121,438	\$ 2,123,137	\$ 2,085,481	\$ 37,656	\$ -	\$ 2,085,481
Total Economic Environment	<u>2,121,438</u>	<u>2,123,137</u>	<u>2,085,481</u>	<u>37,656</u>	<u>-</u>	<u>2,085,481</u>
Culture and Recreation						
Parks	\$ 4,499,425	\$ 4,508,548	4,256,021	\$ 252,527	\$ 153,500	4,409,521
Cooperative Extension	434,192	443,592	440,017	3,575	-	440,017
Total Culture and Recreation	<u>4,933,617</u>	<u>4,952,140</u>	<u>4,696,038</u>	<u>256,102</u>	<u>153,500</u>	<u>4,849,538</u>
Interest and other charges	9,600	9,600	9,541	59	1,276	10,817
Capital outlay	200,000	590,223	413,043	177,180	-	413,043
Total expenditures	<u>92,357,669</u>	<u>94,026,038</u>	<u>92,637,408</u>	<u>1,350,975</u>	<u>177,609</u>	<u>92,815,017</u>
Excess(deficiency) of revenues over expenditures	(3,041,506)	(4,587,540)	(2,112,552)	2,474,988	232,683	(1,879,869)
OTHER FINANCING SOURCES (USES):						
Transfers in	4,367,904	4,174,907	3,965,743	(209,164)	-	3,965,743
Transfers out	(1,326,398)	(1,895,979)	(1,725,700)	170,279	(15,919)	(1,741,619)
Proceeds from Sales of Assets	-	12,654	12,654	-	-	12,654
Total other financing sources & uses	<u>3,041,506</u>	<u>2,291,582</u>	<u>2,252,697</u>	<u>(38,885)</u>	<u>(15,919)</u>	<u>2,236,778</u>
Net change in fund balance	-	(2,295,958)	140,145	2,436,103	216,764	356,909
Fund balances-beginning	20,046,157	20,046,157	20,046,157	-	999,167	21,045,324
Prior period adjustments			4,878,917	4,878,917	(445)	4,878,472
Fund balances-ending	<u>20,046,157</u>	<u>17,750,199</u>	<u>25,065,219</u>	<u>7,315,020</u>	<u>1,215,486</u>	<u>26,280,705</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, 2017

	Budget		Actual	Variance with Final Budget
	Original	Final		
REVENUES:				
Property taxes	\$ 24,543,347	\$ 24,543,347	\$ 24,895,643	\$ 352,296
Other taxes	50,000	50,000	49,429	(571)
Licenses and permits	160,000	160,000	155,220	(4,780)
Intergovernmental	15,530,920	15,530,920	15,617,995	87,075
Charges for services	584,000	584,000	899,402	315,402
Investment earnings	2,700	2,700	28,483	25,783
Miscellaneous	15,000	15,000	604,323	589,323
Total revenues	<u>40,885,967</u>	<u>40,885,967</u>	<u>42,250,496</u>	<u>1,364,529</u>
EXPENDITURES:				
Current:				
Transportation	30,147,611	30,041,611	29,500,527	541,084
Debt service				
Principal	47,260	47,260	47,253	7
Interest and other charges	1,600	1,600	1,181	419
Capital outlay	19,621,000	19,621,000	11,178,650	8,442,350
Total expenditures	<u>49,817,471</u>	<u>49,711,471</u>	<u>40,727,612</u>	<u>8,983,859</u>
Excess(deficiency) of revenues over expenditures	<u>(8,931,504)</u>	<u>(8,825,504)</u>	<u>1,522,883</u>	<u>10,348,387</u>
OTHER FINANCING SOURCES (USES):				
Transfers in	-	3,500,000	-	(3,500,000)
Transfers out	-	(3,890,381)	(390,367)	3,500,014
Total other financing sources & uses	<u>-</u>	<u>(390,381)</u>	<u>(390,367)</u>	<u>14</u>
Net change in fund balance	<u>(8,931,504)</u>	<u>(9,215,885)</u>	<u>1,132,516</u>	<u>10,348,401</u>
Fund balances-beginning	28,710,024	28,710,024	28,710,024	-
Prior period adjustments	-	-	632,598	632,598
Fund balances-ending	<u>\$ 19,778,520</u>	<u>\$ 19,494,139</u>	<u>\$ 30,475,139</u>	<u>\$ 10,981,000</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, 2017

	Budget		Actual	Variance with Final Budget
	Original	Final		
REVENUES:				
Other taxes	\$ 5,795,044	\$ 5,795,044	\$ 7,591,026	1,795,982
Investment earnings	174,433	174,433	161,976	(12,457)
Miscellaneous	146,250	146,250	-	(146,250)
Total revenues	<u>6,115,727</u>	<u>6,115,727</u>	<u>7,753,002</u>	<u>1,637,275</u>
EXPENDITURES:				
Total expenditures	-	-	-	-
Excess(deficiency) of revenues over expenditures	<u>6,115,727</u>	<u>6,115,727</u>	<u>7,753,002</u>	<u>1,637,275</u>
OTHER FINANCING SOURCES (USES):				
Transfers in	-	-	-	-
Transfers out	(3,899,095)	(3,899,095)	(3,053,294)	845,801
Total other financing sources & uses	<u>(3,899,095)</u>	<u>(3,899,095)</u>	<u>(3,053,294)</u>	<u>845,801</u>
Net change in fund balance	<u>2,216,632</u>	<u>2,216,632</u>	<u>4,699,709</u>	<u>2,483,077</u>
Fund balances-beginning	7,311,656	7,311,656	7,311,656	-
Prior period adjustments	-	-	(1,499)	(1,499)
Fund balances-ending	<u>\$ 9,528,288</u>	<u>\$ 9,528,288</u>	<u>\$ 12,009,866</u>	<u>\$ 2,481,578</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, 2017

	Budget		Actual	Variance with Final Budget
	Original	Final		
REVENUES:				
Intergovernmental	\$ 44,500,000	\$ 49,500,000	\$ 44,775,620	\$ (4,724,380)
Investment earnings	10,000	10,000	15,099	5,099
Total revenues	<u>44,510,000</u>	<u>49,510,000</u>	<u>44,790,719</u>	<u>(4,719,281)</u>
EXPENDITURES:				
Current:				
Health & Human Services	42,518,800	47,630,090	43,110,834	4,519,256
Total expenditures	<u>42,518,800</u>	<u>47,630,090</u>	<u>43,110,834</u>	<u>4,519,256</u>
Excess(deficiency) of revenues over expenditures	<u>1,991,200</u>	<u>1,879,910</u>	<u>1,679,885</u>	<u>(200,025)</u>
OTHER FINANCING SOURCES (USES):				
Transfers in	-	-	-	-
Transfers out	(1,991,200)	(1,879,910)	(1,367,607)	512,303
Total other financing sources & uses	<u>(1,991,200)</u>	<u>(1,879,910)</u>	<u>(1,367,607)</u>	<u>512,303</u>
Net change in fund balance	-	-	312,277	312,277
Fund balances-beginning	6,252,026	6,252,026	6,252,026	-
Prior period adjustments	-	-	(1,460)	(1,460)
Fund balances-ending	<u>\$ 6,252,026</u>	<u>\$ 6,252,026</u>	<u>\$ 6,562,843</u>	<u>\$ 310,817</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, 2017

	Sanitary Sewer	Solid Waste	Surface Water Utility	Total	Governmental Activities Internal Service Funds
ASSETS					
Current assets:					
Cash and Cash equivalents	\$ 8,549,979	\$ 2,807,091	\$ 1,781,647	\$ 13,138,717	\$ 38,325,023
Deposits with fiscal agents	-	-	-	-	-
Investments	22,617,501	24,542,672	3,058,972	50,219,145	-
Receivables(net)	-	-	-	-	1,769
Special assessments	20,092	-	-	20,092	-
Accounts	2,013,989	1,057,252	180,323	3,251,564	11,223
Due from other funds	112,648	4,680	44,174	161,502	608,774
Due from other governments	-	22,098	168,954	191,052	753,431
Prepayments	-	-	-	-	145,302
Inventories	232,765	-	-	232,765	1,922,439
Restricted assets:					
Cash and cash equivalents	284,449	-	-	284,449	-
Deposits with fiscal agents	-	-	-	-	-
Investments	4,239,167	-	-	4,239,167	-
Total current assets	<u>38,070,590</u>	<u>28,433,793</u>	<u>5,234,070</u>	<u>71,738,453</u>	<u>41,767,961</u>
Noncurrent assets					
Special Assessment Receivable	205,414	-	-	205,414	-
Capital assets					
Land	1,563,386	472,444	2,640,569	4,676,399	-
Buildings	62,922,291	802,991	239,211	63,964,493	-
Improvements & Other Buildings	106,701,777	1,175,134	28,561,643	136,438,554	2,725,773
Machinery & Equipments	24,951,630	96,282	241,087	25,288,999	37,686,537
Construction In Progress	26,568,927	101,994	3,342,594	30,013,515	94,491
Less accumulated depreciation	(97,314,020)	(1,455,107)	(8,062,592)	(106,831,719)	(21,300,042)
Total noncurrent assets	<u>125,599,406</u>	<u>1,193,738</u>	<u>26,962,512</u>	<u>153,755,656</u>	<u>19,206,759</u>
Total assets	<u>\$ 163,669,996</u>	<u>\$ 29,627,531</u>	<u>\$ 32,196,582</u>	<u>\$ 225,494,109</u>	<u>\$ 60,974,720</u>
DEFERRED OUTFLOWS					
Deferred Outflows Related to Pensions	499,379	166,460	249,689	915,528	582,609
Total assets and deferred outflows	<u>\$ 164,169,375</u>	<u>\$ 29,793,991</u>	<u>\$ 32,446,271</u>	<u>\$ 226,409,637</u>	<u>\$ 61,557,329</u>
LIABILITIES					
Current liabilities:					
Accounts payable and accrued expenses	1,486,932	935,913	323,769	2,746,614	342,699
Due to other funds	321,574	123,736	323,339	768,649	44,345
Due to other governments	6,878	42,255	162,013	211,146	-
Other liabilities	170,530	56,515	95,219	322,264	9,465,908
Debt interest payable	203,700	-	-	203,700	-
Current portion of long term liabilities	2,975,339	51,020	16,416	3,042,775	45,649
Total current liabilities	<u>5,164,953</u>	<u>1,209,439</u>	<u>920,756</u>	<u>7,295,148</u>	<u>9,898,601</u>
Noncurrent Liabilities					
Net Pension Liability	2,982,814	994,271	1,491,407	5,468,492	3,479,950
Due in more than one year	62,808,355	737,496	147,748	63,693,599	410,837
Total noncurrent liabilities	<u>65,791,169</u>	<u>1,731,767</u>	<u>1,639,155</u>	<u>69,162,091</u>	<u>3,890,787</u>
Total liabilities	<u>\$ 70,956,122</u>	<u>\$ 2,941,206</u>	<u>\$ 2,559,911</u>	<u>\$ 76,457,239</u>	<u>\$ 13,789,388</u>
DEFERRED INFLOWS					
Deferred Inflows Related to Pensions	624,139	208,046	312,069	1,144,254	728,162
Total liabilities and deferred inflows	<u>\$ 71,580,261</u>	<u>\$ 3,149,252</u>	<u>\$ 2,871,980</u>	<u>\$ 77,601,493</u>	<u>\$ 14,517,550</u>
NET POSITION					
Net investment in capital assets	68,514,244	1,193,738	26,962,512	96,670,494	19,206,759
Restricted:					
Debt service	4,523,616	-	-	4,523,616	-
Unrestricted	19,551,254	25,451,001	2,611,779	47,614,034	27,833,020
Total net position	<u>\$ 92,589,114</u>	<u>\$ 26,644,739</u>	<u>\$ 29,574,291</u>	<u>\$ 148,808,146</u>	<u>\$ 47,039,779</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 Position

Proprietary Funds

For the Year Ended December 31, 2017

	Sanitary Sewer	Solid Waste	Surface Water Utility	Total	Governmental Activities Internal Service Funds
Operating revenues:					
Charges for services	\$ 21,403,488	\$ 17,264,879	\$ 10,279,913	\$ 48,948,280	\$ 42,187,745
Miscellaneous	31,864	7,135	9,148	48,147	299,187
Total operating revenues	21,435,352	17,272,014	10,289,061	48,996,427	42,486,932
Operating expenses:					
Personal services	5,981,877	2,234,313	3,314,792	11,530,982	8,730,854
Contractual services	992,032	1,938,894	2,608,029	5,538,955	19,570,293
Utilities	1,625,114	11,591,978	98,523	13,315,615	23,058
Repair and maintenance	325,265	59,553	290,514	675,332	1,352,264
Other supplies and expenses	2,359,872	797,163	1,689,827	4,846,862	8,022,320
Insurance claims and expenses	29,165	17,770	88,848	135,783	1,036,733
Depreciation	7,204,046	70,511	1,400,800	8,675,357	2,738,709
Total operating expenses	18,517,371	16,710,182	9,491,333	44,718,886	41,474,231
Operating income	2,917,981	561,832	797,728	4,277,541	1,012,701
Nonoperating revenue (expenses)					
Interest and investment revenue	377,259	236,101	41,813	655,173	-
Miscellaneous revenue	3,181,608	623,826	299,237	4,104,671	53,481
Interest expense	(2,064,744)	-	-	(2,064,744)	-
Miscellaneous expense	-	-	-	-	-
Total nonoperating expenses	1,494,123	859,927	341,050	2,695,100	53,481
Income (loss) before contributions & transfers	4,412,104	1,421,759	1,138,778	6,972,641	1,066,182
Capital contributions	1,690,129	-	-	1,690,129	523,553
Transfers in	-	-	-	-	648,290
Transfers out	(159,524)	(8,886)	(226,772)	(395,182)	(20,923)
Change in net position	5,942,709	1,412,873	912,006	8,267,588	2,217,102
Total net position - beginning	86,687,089	24,764,827	28,663,351	140,115,267	44,822,677
Prior period adjustment	(40,684)	467,039	(1,066)	425,289	-
Prior period adjustment related to pensions	-	-	-	-	-
Total net position - ending	\$ 92,589,114	\$ 26,644,739	\$ 29,574,291	\$ 148,808,146	\$ 47,039,779

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, 2017

	Sanitary Sewer	Solid Waste	Surface Water Utility	Total	Governmental Activities Internal service Funds
CASH FLOWS FROM OPERATING ACTIVITIES					
Receipts from customers	\$ 21,903,401	\$ 17,825,580	\$ 10,285,977	\$ 50,014,958	\$ 42,616,374
Payments to suppliers	(5,002,473)	(14,310,768)	(5,032,579)	(24,345,820)	(31,169,625)
Payments to employees	(6,114,104)	(2,232,502)	(3,346,998)	(11,693,604)	(8,314,560)
Net cash provided by operating activities	\$ 10,786,824	\$ 1,282,310	\$ 1,906,400	\$ 13,975,534	\$ 3,132,189
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES					
Operating grants received	\$ 3,270,731	\$ 94,114	\$ 1,726,712	\$ 5,091,557	\$ -
Transfers in	-	-	-	-	648,290
Transfers out	(159,524)	(8,886)	(226,772)	(395,182)	(20,923)
Net cash provided by noncapital activities	\$ 3,111,207	\$ 85,228	\$ 1,499,940	\$ 4,696,375	\$ 627,367
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES					
Capital contributions	\$ 1,690,129	\$ -	\$ -	\$ 1,690,129	\$ -
Proceeds from sales of capital assets	160,000	1,221,918	-	1,381,918	53,481
Purchases of capital assets	(18,887,815)	(35,231)	(977,191)	(19,900,237)	(3,314,474)
Principal paid on capital debt	(2,607,065)	-	-	(2,607,065)	-
Interest paid on capital debt	(1,923,017)	-	-	(1,923,017)	-
Net cash from related financing activities	\$ (21,567,768)	\$ 1,186,687	\$ (977,191)	\$ (21,358,272)	\$ (3,260,993)
CASH FLOWS FROM INVESTING ACTIVITIES					
Proceeds from sales and maturities of invest	\$ 14,500,000	\$ 650,000	\$ 1,000,000	\$ 16,150,000	\$ -
Purchase of Investment	(1,396,701)	(2,234,888)	(3,014,465)	(6,646,054)	-
Interest and dividends	352,492	234,888	43,510	630,890	-
Net cash provided by investing activities	13,455,791	(1,350,000)	(1,970,955)	10,134,836	-
Net increase (decrease) in cash and cash	5,786,054	1,204,225	458,194	7,448,473	498,563
Balances - beginning of the year	3,048,374	1,602,866	1,323,453	5,974,693	37,826,460
Balances - end of the year	\$ 8,834,428	\$ 2,807,091	\$ 1,781,647	\$ 13,423,166	\$ 38,325,023
Reconciliation of operating income (loss) to net cash provided (used) by operating activities:					
Operating income (loss)	\$ 2,917,981	\$ 561,832	797,728	\$ 4,277,541	1,012,701
Adjustments to reconcile operating income to net cash provided (used) by operating activities:					
Depreciation expense	7,204,046	70,511	1,400,800	8,675,357	2,738,709
Change in assets and liabilities:					
Receivables, net	127,218	551,056	9,342	687,616	630,512
Due from other funds	340,831	2,510	(12,426)	330,915	44,708
Due from other governments	-	-	-	-	(535,669)
Prepayments	-	-	-	-	(10,109)
Inventories	3,147	-	-	3,147	(134,228)
Deferred inflows	516,414	172,138	258,207	946,759	620,437
Accounts and other payables	15,720	19,815	(121,705)	(86,170)	(212,703)
Due to other funds	276,378	(49,490)	(309,982)	(83,094)	(168,806)
Due to other governments	(3,484)	4,164	162,013	162,693	9,843
Accrued expenses	37,214	120,101	12,836	170,151	(659,063)
Deferred outflows	305,243	101,748	152,621	559,612	222,013
Net pension liability	(934,800)	(296,069)	(444,104)	(1,674,973)	(437,664)
Employee benefits	(19,084)	23,994	1,070	5,980	11,508
Net cash provided by operating activities	\$ 10,786,824	\$ 1,282,310	\$ 1,906,400	\$ 13,975,534	\$ 3,132,189
Noncash investing, capital and financing activities					
Contribution of capital assets	588,151			588,151	523,553

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

KITSAP COUNTY, WASHINGTON

Statement of Fiduciary Net Position December 31, 2017

	Investment Trust Funds	Private Purpose Trust Funds	Agency Funds
ASSETS			
Cash & Pooled Investments	\$ 540,081,370	\$ 2,928,075	\$ 27,154
Cash and Investments in Trust	-	-	-
Investments	-	-	36,245,656
Taxes Receivable	-	-	-
Other Current Receivables	-	-	-
Due From Other Funds	-	-	-
Due From Other Governments	-	-	-
Total Assets	\$ 540,081,370	\$ 2,928,075	\$ 36,272,810
LIABILITIES			
Warrants Payable	\$ -	\$ -	\$ -
Accounts Payable	-	-	-
Due to Other Governments	-	-	-
Interfund loans	-	-	-
Custodial Account	-	-	36,272,810
Total Liabilities	\$ -	\$ -	\$ 36,272,810
NET POSITION			
Investments Held in Trust for Pool Participants	540,081,370	-	-
Investments Held in Trust for Other Purposes	-	2,928,075	-
Total Net Position	\$ 540,081,370	\$ 2,928,075	\$ -

The notes to the 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, 2017

	Investment Trust Funds	Private Purpose Trust Funds
ADDITIONS:		
Contributions:		
Additions By Participants	\$ 1,050,514,663	\$ 12,763,632
Trust Revenues	-	-
Total Contributions	<u>1,050,514,663</u>	<u>\$ 12,763,632</u>
Investment Income:		
Net Increase (Decrease) in Fair Value of Investments	(22,178)	-
Interest, Dividends and Other	4,634,094	290
Total Investment Income	<u>4,611,916</u>	<u>290</u>
Total Additions	<u>\$ 1,055,126,579</u>	<u>\$ 12,763,922</u>
DEDUCTIONS:		
Distributions to Participants	1,038,245,241	12,513,132
Trust Administrative Costs	-	315
Total Deductions	<u>\$ 1,038,245,241</u>	<u>\$ 12,513,447</u>
Change in Net Position Held for Individuals, Organizations and Other Governments	\$ 16,881,338	250,475
Net Position as of January 1, 2017 - restated	\$ 523,200,032	\$ 2,677,600
Net Position as of December 31, 2017	<u>\$ 540,081,370</u>	<u>\$ 2,928,075</u>

See accompanying notes to financial statements

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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, 2017

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Kitsap County, Washington

Notes to Financial Statements

December 31, 2017

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

Kitsap County, Washington

Notes to Financial Statements

December 31, 2017

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. 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 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.

Kitsap County, Washington

Notes to Financial Statements

December 31, 2017

The County reports the following major governmental funds:

The General 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;

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;

Kitsap County, Washington

Notes to Financial Statements

December 31, 2017

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.

C. 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.

Kitsap County, Washington

Notes to Financial Statements

December 31, 2017

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.

D. Accounting and Reporting Changes

1. The county implemented the provisions of Governmental Accounting Standards Board (GASB) Statement 72, *Fair Value Measurement and Application* and Statement No. 77, *Tax Abatement Disclosures*, in 2017.

GASB Statement No. 72, *Fair Value Measurement and Application*. This statement provides guidance for valuing investments at fair value for financial reporting purposes. With the exception of certain bank deposits and investments held in the Local Government Investment Pool (LGIP), investments previously stated at amortized cost are now required to be stated at fair value.

In 2017, beginning investment balances for all investments held by the county were restated by (\$707,304) to adjust from amortized cost to fair value, of which the adjustment to county funds was (\$79,707). See Note 2, *Deposits and Investments* and Note 21, *Other Note Disclosures*, section B.5. for more information about deposits and investments.

GASB Statement No. 77, *Tax Abatement Disclosures*. This statement requires governments to disclose information about limitations on their ability to raise resources as a result of tax abatement agreements with individuals and entities. The disclosure applies to tax abatement arrangements entered into by the primary government and agreements entered into by state and other local governments

Kitsap County, Washington

Notes to Financial Statements

December 31, 2017

that impact the primary government's tax revenues. For more information about tax abatements, see Note 4, *Tax Abatements*.

2. Fiduciary funds – Investment Trust Funds, Private Purpose Trust Funds not previously reported.

The county maintains fiduciary funds for various separate legal entities. In prior years, the activity associated with Agency Funds was reported in the financial statements, but Investment Trust Funds activity was omitted.

The county reported Private Purpose Trust Funds in the Fiduciary Fund statements in prior years but did not include all bank account activity that qualified as Private Purpose Trust Funds activity.

In 2017, all Private Purpose Trust Fund activity and Investment Trust Fund activity has been reported in the financial statements. For more information, see Fiduciary Fund statements on pages 52 and 53.

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 2017 because no expenditures were anticipated:

123 Electronic Technology Excise Fund
137 Real Property Fund
148 GMA Transportation Impact Fee, Central Kitsap Fund

Kitsap County, Washington

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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

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. Thirteen special revenue

Kitsap County, Washington

Notes to Financial Statements

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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, 2017 expenditures did not exceed appropriations in any of the general fund departments.

4. Deficit Balance

At December 31, 2017, the following funds reported deficits in their fund balances, which is a violation of state statute:

Fund	Deficit
00106 Kitsap Preparedness	\$42,401
00144 Public Defense	\$122,350
00515 Elections Fund	\$47,940

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

- The deficit fund balances in Kitsap Preparedness fund is temporary and is expected to be reversed in 2018.
- Public Defense Funding fund will be closed effective January 2018 and the county's public defense activity will be consolidated into an existing general fund business unit used to account for other county Public Defense activity.
- The Elections Fund is an internal service fund. The deficit balance in this fund indicates this operation has not been reimbursed for all costs of services to the county. 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, 2017, the treasurer was holding \$204.1 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.

Kitsap County, Washington

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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*).

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, 2017, 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.

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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 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 \$4,523,616, 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. Interest incurred during the construction phase of capital assets of business-type activities is included as part of the capitalized value of the assets constructed. The total interest expense incurred by the county during the current fiscal year is \$2,402,372. Of this amount, \$337,629 was included as part of the cost of capital assets under construction relating to sewer construction projects.

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

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December 31, 2017

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

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. The promissory note was amended during 2017. 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*.

Kitsap County, Washington

Notes to Financial Statements

December 31, 2017

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).

- 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 2017.
- 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.

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Notes to Financial Statements

December 31, 2017

14. Composition of General Fund's Fund Balance

In 2017, thirteen funds did not meet the 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, 2017:

	Unassigned Fund Balance	Total Fund Balance
General Fund (<i>prior to inclusion of non-qualifying special revenue funds</i>)	\$24,591,600	\$25,065,217
Non-qualifying Special Revenue Funds		
108 - Human Resources Board	81,389	81,389
119 - Special Purpose Path	74,203	74,203
134 - 1% for Art Program	16,437	16,437
137 - Real Property Fund	36,441	36,441
140 - Drug Forfeiture Enforcement	29,637	29,637
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	142,584	142,584
178 - McCormick Village Traffic Impact	394,901	394,901
180 - McCormick Village Park Impact	165,544	165,544
General Fund (<i>after inclusion of non-qualifying special revenue funds</i>)	\$25,807,088	\$26,280,705

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, 2017, nonspendable fund balance was \$7.08 million, restricted fund balance totaled \$56.64 million, committed fund balance was \$36.85 million and unassigned fund balance was \$25.64 million. The county had no assigned fund balance in 2017.

Detail of governmental fund balances as of December 31, 2017, is presented in the table below:

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Notes to Financial Statements

December 31, 2017

Description	Major Governmental Funds			Nonmajor Governmental Funds
	General Fund	Special Revenue Funds	Debt Service Funds	
Nonspendable:				
Petty cash, change funds				
Advances	\$280,000	-	-	-
Prepaid Items	193,617	-	-	-
Note Receivable				\$6,609,999
Total Nonspendable Fund Balance	\$473,617	-	-	\$6,609,999
Restricted for:				
Boating Safety Program	-	-	-	\$169,212
Community Projects	-	-	-	3,409
County Stadium	-	-	-	606,959
Court Services	-	-	-	213,186
Disability Services	-	-	-	1,106,575
Document Preservation	-	-	-	334,368
Drug Dependency Treatment	-	-	-	1,327,037
Drug Enforcement	-	-	-	897,279
Elections Services	-	-	-	207,696
Electronic Technology	-	-	-	357,537
Environmental Protection	-	-	-	2,728,099
Housing Programs	-	-	-	3,078,076
Jail Services	-	-	-	3,226,556
Jobs Training	-	-	-	104,634
Law Library	-	-	-	142,091
Mental Health Services	-	6,562,843	-	12,799,887
Noxious Weed Control	-	-	-	240,447
Parks & Conservation	-	-	-	2,256,816
Real Estate Excise Tax	-	12,009,866	-	-
Special Investigations	-	-	-	55,218
Treasurer Services	-	-	-	1,500,854
Youth Services	-	-	-	54,669
Various Grants	-	-	-	8,658
Veterans Relief & Human Services	-	-	-	1,113,243
Capital Projects	-	-	-	3,215,854
Debt Service	-	-	1,775,452	325,485
Total Restricted Fund Balance	-	\$18,572,710	\$1,775,452	\$36,296,461

Kitsap County, Washington

Notes to Financial Statements

December 31, 2017

Description	Major Governmental Funds			Nonmajor Governmental Funds
	General Fund	Special Revenue Funds	Debt Service Funds	
Committed for:				
Commuter Reduction	-	-	-	158,768
County Fair Operations	-	-	-	168,171
County Parks	-	-	-	436,051
Crime Prevention	-	-	-	434,532
Public Access Television	-	-	-	198,920
Economic Development	-	-	-	17,613
Road Construction & Maintenance	-	\$30,475,139	-	-
Total Committed Fund Balance	-	\$30,475,139	-	\$6,370,824
Unassigned:				
Unassigned Fund Balance	\$25,807,088	-	-	(\$164,751)
Total Unassigned Fund Balance	\$25,807,088	-	-	(\$164,751)
Total Fund Balance	\$26,280,705	\$49,047,849	\$1,775,452	\$48,889,921

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, 2017

NOTE 2. DEPOSITS AND INVESTMENTS

A. Deposits

As of December 31, 2017, the county's total deposits were \$11,800,999 carrying amount and \$11,951,351 bank balance, none of which was exposed to custodial credit risk as uninsured and uncollateralized:

Deposit type	Deposits		
	Carrying Amount 12/31/2017	Bank Balance 12/31/2017	Uninsured and Uncollateralized 12/31/2017
Demand deposits	\$11,800,999	\$11,951,351	-
Total Deposits	\$11,800,999	\$11,951,351	-

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.

Kitsap County Investment Policy (KCIP) applies to all available cash assets of the county and funds under the management of the County Treasurer. The county adheres to RCW 36.29.020 which requires the County Treasurer to hold all public funds in a qualified banking institution.

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).

B. Investments

Investments are subject to the following risks.

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.

Kitsap County, Washington

Notes to Financial Statements

December 31, 2017

Investment type	Fair Value 12/31/2017 (1)	Investment maturities (in Years)			
		Less than 1	1 to 2	2 to 3	3 to 4
US Treasury securities	\$39,855,394	\$19,966,714	\$19,888,680	-	-
Federal Agency Obligations	467,727,614	266,213,020	109,908,367	\$24,157,387	\$67,448,841
Municipal securities	16,815,332	14,730,518	1,829,874	254,940	-
Total Debt Securities	\$524,398,340	\$300,910,252	\$131,626,921	\$24,412,327	\$67,448,841
Other Securities					
WA State LGIP (2)	\$245,489,499				
Bank Deposits (2)	20,294,276				
Total Investments	\$790,182,115				

(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-party custody 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, 2017, county's investments had the following credit quality distribution for securities with credit exposure:

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Investment type	Fair Value 12/31/2017 (1)	Credit Ratings			
		AAA/Aaa (2)	AA/Aa (2)	A (2)	Unrated
US Treasury securities	\$39,855,394	\$39,855,394	-	-	-
Federal Agency Obligations	467,727,614	467,727,614	-	-	-
Municipal securities	16,815,332	-	\$15,779,578	\$1,035,754	-
WA State LGIP (3)	245,489,499	-	-	-	\$245,489,499
Bank Deposits (3)	20,294,276	-	-	-	20,294,276
Total	\$790,182,115	\$507,583,008	\$15,779,578	\$1,035,754	\$265,783,775

- (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 is the risk that, in the event of the failure of the counterparty, the county will not be able to recover the value of its investments or collateral securities that are in the possession of an outside party. The county's investment policy requires that all 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, 2017, the county held securities or bank deposits in compliance with policy that exceeded 5% of the total investments from the following issuers:

Local Government Investment Pool	31.07%
Federal Farm Credit Bank	30.72%
Federal Home Loan Bank	14.45%
Federal Home Loan Mortgage Company	7.81%
Federal National Mortgage Association	6.22%
US Treasury	5.04%

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

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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.

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.

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Notes to Financial Statements

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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 0.82 years as of December 31, 2017.

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, 2017, the county held the following investments measured at fair value:

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Notes to Financial Statements

December 31, 2017

	Fair Value Measurements Using			
	Fair Value 12/31/2017 (1)	Quoted Prices in Active Markets for Identical Assets (Level 1)	Significant Other Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)
Investments by Fair Value Level				
US Treasury securities	39,855,394	39,855,394	-	-
Federal Agency Obligations	467,727,614	-	467,727,614	-
Municipal securities	16,815,332	-	16,815,332	-
Total Investments measured at fair value	524,398,340	39,855,394	484,542,947	-
Investments measured at amortized cost				
WA State LGIP	245,489,499			
Bank Deposits	20,294,276			
Total investments measured at amortized cost	265,783,775			
Total Investments in Statement of Net Position	790,182,115			

(1) Fair Value includes accrued interest.

C. Condensed Statements

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, 2017

	Internal County Funds	External All Other Funds
Assets:		
Cash, cash equivalents, investments and pooled investments	\$281,465,865	\$520,517,249
Total assets	281,465,865	520,517,249
Liabilities:		
Pool liabilities	-	-
Total liabilities	-	-
Net position held in trust for pool participants	\$281,465,865	\$520,517,249

Kitsap County, Washington

Notes to Financial Statements

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Condensed Statement of Changes in Net Position For the Year Ended December 31, 2017

	<u>Internal County Funds</u>	<u>External All Other Funds</u>
Changes in net position resulting from operations	\$1,959,347	\$4,543,377
Earnings distributions to participants	(1,959,347)	(4,543,377)
Changes in net position resulting from depositor transactions	26,267,624	80,576,064
Net position available	26,267,624	80,576,064
Net position, beginning of year	<u>255,198,241</u>	<u>439,941,185</u>
Net position, end of year	<u>\$281,465,865</u>	<u>\$520,517,249</u>

Kitsap County, Washington

Notes to Financial Statements

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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 2017 was \$1.0427 per \$1,000 of assessed valuation of \$31,270,221,792 for a total regular levy of \$32,655,579.

The County's Conservation Futures levy for the year 2017 was \$0.0435 per \$1,000 of assessed valuation of \$31,270,221,792 for a total Conservation Futures levy of \$1,362,741.

The County's road levy for the year 2017 was \$1.3350 per \$1,000 of assessed valuation of \$18,614,448,938 for total road levy of \$24,905,230.

The diverted County road levy, Sheriff, for 2017 was \$0.1555 per \$1,000 of assessed valuation of \$18,614,448,938 for a total diverted road levy, Sheriff, of \$2,901,025.

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.

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NOTE 4. TAX ABATEMENTS

The county had no direct tax abate agreements as of December 31, 2017.

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).
- Buildings, personal property, and land up to five acres in area upon which a church of any nonprofit recognized religious denomination is built or will be built. The exemption includes parsonages, convents and other buildings and improvements required for the maintenance of the property, such as street access, parking, lights, etc. In order to qualify for the exemption, the area must be used exclusively for church purposes, RCW 84.36.020(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 is not able to provide the amount of abatements provided under these property tax exemptions in 2017.

Kitsap County, Washington

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NOTE 5. CAPITAL ASSETS

Capital assets activity for the year ended December 31, 2017 was as follows:

Governmental activities	Beginning Balance 01/01/2017	Increases	Decreases	Ending Balance 12/31/2017
Capital assets, not being depreciated:				
Land	\$69,756,380	5,308,626	311,291	\$74,753,715
Land, infrastructure	69,838,666	-	-	69,838,666
Construction in progress	34,918,462	14,454,164	25,483,746	23,888,880
<u>Total capital assets not being depreciated</u>	<u>\$174,513,507</u>	<u>\$19,762,790</u>	<u>\$25,795,037</u>	<u>\$168,481,261</u>
Capital assets, being depreciated:				
Buildings	\$120,994,235	\$177,988	\$4,092,689	\$117,079,535
Improvements other than buildings	34,417,061	371,418	39,322	34,749,157
Machinery and equipment	49,065,757	4,227,560	2,527,489	50,765,828
Infrastructure	433,179,056	24,929,782	41,954	458,066,885
<u>Total capital assets being depreciated</u>	<u>\$637,656,110</u>	<u>\$29,706,748</u>	<u>\$6,701,454</u>	<u>\$660,661,405</u>
Less accumulated depreciation for:				
Buildings	\$45,783,456	\$2,642,100	\$2,104,317	\$46,321,239
Improvements other than buildings	18,399,582	1,484,489	27,188	19,856,883
Machinery and equipment	28,201,314	3,144,672	2,303,265	29,042,721
Infrastructure	326,869,279	9,708,307	41,954	336,535,632
<u>Total accumulated depreciation</u>	<u>\$419,253,632</u>	<u>\$16,979,568</u>	<u>\$4,476,724</u>	<u>\$431,756,476</u>
<u>Total capital assets, being depreciated, net</u>	<u>\$218,402,479</u>	<u>\$12,727,180</u>	<u>\$2,224,730</u>	<u>\$228,904,929</u>
Governmental activities capital assets, net	\$392,915,986	\$32,489,971	\$28,019,766	\$397,386,190

Kitsap County, Washington

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Business-type activities	Beginning Balance 01/01/2017	Increases	Decreases	Ending Balance 12/31/2017
Capital assets, not being depreciated:				
Land	\$3,530,131	\$1,960,515	\$814,247	\$4,676,398
Construction in progress	67,564,468	15,779,026	53,329,977	30,013,516
<u>Total capital assets not being depreciated</u>	<u>\$71,094,599</u>	<u>\$17,739,541</u>	<u>\$54,144,225</u>	<u>\$34,689,915</u>
Capital assets, being depreciated:				
Buildings	\$56,764,747	\$7,205,496	5,751	\$63,964,493
Improvements other than buildings	104,555,489	32,979,655	1,096,589	136,438,554
Machinery and equipment	9,648,550	15,863,101	222,653	25,288,999
<u>Total capital assets being depreciated</u>	<u>\$170,968,786</u>	<u>\$56,048,252</u>	<u>1,324,993</u>	<u>\$225,692,046</u>
Less accumulated depreciation for:				
Buildings	\$39,736,257	\$2,366,225	4,088	\$42,098,394
Improvements other than buildings	50,435,247	5,047,239	847,595	54,634,891
Machinery and equipment	8,907,000	1,414,088	222,653	10,098,435
<u>Total accumulated depreciation</u>	<u>\$99,078,504</u>	<u>\$8,827,552</u>	<u>1,074,336</u>	<u>\$106,831,720</u>
<u>Total capital assets, being depreciated, net</u>	<u>\$71,890,282</u>	<u>\$47,220,700</u>	<u>250,657</u>	<u>\$118,860,326</u>
Business-type activities capital assets, net	\$142,984,881	\$64,960,241	\$54,394,882	\$153,550,241

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

Function	Governmental	Business-Type
General government	\$1,783,722	
Judicial services	16,625	
Public safety	2,269,441	
Transportation	11,656,234	
Health & human services	47,884	
Economic environment	3,237	
Culture and recreation	1,202,425	
Utilities		\$8,827,552
Total depreciation expense	\$16,979,568	\$8,827,552

Construction commitments

The County had no active construction projects as of December 31, 2017.

Kitsap County, Washington

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NOTE 6. PENSION PLANS

The following table represents the aggregate pension amounts for all plans subject to the requirements of the [GASB Statement 68, Accounting and Financial Reporting for Pensions](#) for the year 2017:

Aggregate Pension Amounts – All Plans	
Pension liabilities	(\$49,713,567)
Pension assets	\$5,870,074
Deferred outflows of resources	\$8,322,978
Deferred inflows of resources	(\$10,402,312)
Pension expense/expenditures	\$4,269,870

State Sponsored Pension Plans

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

The Department of Retirement Systems (DRS), a department within the primary government of the State of Washington, issues a publicly available 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

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years of service, at age 55 with at least 25 years of service, or at age 60 with at least five years of service. Members retiring from active status prior to the age of 65 may receive actuarially reduced benefits. Retirement benefits are actuarially reduced to reflect the choice of a survivor benefit. Other benefits include duty and non-duty disability payments, an optional cost-of-living adjustment (COLA), and a one-time duty-related death benefit, if found eligible by the Department of Labor and Industries. PERS 1 members were vested after the completion of five years of eligible service. The plan was closed to new entrants on September 30, 1977.

Contributions

The **PERS Plan 1** member contribution rate is established by State statute at 6 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 2017 were as follows:

PERS Plan 1		
Actual Contribution Rates:	Employer	Employee*
January – June 2017:		
PERS Plan 1	6.23%	6.00%
PERS Plan 1 UAAL	4.77%	
Administrative Fee	0.18%	
Total	11.18%	6.00%
July – December 2017:		
PERS Plan 1	7.49%	6.00%
PERS Plan 1 UAAL	5.03%	
Administrative Fee	0.18%	
Total	12.70%	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.

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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 2017 were as follows:

PERS Plan 2/3		
Actual Contribution Rates:	Employer 2/3	Employee 2*
January – June 2017:		
PERS Plan 2/3	6.23%	6.12%
PERS Plan 1 UAAL	4.77%	
Administrative Fee	0.18%	
Employee PERS Plan 3		varies
Total	11.18%	6.12%
July - December 2017:		
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%

* For employees participating in JBM, the contribution rate was 15.30% for January – June 2017 and 18.45% for July – December 2017.

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The County's actual PERS plan contributions were \$3,092,384 to PERS Plan 1 and \$4,142,885 to PERS Plan 2/3 for the year ended December 31, 2017.

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 Control 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

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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. In addition to the regular change in contribution rates on July 1, 2017, PSERS contribution rates changed again September 1, 2017 due to HB 1709, which allows PERS members meeting specific criteria to transfer service credit into PSERS, as long as they and their employer pay the difference between PERS and PSERS contribution rates.

The PSERS Plan 2 required contribution rates (expressed as a percentage of current-year covered payroll) for 2017 were as follows:

PSERS Plan 2		
Actual Contribution Rates:	Employer	Employee
January – June 2017:		
PSERS Plan 2	6.59%	6.59%
PERS Plan 1 UAAL	4.77%	
Administrative Fee	0.18%	
Total	11.54%	6.59%
July – August 2017:		
PSERS Plan 2	6.73%	6.73%
PERS Plan 1 UAAL	5.03%	
Administrative Fee	0.18%	
Total	11.94%	6.73%
September - December 2017:		
PSERS Plan 2	6.74%	6.74%
PERS Plan 1 UAAL	5.03%	
Administrative Fee	0.18%	
Total	11.95%	6.74%

The County's actual plan contributions were \$409,592 to PSERS Plan 2 and \$300,029 to PERS Plan 1 for the year ended December 31, 2017.

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

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

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

- 20+ years of service – 2.0% 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 I had no required employer or employee contributions for fiscal year 2017. 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 included 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. The LEOFF Plan 2 required contribution rates (expressed as a percentage of covered payroll) for 2017 were as follows:

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LEOFF Plan 2		
Actual Contribution Rates:	Employer	Employee
January – June 2017:		
State and local governments	5.05%	8.41%
Administrative Fee	0.18%	
Total	5.23%	8.41%
July – December 2017:		
State and local governments	5.25%	8.75%
Administrative Fee	0.18%	
Total	5.43%	8.75%

The County's actual contributions to the plan were \$559,985 for the year ended December 31, 2017.

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, 2017, the state contributed \$62,155,262 to LEOFF Plan 2. The amount recognized by the County as its proportionate share of this amount is \$353,828.

Actuarial Assumptions

The total pension liability (TPL) for each of the DRS plans was determined using the most recent actuarial valuation completed in 2017 with a valuation date of June 30, 2016. 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 *2015 Economic Experience Study*.

Additional assumptions for subsequent events and law changes are current as of the 2016 actuarial valuation report. The TPL was calculated as of the valuation date and rolled forward to the measurement date of June 30, 2017. Plan liabilities were rolled forward from June 30, 2016, to June 30, 2017, reflecting each plan's normal cost (using the entry-age cost method), assumed interest and actual benefit payments.

- **Inflation:** 3.0% total economic inflation; 3.75% salary inflation
- **Salary increases:** In addition to the base 3.75% salary inflation assumption, salaries are also expected to grow by promotions and longevity.
- **Investment rate of return:** 7.5%

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

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assumed to receive additional mortality improvements in each future year throughout his or her lifetime.

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

- For all plans except LEOFF Plan 1, how terminated and vested member benefits are valued was corrected.
- How the basic minimum COLA in PERS Plan 1 is valued for legal order payees was improved.
- For all plans, the average expected remaining service lives calculation was revised.

Discount Rate

The discount rate used to measure the total pension liability for all DRS plans was 7.5 percent.

To determine that rate, an asset sufficiency test included an assumed 7.7 percent long-term discount rate to determine funding liabilities for calculating future contribution rate requirements. (All plans use 7.7 percent except LEOFF 2, which has assumed 7.5 percent). Consistent with the long-term expected rate of return, a 7.5 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 7.5 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 7.5 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, 2017, are summarized in the table below. The 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.

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Asset Class	Target Allocation	% Long-Term Expected Real Rate of Return Arithmetic
Fixed Income	20%	1.70%
Tangible Assets	5%	4.40%
Real Estate	15%	5.80%
Global Equity	37%	6.60%
Private Equity	23%	9.60%
	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 7.5 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 (6.5 percent) or 1-percentage point higher (8.5 percent) than the current rate.

Plan	1% Decrease (6.5%)	Current Discount Rate (7.5%)	1% Increase (8.5%)
PERS 1	\$32,921,701	\$27,025,070	\$21,917,324
PERS 2/3	\$60,240,484	\$22,360,113	(\$8,677,233)
PSERS 2	\$2,204,967	\$328,384	(\$1,142,968)
LEOFF 1	(\$800,096)	(\$1,078,637)	(\$1,317,841)
LEOFF 2	\$1,036,860	(\$4,791,437)	(\$9,540,090)

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, 2017, the County reported a total pension liability of \$49,713,567 and a total pension asset of (\$5,870,074) for its proportionate share of the net pension liabilities (assets) as follows:

Plan	Liability (or Asset)
PERS 1	\$27,025,070
PERS 2/3	\$22,360,113
PSERS 2	\$328,384
LEOFF 1	(\$1,078,637)
LEOFF 2	(\$4,791,437)

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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
Employer's proportionate share	(\$1,078,637)
State's proportionate share of the net pension asset associated with the employer	(\$7,295,875)
Total	(\$8,374,513)

	LEOFF 2 Asset
Employer's proportionate share	(\$4,791,437)
State's proportionate share of the net pension asset associated with the employer	(\$3,108,116)
Total	(\$7,899,553)

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

Plan	Proportionate Share 6/30/16	Proportionate Share 6/30/17	Change in Proportion
PERS 1	0.585%	0.570%	(0.016%)
PERS 2/3	0.657%	0.644%	(0.014%)
PSERS 2	1.827%	1.676%	(0.151%)
LEOFF 1	0.071%	0.071%	(0.000%)
LEOFF 2	0.418%	0.345%	(0.073%)

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 2017. Historical data was obtained from a 2011 study by the Office of the State Actuary (OSA). In fiscal year 2017, 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.

Kitsap County, Washington

Notes to Financial Statements

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In fiscal year 2017, the state of Washington contributed 39.35 percent of LEOFF 2 employer contributions pursuant to [RCW 41.26.725](#) and all other employers contributed the remaining 60.65 percent of employer contributions.

The collective net pension liability (asset) was measured as of June 30, 2017, and the actuarial valuation date on which the total pension liability (asset) is based was as of June 30, 2016, with update procedures used to roll forward the total pension liability to the measurement date.

Pension Expense

For the year ended December 31, 2017, the County's recognized pension expense as follows:

	Pension Expense
PERS 1	\$816,156
PERS 2/3	\$3,066,280
PSERS 2	\$456,847
LEOFF 1	(\$167,837)
LEOFF 2	\$98,424
Total	\$4,269,870

Deferred Outflows of Resources and Deferred Inflows of Resources

At December 31, 2017, the County's reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

PERS 1	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	-	-
Net difference between projected and actual investment earnings on pension plan investments	-	(\$1,008,500)
Changes of assumptions	-	-
Changes in proportion and differences between contributions and proportionate share of contributions	-	-
Contributions subsequent to the measurement date	\$1,758,928	-
Total	\$1,758,928	(\$1,008,500)

Kitsap County, Washington

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December 31, 2017

PERS 2/3	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$2,265,607	(\$735,385)
Net difference between projected and actual investment earnings on pension plan investments	-	(\$5,960,668)
Changes of assumptions	\$237,507	-
Changes in proportion and differences between contributions and proportionate share of contributions	\$224,333	(\$497,253)
Contributions subsequent to the measurement date	\$2,275,039	-
Total	\$5,002,485	(\$7,193,307)

PSERS 2	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$194,218	(\$23,330)
Net difference between projected and actual investment earnings on pension plan investments	-	(\$230,320)
Changes of assumptions	\$2,782	-
Changes in proportion and differences between contributions and proportionate share of contributions	\$16,310	(\$27,940)
Contributions subsequent to the measurement date	\$216,012	-
Total	\$429,323	(\$281,590)

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	-	(\$100,230)
Changes of assumptions	-	-
Changes in proportion and differences between contributions and proportionate share of contributions	-	-
Contributions subsequent to the measurement date	-	-
Total	-	(\$100,230)

Kitsap County, Washington

Notes to Financial Statements

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LEOFF 2	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$210,593	(\$181,699)
Net difference between projected and actual investment earnings on pension plan investments	-	(\$1,075,711)
Changes of assumptions	\$5,770	-
Changes in proportion and differences between contributions and proportionate share of contributions	\$629,912	(\$561,274)
Contributions subsequent to the measurement date	\$285,967	-
Total	\$1,132,241	(\$1,818,684)

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, 2018. 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
2018	(\$681,681)	(\$2,346,215)	(\$47,878)	(\$62,903)	(\$560,285)
2019	\$215,217	\$653,638	\$42,611	\$16,965	\$45,814
2020	(\$49,971)	(\$578,753)	\$12,660	(\$6,774)	(\$139,935)
2021	(\$492,065)	(\$2,476,327)	(\$46,855)	(\$47,518)	(\$547,166)
2022	-	\$122,520	(\$882)	-	\$40,922
Thereafter	-	\$159,276	(\$27,936)	-	\$188,241
Total	(\$1,008,500)	(\$4,465,861)	(\$68,280)	(\$100,230)	(\$972,410)

Kitsap County, Washington

Notes to Financial Statements

December 31, 2017

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, 2017, the County's estimated total undiscounted outstanding liability for general liability is \$3,609,041.

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.

Kitsap County, Washington

Notes to Financial Statements

December 31, 2017

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, 2017, the County's estimated total undiscounted outstanding liability for the workers' compensation program is \$5,087,990.

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 consists of payments on claims for each of the programs, as well as other claims expenses, such as legal, professional and occupational costs that are directly related to claims.

The table below summarizes changes in claims liability for the years ended December 31, 2016 and December 31, 2017. The amounts for the year ended December 31, 2016 have been restated to include other claims expenses; the ending liability for 2016 has not changed:

Workers Compensation	Year Ended	
	12/31/2016	12/31/2017
Claims liability, beginning of year	\$2,824,705	\$2,824,705
Claims incurred	\$1,482,120	\$1,245,870
Change in prior year estimates	(\$443,375)	\$1,787,119
Claims payments	(\$1,038,745)	(\$769,704)
Claims liability, end of year	\$2,824,705	\$5,087,990

Kitsap County, Washington

Notes to Financial Statements

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General Liability	Year Ended	
	12/31/2016	12/31/2017
Claims liability, beginning of year	\$6,889,646	\$6,889,646
Claims incurred	\$991,420	\$728,673
Change in prior year estimates	(\$261,222)	(\$3,599,408)
Claims payments	(\$730,198)	(\$409,870)
Claims liability, end of year	\$6,889,646	\$3,609,041

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 Blue Cross and Group Health (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.

To limit its financial liability for large claims, the county purchased a stop loss insurance policy. The policy reimburses the county for medical claims greater than \$225,000 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, life, AD&D and LTD insurance coverage for its employees by purchasing separate insurance policies.

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 on an employee by employee basis.

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.

Kitsap County, Washington

Notes to Financial Statements

December 31, 2017

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, 2017, the debt limits for the County were as follows:

	Without a Vote	With a Vote	
		2.5%	5.0%
Legal Limit	\$469,053,327	\$781,755,545	\$1,563,511,090
Applicable Outstanding Debt	\$74,367,047	\$74,367,047	\$74,367,047
Margin Available	\$394,686,280	\$707,388,498	\$1,489,144,043

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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December 31, 2017

Purpose	Maturity Range	Interest Rate	Original Amount	Amount of Installment
2010 – refunding; Coroner Facility & CKCC, BAN (property acquisitions)	12/1/18 – 12/1/30	3.0 – 4.0	\$9,220,000	\$190,000 – \$530,000
2011 - refunding	12/1/18 – 12/1/27	3.125 – 4.0	\$20,370,000	\$500,000 – \$1,550,000
2013 - refunding	12/1/18 – 12/1/34	3.0 – 4.0	\$48,280,000	\$530,000 – \$5,205,000
2015 - refunding	6/1/18 – 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
2018	\$6,250,000	\$2,794,208
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 – 2027	27,705,000	4,724,823
2028 – 2032	9,200,000	867,350
2033 – 2034	1,205,000	65,047
Total	\$72,275,000	\$16,947,910

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	7/1/18 – 7/1/21	0.5	\$897,812	\$47,253
2001 – Sewer PWTF loan #PW-01-691-036 – Kingston	7/1/18 – 7/1/21	0.5	\$2,605,000	\$150,816
2012 – Sewer PWTF loan #PC-12-951-040 – Techite Forcemain	6/1/18 – 6/1/31	0.25	\$5,205,000	\$256,600
2005 – Sewer DOE loan #L0400026 – Kingston PLT	5/1/18 – 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
2018	\$47,253	945	955,216	74,885
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 – 2027	-	-	2,775,855	56,315
2028 – 2031	-	-	1,026,398	6,415
Total	\$189,013	\$2,363	\$8,511,512	\$339,202

Kitsap County, Washington

Notes to Financial Statements

December 31, 2017

C. Notes Payable

The County has a note payable of \$1.79 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. 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
2018	\$89,135	\$10,865
2019	89,677	10,323
2020	90,221	9,779
2021	90,769	9,231
2022	91,320	8,680
2023 – 2027	464,985	35,015
2028 – 2032	479,273	20,727
2033 – 2036	394,001	5,999
Total	\$1,789,381	\$110,619

D. Revenue bonds

Revenue bonds currently outstanding are as follows:

Purpose	Maturity Range	Interest Rate	Original Amount	Amount of Installment
Sewer refunding 2010A	12/1/18	4.0	\$5,775,000	\$805,000
Sewer 2010B	12/1/28 – 12/1/40	6.714 – 7.364	\$37,120,000	\$1,090,000 - \$4,100,000
Sewer 2010C	12/1/28	6.696	\$1,110,000	\$1,110,000
Sewer 2015	12/1/18 – 12/1/27	2.75 – 5.00	\$17,360,000	\$1,000,000 - \$1,920,000

Debt service requirements for the revenue bonds are as follows:

Year Ending December 31	Business-Type Activities	
	Principal	Interest
2018	1,805,000	2,370,029
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 – 2027	8,450,000	9,343,293
2028 – 2032	11,910,000	7,599,254
2033 – 2037	14,885,000	4,609,939
2038 – 2040	11,435,000	983,835
Total	\$55,515,000	\$33,607,466

Kitsap County, Washington

Notes to Financial Statements

December 31, 2017

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 \$660,906 in 2017 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.

Kitsap County, Washington

Notes to Financial Statements

December 31, 2017

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 paid \$100,028 to SunTrust Equipment Finance and Lease Corporate in 2017.

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 paid \$8,557 to WCP Solutions in 2017.

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 \$328.10 lease payments in October 2017. The installment loan bears interest at a rate of 29.4% per annum. The county paid \$984 to EverBank Commercial Finance in 2017.

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, 2017, the assets (capital and non-capital) acquired by capital leases are as follows:

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Notes to Financial Statements

December 31, 2017

Asset	Governmental Activities
Capital equipment	
Balloting system - capital	\$76,144
Dish washing machine	22,099
Mail folder inserter machine	8,269
Total capital equipment	\$106,511
Less: accumulated depreciation, December 31, 2017	(63,873)
Capital equipment, net of accum. depreciation	\$42,639
Non-capital equipment	
Balloting system – non-capital	\$29,987
Total capital and non-capital equipment	\$72,626

The future minimum lease obligation and the net present value of the minimum lease payments as of December 31, 2017 are as follows:

Year Ending December 31	Governmental Activities
2018	\$111,809
2019	3,937
2020	3,937
Total minimum lease payments	\$119,683
Less: Interest portion of payments	(6,031)
Present value of minimum lease payments	\$113,653

Kitsap County, Washington

Notes to Financial Statements

December 31, 2017

NOTE 10. CHANGES IN LONG-TERM LIABILITIES

Long-term liability activity for the year ended December 31, 2017 was as follows:

	Beginning Balance	Additions	Reductions	Ending Balance	Due Within One Year
<u>Governmental activities</u>					
Bonds payable:					
General obligation bonds	\$ 80,275,000	\$ -	\$ 8,000,000	\$ 72,275,000	\$ 6,250,000
Total bonds payable	<u>80,275,000</u>	<u>-</u>	<u>8,000,000</u>	<u>72,275,000</u>	<u>6,250,000</u>
Capital leases	210,051	8,185	104,584	113,653	107,750
Comp Absences - Gov	5,306,500	199,685	-	5,506,185	595,101
Comp Absences - Int Svc	444,978	11,507	-	456,485	45,649
Notes payable	1,877,979	-	88,597	1,789,381	89,135
Net OPEB obligation	7,699,859	767,692	-	8,467,551	-
Net Pension Liability - Gov	54,193,658	-	13,428,533	40,765,125	-
Net Pension Liability - Int Svc	3,917,614	-	437,664	3,479,950	-
Other liabilities	<u>236,266</u>	<u>-</u>	<u>47,253</u>	<u>189,013</u>	<u>47,253</u>
Governmental activities Long-term liabilities	<u>\$ 154,161,905</u>	<u>\$ 987,069</u>	<u>\$ 22,106,632</u>	<u>\$ 133,042,342</u>	<u>\$ 7,134,888</u>
<u>Business-type activities</u>					
Bonds payable:					
Revenue bonds	57,175,000	-	1,660,000	55,515,000	1,805,000
Unamortized premium/ discount	<u>1,539,356</u>	<u>-</u>	<u>174,608</u>	<u>1,364,748</u>	<u>174,608</u>
Total bonds payable	<u>58,714,356</u>	<u>-</u>	<u>1,834,608</u>	<u>56,879,748</u>	<u>1,979,608</u>
Compensated absences	678,228	5,979	-	684,207	69,693
Net Pension Liability	7,143,465	-	1,674,972	5,468,492	-
Other liabilities	9,458,577	-	947,065	8,511,512	955,216
Pollution remediation liability	<u>542,207</u>	<u>118,699</u>	<u>-</u>	<u>660,906</u>	<u>38,259</u>
Business-type activities Long-term liabilities	<u>\$ 76,536,833</u>	<u>\$ 124,678</u>	<u>\$ 4,456,645</u>	<u>\$ 72,204,866</u>	<u>\$ 3,042,775</u>
Total	<u>\$ 230,698,738</u>	<u>\$ 1,111,748</u>	<u>\$ 26,563,277</u>	<u>\$ 205,247,209</u>	<u>\$ 10,177,663</u>

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. The general fund generally liquidates the claims, judgments, compensated absences and OPEB obligations from governmental activities.

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

Notes to Financial Statements

December 31, 2017

NOTE 11. CONTINGENCIES AND LITIGATIONS

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. Other than the instances described above, Kitsap County management believes that such disallowances, if any, will be immaterial.

Kitsap County, Washington

Notes to Financial Statements

December 31, 2017

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	-	\$1,736	-	\$78,859	-	-	\$133,131	\$4,795	\$895	\$219,416
Roads	\$6,253	-	-	1,354	\$4,166	\$243,664	96,819	24,591	-	376,847
Non-Major	16,876	380,964	315,362	201,680	33,622	-	-	1,054	500	950,057
Solid Waste	448	-	-	1,067	-	1,837	1,328	-	-	4,680
Sewer Utility	-	-	-	-	71,657	-	40,990	-	-	112,648
Surface Stormwater	-	9,324	-	-	9,811	25,039	-	-	-	44,174
Internal Service	225,376	234,348	-	28,562	4,480	51,033	51,070	13,905	-	608,774
Total	\$248,954	\$626,371	\$315,362	\$311,522	\$123,736	\$321,574	\$323,338	\$44,345	\$1,395	\$2,316,597

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.

Kitsap County, Washington

Notes to Financial Statements

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TRANSFERS					
Transfers Out	Transfers In				
	General	Non-Major	LTGO 2013	Internal Service	TOTAL
General	-	\$416,939	\$783,700	\$540,980	\$1,741,619
Roads	-	346,597	-	43,770	390,367
REET	-	965,377	2,087,916	-	3,053,294
Mental Health Medicaid	39,910	1,327,697	-	-	1,367,607
Non-Major	3,925,833	3,031,271	1,000,090	16,045	7,973,240
Solid Waste	-	-	-	8,886	8,886
Sewer Utility	-	137,792	-	21,732	159,524
Surface Stormwater	-	213,530	-	13,242	226,772
Internal Service	-	17,288	-	3,635	20,923
Total	\$3,965,743	\$6,456,492	\$3,871,707	\$648,290	\$14,942,231

Kitsap County, Washington

Notes to Financial Statements

December 31, 2017

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 \$6.4 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 as well.

C. Housing Kitsap receivable

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

The County and Housing Kitsap 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, maturing 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.

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.

Kitsap County, Washington

Notes to Financial Statements

December 31, 2017

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.

Kitsap County, Washington

Notes to Financial Statements

December 31, 2017

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.

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, 2017, are as follows:

Investment Company	Carrying Value
Nationwide	\$18,044,967
Voya	8,634,282
ICMA	1,857,313
MassMutual	8,876,166
Total	\$37,412,728

Kitsap County, Washington

Notes to Financial Statements

December 31, 2017

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	Item	Governmental		Business Type		Government Wide	
		Deferred Outflows	Deferred Inflows	Deferred Outflows	Deferred Inflows	Deferred Outflows	Deferred Inflows
General Fund	Taxes Receivable (1)	-	\$1,270,041	-	-	-	\$1,270,041
General Fund	Grant Revenue Received in Advance (2)	-	\$14,007	-	-	-	\$14,007
County Roads	Taxes Receivable	-	\$697,219	-	-	-	\$697,219
Noxious Weed Control	Taxes Receivable	-	\$8,542	-	-	-	\$8,542
Veteran's Relief	Taxes Receivable	-	\$9,452	-	-	-	\$9,452
Conservation Futures	Taxes Receivable	-	\$36,239	-	-	-	\$36,239
CDBG	Notes Receivable (3)	-	\$300,000	-	-	-	\$300,000
HOME	Notes Receivable (3)	-	\$3,514,982	-	-	-	\$3,514,982
2013 LTGO Refunding Bonds	Notes Receivable (4)	-	\$15,574,307	-	-	-	\$15,574,307
Parks Capital Improvement	SCA (5)	-	\$1,789,381	-	-	-	\$1,789,381
Various	Pensions (6)	\$7,407,450	\$9,258,058	\$915,528	\$1,144,254	\$8,322,978	\$10,402,312
Total		\$7,407,450	\$32,472,228	\$915,528	\$1,144,254	\$8,322,978	\$33,616,482

- (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, 2017.
- (2) The county received state grant revenue in advance. The grant was awarded by the Washington State Department of Social & Health Services, for support for Commercially Sexually Exploited Children (CSEC) taskforce activities.
- (3) 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, 2017 are \$3.8 million.
- (4) 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 \$15.57 million on December 31, 2017. For further details about this transaction see *Note 13, Receivables and Payables*.
- (5) 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

Kitsap County, Washington

Notes to Financial Statements

December 31, 2017

associated with the SCA are \$1.79 million as of December 31, 2017. More information about the service concession arrangement is available in *Note 16, Service Concession Arrangement*.

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

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		
Property Taxes	\$1,268,005	\$697,219	-	\$54,233	\$2,019,457
Grant revenue received in advance	14,007	-	-	-	14,007
Notes receivable	2,036	-	\$15,574,307	3,814,982	\$19,391,325
Service Concession Arrangement	-	-	-	1,789,381	\$1,789,381
Total	\$1,284,048	\$697,219	\$15,574,307	\$5,658,597	\$23,214,170

Kitsap County, Washington

Notes to Financial Statements

December 31, 2017

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, 2017, the outstanding balance of the note payable was \$1,789,381.

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 \$1,789,381 as of December 31, 2017.

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.

Kitsap County, Washington

Notes to Financial Statements

December 31, 2017

NOTE 17. OTHER POST-EMPLOYMENT BENEFITS

Plan Description

As required by the Revised Code of Washington (RCW) Chapter 41.26, the County provides lifetime medical care for members of the Law Enforcement Officers and Firefighters (LEOFF) retirement system hired before October 1, 1977 under 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. As of December 31, 2017, there were 36 inactive participants in this closed plan.

Funding Policy

Funding for LEOFF retiree healthcare costs is provided entirely by the County as required by RCW. The County's funding policy is based upon pay-as-you-go financing requirements.

Annual OPEB Cost and Net OPEB Obligation

The Annual Required Contribution (ARC) represents the level of funding that, if paid on an ongoing basis, is projected to cover the normal cost each year and amortize any unfunded actuarial liabilities over a period of thirty years as of January 1, 2008. The following table shows the components of the County's annual OPEB cost for the year, the amount actually contributed to the plan, and changes in the County's net OPEB. The net OPEB obligation of \$8,467,551 is included as a noncurrent liability on the Statement of Net Position. The actuarial valuation was performed on December 31, 2017.

Other Post Employment Benefits Obligation	Year Ended 12/31/2017
Determination of annual required contribution:	
Normal cost at year end	-
Amortization of UAAL*	\$1,496,054
Annual required contribution (ARC)	\$1,496,054
Determination of net OPEB obligation:	
Annual required contribution	\$1,496,054
Interest on prior year net OPEB obligation	307,994
Adjustment to ARC	(692,534)
Annual OPEB cost	\$1,111,514
Contributions	343,823
Increase in net OPEB obligations	\$767,691
Net OPEB obligation – beginning of year	\$7,699,859
Increase in net OPEB obligations	767,691
Net OPEB obligation – end of year	\$8,467,551

***Unfunded Actuarial Accrued Liability*

The County's annual OPEB cost, the contribution, the percentage of annual OPEB cost contributed to the plan, and the net OPEB obligations were as follows:

Kitsap County, Washington

Notes to Financial Statements

December 31, 2017

Year ended	Annual cost	Contribution	Percentage of annual OPEB cost contributed	Net OPEB obligations
2009	\$1,072,127	\$450,113	42%	\$2,219,478
2010	\$984,620	\$472,936	48%	\$2,731,162
2011	\$885,327	\$474,752	54%	\$3,141,737
2012	\$1,025,832	\$417,652	41%	\$3,749,917
2013	\$1,411,439	\$384,928	27%	\$4,776,428
2014	\$1,166,478	\$397,351	34%	\$5,545,555
2015	\$1,498,112	\$315,873	21%	\$6,727,794
2016	\$1,629,205	\$321,147	20%	\$7,699,859
2017	\$1,496,054	\$343,823	22%	\$8,467,551

Funding Status

As of December 31, 2017, the most recent alternative method measurement date, the plan was 0% funded. The accrued liability for benefits was \$16,633,705 and the actuarial value of assets was \$0 resulting in a UAAL of \$16,663,705. Historically Kitsap County has used a pay-as-you-go approach to funding. If Kitsap County were to contribute the ARC to the plan every year, a liability would not be recorded. If the ARC is not fully funded in a given year, a liability is reported for the unpaid portion of the ARC.

Actuarial Methods and Assumptions

The County's annual other post-employment benefit (OPEB) cost is calculated based upon the Annual Required Contribution (ARC), an amount determined using the alternative method permitted under GASB No. 45. A single retirement age of 55.3 was assumed for all active members to determine the AAL and normal cost. Retirement, disablement, termination and mortality rates were assumed to follow the LEOFF 1 rates used in the June 30, 2014, actuarial valuation report issued by the Office of the State Actuary, OSA). Healthcare costs and trends were determined by Milliman and used by OSA in the state-wide LEOFF 1 medical study performed in 2013. The results were based on grouped data with four active groupings and four inactive groupings. The actuarial cost method used to determine AAL was the Projected Unit Credit. The AAL and NOO are amortized on an open basis as a level dollar over 15 years. These assumptions are individually and collectively reasonable for the purposes of this valuation. The healthcare cost inflation rates were the only assumed inflation rates considered.

Actuarial valuations for OPEB plans involve estimates of the value of reported amounts and assumptions about the probability of events far into the future, and actuarially determined amounts are subject to continual revision as results are compared to past expectations and new estimates are made about the future.

The Schedule of Funding Progress for this postemployment defined benefit plan is detailed in the Required Supplementary Information section of this report immediately following the notes to the financial statements. This schedule presents multi-year trend information about whether the actuarial value of the plan assets is increasing or decreasing relative to the actuarial accrued liability for the benefits over time.

Kitsap County, Washington

Notes to Financial Statements

December 31, 2017

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 \$1,888,304 in September 2017, for the years 2018 – 2034. The Solid Waste Fund recognized a liability of \$660,906 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.

Kitsap County, Washington

Notes to Financial Statements

December 31, 2017

NOTE 19. RELATED ORGANIZATIONS

Kitsap County officials is 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 2017.

Kitsap County, Washington

Notes to Financial Statements

December 31, 2017

NOTE 20. JOINT VENTURES

A. Olympic Consortium

Kitsap, Jefferson and Clallam Counties entered into an agreement to establish the Olympic Consortium (“Consortium”). The Consortium is governed by a nine-member Board composed of three appointees from each of the three Counties.

The Consortium established a Workforce Development Council (“WDC”). The Consortium and WDC jointly manage the area’s One-Stop system for the delivery of unified Workforce development services for adults and youth in the three-county area.

The Consortium and WDC are fully funded by federal and state grants.

As the designated grant recipient and administrative entity for the WDC and Consortium, Kitsap County receives and disburses grant funds; acquires, disposes of and manages property; executes grants, sub-grants and contracts; employs administrative staff; and develops procedures for program planning, fiscal management, evaluating program performance and other administrative functions, on behalf of and consistent with the goals and policies developed by the WDC and Board.

Funds granted to the Consortium are allocated and expended among the three counties according to federal and state formula, approved plans, grants and all pertinent laws and regulations.

In 2017 the Consortium received and expended \$3.40 million on employment development activities within the three-county area.

Consortium financial activity is reported within Kitsap County’s CAFR, non-major governmental funds #191 JTPA Administration and #192 Employment Training. Financial statements for the Consortium can be obtained from the Kitsap County Auditor, Financial Services Division, 614 Division Street, MS-31, Port Orchard, WA 98366.

B. Salish Behavioral Health Organization

Kitsap, Jefferson and Clallam Counties, and Jamestown S’Klallam Tribe entered into an interlocal agreement to establish a Behavioral Health Organization (“BHO”). The BHO is named the Salish Behavioral Health Organization (“SBHO”). The purpose of the BHO is to plan, establish and operate a comprehensive behavioral health system within the three-county area.

The BHO is governed by a five-member Board composed of one elected commissioner from each of the three counties, one elected tribal official representing the various tribes in the three counties, and one non-voting representative from the Salish Behavioral Health Organization Advisory Board.

The Board has designated Kitsap County as the grant recipient and administrative entity of the BHO. The county is responsible for receiving and disbursing grant funds, all functions necessary for operation of the program including executing grants, sub grants, contracts and other agreements as authorized by the Board; employing administrative staff; organizing and hiring qualified persons; developing procedures for program planning, operating, assessment and fiscal

Kitsap County, Washington

Notes to Financial Statements

December 31, 2017

management; and any other administrative functions needed in furtherance of goals and policies developed by the Board.

SBHO contracts with the State of Washington Department of Social and Health Services ("DSHS") to provide behavioral health services (services for mental health and substance use disorders) in the three-county area. The revenue provided by DSHS is used to pay for public behavioral health services for the Medicaid and non-Medicaid populations. The BHO allocates funds to participating counties and tribes in accordance with federal, state and tribal formulas, approved plans, grants and all pertinent laws and rules.

Certain county contributions to mental health programs, such as millage, mental health sales tax and current expense contributions will be retained by each county and dispensed by the Board of County Commissioners. The BHO will allocate funds currently received by counties to providers within those counties. New funds received by the BHO are allocated to the three counties and participating tribes by the Board.

In 2017 the BHO Consortium expended \$53.69 million on behavioral health activities within the three-county area.

Consortium financial activity is reported within Kitsap County's CAFR, major and non-major governmental funds #187 Mental Health Medicaid and #188 Mental Health Non-Medicaid. Financial statements for the SBHO can be obtained from the Kitsap County Auditor, Financial Services Division, 614 Division Street, MS-31, Port Orchard, WA 98366.

Kitsap County, Washington

Notes to Financial Statements

December 31, 2017

NOTE 21. OTHER NOTE DISCLOSURES

A. Other Note Disclosures

1. Trust Land Transfer

In April 2017, Washington State Department of Natural Resources transferred three parcels of state land, 47 acres, to the county via Trust Land Transfer (“Olympic View Property”).

The land is valued at 1.19 million and is included in the county’s capital asset inventory in 2017.

2. Port Gamble Forest Block land purchase

In December 2017, the county purchased 1,503 acres of land in the Port Gamble area for recreation and conservation purposes (“Port Gamble Forest Block”). Approximately 177 acres will be used as a ride park and the remaining 1,326-acre forest block has been set aside for conservation purposes.

The cost of the land was \$4.01 million and the purchase was financed by a state grant from the Recreation & Conservation Office (\$500,000); private donations (\$3.2 million); and county funds (\$332,368). The county’s contribution to the purchase includes a short term note in the amount of \$64,297, payable on or before June 30, 2018.

3. Kitsap Mental Health Services building

The county issued bonds to build a mental health facility in 1993. Kitsap Mental Health Services (KMHS) entered into an agreement with the county to lease the building for a period of 20 years and the lease payments made by KMHS were used to service the debt associated with the building. The cost to construct the building was \$4,081,847.

The debt associated with the building was fully paid in 2012 and as agreed, the county transferred the building to KMHS in March 2014. The building remained on the county’s inventory of capital assets until January 1, 2017, when it was retired and removed from the county’s records.

The asset was depreciated \$249,446 from April 2014 through December 2016. No depreciation expense should have been recorded during this period because the asset should have been retired when it was transferred to KMHS in March 2014.

The building and related accumulated depreciation were retired from the county’s capital asset inventory in 2017. No adjustment was made for excess depreciation expense or accumulated depreciation because the amount is immaterial.

B. Prior Period Adjustments

1. In November 2016, the Road Construction fund received a \$405,662 state grant reimbursement for the Bucklin Hill Road project. At the time the reimbursement was received, there was some uncertainty as to whether it could be used for local match on

Kitsap County, Washington

Notes to Financial Statements

December 31, 2017

the project and whether the County would have to refund the money to the state. The Road Construction department contacted the state for guidance.

During the first quarter 2017 when the CAFR was in final preparation, Road Construction had not received a response from the state and the decision was made to remove the revenue from 2016 to 2017 in anticipation of repaying the funds to the state. At that time, the expectation was that the funds would be returned.

In November 2017, the Road Construction department received a response from the state. They were told that the funds could be used for local match and that the county could keep the money. The Road Construction fund recognized the revenue in 2017 and recorded a prior period adjustment to reverse the revenue from 2017 to the prior year.

2. In 2014, the Road Construction fund was the recipient of an indirect federal grant from the Department of Defense/Department of the Navy in the amount of \$2,972,130, for the West Kingston Bridge project. The fund incurred project expenditures beginning in 2014 through 2016, but failed to report the expenditures on the county's Schedule of Expenditures of Federal Awards (SEFA) as required.

In 2018, the fund received grant reimbursement in the amount of \$1,596,442 for expenditures incurred in 2016 and 2017. Of the total received, \$229,693 was reimbursement for 2016 expenditures. The grant revenue was accrued to 2017.

The Road Construction fund recorded a prior period adjustment in the amount of \$229,693 to correct 2017 grant revenue and adjust (increase) the fund's beginning fund balance for reimbursement of the 2016 expenditures.

The fund incurred project expenditures in 2017 that exhausted the remainder of the grant award. Grant expenditures for this grant in the amount of \$2,972,130, the full amount of the grant award, has been reported on the county's 2017 Schedule of Expenditures of Federal Awards.

3. Jail and Juvenile Sales Tax fund and Kitsap County Limited Term General Obligation 2011 Refunding Bond fund (KC LTGO 2011 Refunding) recorded offsetting prior period adjustments in the amount of \$100,684.

During 2016, Jail and Juvenile Sales Tax fund made a debt service transfer to KC LTGO 2011 Refunding that should not have been made. The prior period adjustments reverse the effect of the transfer between the two funds.

4. Solid Waste Capital Improvement fund purchased the Poulsbo Recycle Center in December 2001 for \$852,089. When the asset was added to the county's inventory, the entire cost of the item was allocated to a depreciable asset (other improvements) and none of the cost was allocated to non-depreciable land.

The asset was depreciated over 20 years beginning in 2001.

Kitsap County, Washington

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December 31, 2017

In December 2017, when the asset was sold it was determined that \$650,282 of the total cost of the asset should have been allocated to non-depreciable land and \$201,807 to depreciable other improvements. From 2001 through 2016 the asset was depreciated \$642,617 but should have been depreciated \$152,196, resulting in an overstatement in accumulated depreciation in the amount of \$490,421.

Solid Waste Capital Improvement fund recorded a prior period adjustment to remove from its fund balance the effect of the excess depreciation expense for the Poulsbo Recycle Center from 2001 to 2016, \$490,421.

5. The county is a participant in the Kitsap County Investment Pool ("KCIP"), an external investment pool. The county does not meet the criteria to report its pool investments at amortized cost, under GASB Statement No. 79, *Certain External Investment Pools and Pool Participants* and must report its investments at fair value, as required by GASB Statement No. 31, *Accounting and Financial Reporting for Certain Investments and External Investment Pools*.

To comply with GASB Statement No. 31, all investment balances are stated at fair value in 2017 and all county funds with positions in the pool recorded prior period adjustments to adjust beginning fund balances for the 2016 fair value adjustments, as follows: General Fund \$445; County Roads Fund \$2,757, Real Estate Excise Tax Fun \$1,499; Mental Health Medicaid Fund \$1,460; Kitsap County Limited Term General Obligation Bond 2013 Fund \$1,115; various Nonmajor Funds \$7,299; Solid Waste Fund \$23,382; Sewer Utility Fund \$40,684; and Surface/Stormwater Fund \$1,066.

See Note 2, *Deposits and Investments* for more information about the KCIP.

6. GASB Statement No. 33, *Accounting and Reporting for Nonexchange Transactions*, requires that the county accrue sales tax revenue received in January and February following the reporting year because these revenues were derived in November and December of the reporting year and should be reported in the year in which the sale occurred. The county has not previously recorded a sales tax accrual.

For reporting year 2017, the county recorded a sales tax accrual of revenues received in January and February 2018. Additionally, the county recorded prior period adjustments to increase the beginning fund balances for the effect of current year sales tax revenues received in January and February 2017, as these amounts were derived in, and should have been reported in, the prior year. Prior period adjustments were recorded in the four funds that report sales tax revenue: General Fund \$4,878,917, Mental Health Sales Tax Fund \$783,637, Kitsap County Stadium Fund \$83,253, and Jail and Juvenile Sales Tax Fund \$785,419.



Required Supplementary Information

Kitsap County Auditor | Financial Division

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REQUIRED SUPPLEMENTARY INFORMATION

KITSAP COUNTY, WASHINGTON

Schedule of Funding Progress

Law Enforcement Officers and Firefighters (LEOFF1)

As of December 31, 2017

Accuarial Valuation Date	Actuarial Value of Assets (a)	Actuarial Accrued Liability (AAL)- Entry Age (b)	Unfunded AAL (UAAL) (b-a)	Funded Ratio (b-a)	Covered Payroll (c)	UAAL as a Percentage of covered Payroll [(b-a)/c]
2/11/2008	-	\$ 13,400,355	\$ 13,400,355	0%	-	N/A
2/10/2010	-	12,339,603	12,339,603	0%	-	N/A
1/20/2011	-	11,721,211	11,721,211	0%	-	N/A
2/14/2012	-	10,919,266	10,919,266	0%	-	N/A
12/31/2013	-	17,775,124	17,775,124	0%	-	N/A
12/31/2014	-	15,621,539	15,621,539	0%	-	N/A
12/31/2015	-	14,286,979	14,286,979	0%	-	N/A
12/31/2016	-	18,114,132	18,114,132	0%	-	N/A
12/31/2017	-	16,663,705	16,663,705	0%	-	N/A

REQUIRED SUPPLEMENTARY INFORMATION

KITSAP COUNTY, WASHINGTON

Schedule of Proportionate Share of the Net Pension Liability

PERS 1

As of June 30, 2017

Last 10 Fiscal Years (1)

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

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, 2017

Last 10 Fiscal Years (1)

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

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, 2017

Last 10 Fiscal Years (1)

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

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, 2017

Last 10 Fiscal Years (1)

	<u>2015</u>	<u>2016</u>	<u>2017</u>
Employer's proportion of the net pension liability (asset)	0.072079%	0.071415%	0.071093%
Employer's proportionate share of the net pension liability (asset)	\$ (868,711)	\$ (735,779)	\$ (1,078,637)
State's proportionate share of the net pension liability (asset) associated with the employer	<u>\$ (5,875,940)</u>	<u>\$ (4,976,789)</u>	<u>\$ (7,295,875)</u>
TOTAL	<u>\$ (6,744,651)</u>	<u>\$ (5,712,568)</u>	<u>\$ (8,374,513)</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
Plan fiduciary net position as a percentage of the total pension liability (asset)	127.36%	123.74%	135.96%

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, 2017

Last 10 Fiscal Years (1)

	<u>2015</u>	<u>2016</u>	<u>2017</u>
Employer's proportion of the net pension liability (asset)	0.313939%	0.417995%	0.345285%
Employer's proportionate share of the net pension liability (asset)	\$ (3,226,665)	\$ (2,431,184)	\$ (4,791,437)
State's proportionate share of the net pension liability (asset) associated with the employer	<u>\$ (2,133,473)</u>	<u>\$ (1,584,955)</u>	<u>\$ (3,108,116)</u>
TOTAL	<u>\$ (5,360,138)</u>	<u>\$ (4,016,140)</u>	<u>\$ (7,899,553)</u>
Covered payroll (2)	\$ 9,111,737	\$ 12,662,712	\$ 10,801,139
Employer's proportionate share of the net pension liability (asset) as a percentage of covered payroll	35.41%	19.20%	44.36%
Plan fiduciary net position as a percentage of the total pension liability (asset)	111.67%	106.04%	113.36%

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).

REQUIRED SUPPLEMENTARY INFORMATION

KITSAP COUNTY, WASHINGTON

Schedule of Employer Contributions

PERS 1 (includes UAAL)

As of December 31, 2017

Last 10 Fiscal Years (1)

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

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, 2017

Last 10 Fiscal Years (1)

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

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, 2017

Last 10 Fiscal Years (1)

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

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, 2017

Last 10 Fiscal Years (1)

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

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 particular purposes.

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.

GMA Transportation Impact Fees Central Kitsap - A fund used to account for the development impact fees that are to be used for transportation purposes in the Central Kitsap area.

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.

Juvenile Services Facility - A fund used to account for the expansion of the Juvenile Services Center.

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, 2017

	Special Revenue Funds				
	Emergency	Law	KPREP	Mental	Homeless
	Services 104	Library 105	Fund 106	Health Sales Tax 107	Housing 109
ASSETS					
Cash and Cash equivalents	\$ 15,516	\$ 150,628	\$ -	\$ 7,694,325	86,978
Deposits with fiscal agents	-	-	-	-	-
Investments	11	-	-	-	-
Receivables(net)	-	-	-	-	-
Property taxes	-	-	-	-	-
Sales taxes	-	-	-	847,908	-
Special assessments	-	-	-	-	-
Accounts	-	-	-	-	-
Notes/Contracts	-	-	-	-	-
Others	-	-	-	-	-
Due from other funds	-	-	-	1,279	-
Due from other governments	12,062	-	72,468	-	-
Interfund loan receivable	-	-	-	-	-
Prepayments	-	-	-	-	-
Advance to other funds	-	-	-	-	-
Total assets	\$ 27,588	\$ 150,628	\$ 72,468	\$ 8,543,512	\$ 86,978
DEFERRED OUTFLOWS	-	-	-	-	-
Total assets and deferred outflows	\$ 27,588	\$ 150,628	\$ 72,468	\$ 8,543,512	\$ 86,978
LIABILITIES AND FUND BALANCES					
Liabilities					
Accounts payable	18,163	8,536	82,450	220,877	300
Due to other funds	-	-	-	121,442	-
Due to other governments	-	-	-	-	-
Other liabilities	9,425	-	32,419	2,618	2,301
Advance from other fund	-	-	-	-	-
Revenues collected in advance	-	-	-	-	-
Unearned revenues	-	-	-	-	-
Interfund loan payable	-	-	-	-	-
Other long term liabilities	-	-	-	-	-
Total Liabilities	27,588	8,536	114,869	344,937	2,601
DEFERRED INFLOWS (Note 15)	-	-	-	-	-
Fund balances					
Nonspendable	-	-	-	-	-
Restricted	-	142,091	-	8,198,575	84,377
Committed	-	-	-	-	-
Assigned	-	-	-	-	-
Unassigned	-	-	(42,401)	-	-
Total Fund Balance	-	142,091	(42,401)	8,198,575	84,377
Total liabilities, deferred inflows & fund balances	\$ 27,588	\$ 150,628	\$ 72,468	\$ 8,543,512	\$ 86,978

Special Revenue Funds

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	Electronic Technology Excise 123
\$ 128,900	\$ 337,243	\$ 3,057,375	\$ 136,371	\$ 30,636	\$ 294,754	\$ 23,466	\$ 177,662
-	-	-	-	-	-	-	-
-	-	-	207,965	140,115	-	564,569	179,875
-	-	-	-	-	-	-	-
-	-	-	-	-	8,542	-	-
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
1,054	-	-	-	-	-	-	-
77,750	-	245,235	597	-	-	-	-
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
<u>\$ 207,703</u>	<u>\$ 337,243</u>	<u>\$ 3,302,610</u>	<u>\$ 344,933</u>	<u>\$ 170,751</u>	<u>\$ 303,296</u>	<u>\$ 588,035</u>	<u>\$ 357,537</u>
-	-	-	-	-	-	-	-
<u>\$ 207,703</u>	<u>\$ 337,243</u>	<u>\$ 3,302,610</u>	<u>\$ 344,933</u>	<u>\$ 170,751</u>	<u>\$ 303,296</u>	<u>\$ 588,035</u>	<u>\$ 357,537</u>
-	2,052	519,840	5,661	1,538	44,793	145	-
-	-	1,095	8,073	-	2,095	-	-
-	-	-	-	-	-	-	-
7	823	2,423	1,853	-	7,419	5	-
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
<u>7</u>	<u>2,875</u>	<u>523,357</u>	<u>15,587</u>	<u>1,538</u>	<u>54,308</u>	<u>150</u>	<u>-</u>
-	-	-	-	-	8,542	-	-
-	-	-	-	-	-	-	-
207,696	334,368	2,779,253	187,727	169,212	240,447	587,885	357,537
-	-	-	141,619	-	-	-	-
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
<u>207,696</u>	<u>334,368</u>	<u>2,779,253</u>	<u>329,346</u>	<u>169,212</u>	<u>240,447</u>	<u>587,885</u>	<u>357,537</u>
<u>\$ 207,703</u>	<u>\$ 337,243</u>	<u>\$ 3,302,610</u>	<u>\$ 344,933</u>	<u>\$ 170,751</u>	<u>\$ 303,296</u>	<u>\$ 588,035</u>	<u>\$ 357,537</u>

KITSAP COUNTY, WASHINGTON

Combining Balance Sheet
 Nonmajor Governmental Funds
 December 31, 2017

	Special Revenue Funds				
	Veteran's	Expert	BOCC	Conservation	Community
	Relief 124	Witness 125	Policy Group 128	Futures Tax 129	Service 130
ASSETS					
Cash and Cash equivalents	\$ 172,921	\$ 72,396	\$ 3,409	\$ 1,774,829	\$ 90,833
Deposits with fiscal agents	-	-	-	-	-
Investments	94,964	-	-	386,711	-
Receivables(net)	-	-	-	-	-
Property taxes	9,452	-	-	36,239	-
Sales taxes	-	-	-	-	-
Special assessments	-	-	-	-	-
Accounts	-	-	-	-	-
Notes/Contracts	-	-	-	-	-
Others	-	-	-	-	-
Due from other funds	-	-	-	-	33,622
Due from other governments	-	-	-	-	-
Interfund loan receivable	-	-	-	-	-
Prepayments	-	-	-	-	-
Advance to other funds	-	-	-	-	-
Total assets	\$ 277,336	\$ 72,396	\$ 3,409	\$ 2,197,779	\$ 124,455
DEFERRED OUTFLOWS	-	-	-	-	-
Total assets and deferred outflows	\$ 277,336	\$ 72,396	\$ 3,409	\$ 2,197,779	\$ 124,455
LIABILITIES AND FUND BALANCES					
Liabilities					
Accounts payable	50,851	1,500	-	-	-
Due to other funds	-	-	-	-	-
Due to other governments	-	-	-	-	-
Other liabilities	1,137	-	-	-	3,184
Advance from other fund	-	-	-	-	-
Revenues collected in advance	-	-	-	-	-
Unearned revenues	-	-	-	-	-
Interfund loan payable	-	-	-	-	-
Other long term liabilities	-	-	-	-	-
Total Liabilities	51,988	1,500	-	-	3,184
DEFERRED INFLOWS (Note 15)	9,452	-	-	36,239	-
Fund balances					
Nonspendable	-	-	-	-	-
Restricted	215,896	-	3,409	2,161,540	-
Committed	-	70,896	-	-	121,271
Assigned	-	-	-	-	-
Unassigned	-	-	-	-	-
Total Fund Balance	215,896	70,896	3,409	2,161,540	121,271
Total liabilities, deferred inflows & fund balances	\$ 277,336	\$ 72,396	\$ 3,409	\$ 2,197,779	\$ 124,455

Special Revenue Funds

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	Trial Court Improvement 143
\$ 569,121	\$ 109,283	\$ 251,649	\$ 62,084	\$ 26,720	\$ 20,396	\$ 45,050	\$ 158,306
-	-	-	-	-	-	-	-
-	58,888	-	649,359	-	-	-	-
-	-	-	-	-	-	-	-
89,706	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
-	-	-	-	11,333	-	-	-
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
<u>\$ 658,827</u>	<u>\$ 168,171</u>	<u>\$ 251,649</u>	<u>\$ 711,443</u>	<u>\$ 38,053</u>	<u>\$ 20,396</u>	<u>\$ 45,050</u>	<u>\$ 158,306</u>
-	-	-	-	-	-	-	-
<u>\$ 658,827</u>	<u>\$ 168,171</u>	<u>\$ 251,649</u>	<u>\$ 711,443</u>	<u>\$ 38,053</u>	<u>\$ 20,396</u>	<u>\$ 45,050</u>	<u>\$ 158,306</u>
51,868	-	11,029	1,777	255	-	-	-
-	-	-	115	575	-	-	-
-	-	-	-	-	-	-	-
-	-	118	-	-	-	117	-
-	-	-	-	-	-	-	-
-	-	-	-	-	2,401	-	-
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
<u>51,868</u>	<u>-</u>	<u>11,147</u>	<u>1,892</u>	<u>830</u>	<u>2,401</u>	<u>117</u>	<u>-</u>
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
606,959	-	240,502	709,552	37,223	17,995	44,933	158,306
-	168,171	-	-	-	-	-	-
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
<u>606,959</u>	<u>168,171</u>	<u>240,502</u>	<u>709,552</u>	<u>37,223</u>	<u>17,995</u>	<u>44,933</u>	<u>158,306</u>
<u>\$ 658,827</u>	<u>\$ 168,171</u>	<u>\$ 251,649</u>	<u>\$ 711,443</u>	<u>\$ 38,053</u>	<u>\$ 20,396</u>	<u>\$ 45,050</u>	<u>\$ 158,306</u>

KITSAP COUNTY, WASHINGTON

Combining Balance Sheet
 Nonmajor Governmental Funds
 December 31, 2017

	Special Revenue Funds				
	Public	Pooling	GMA Park	GMA Trans.	County Parks
	Defense Funding 144	Fees 145	Impact Fees 146	Impact Fees C Kitsap 148	Acquisition & Develop 150
ASSETS					
Cash and Cash equivalents	\$ -	\$ 933,094	\$ 283,573	\$ -	\$ 214,411
Deposits with fiscal agents	-	-	-	-	-
Investments	-	-	-	-	107,896
Receivables(net)	-	-	-	-	-
Property taxes	-	-	-	-	-
Sales taxes	-	-	-	-	-
Special assessments	-	-	-	-	-
Accounts	-	-	-	-	-
Notes/Contracts	-	-	-	-	-
Others	-	-	-	-	-
Due from other funds	-	-	-	-	500
Due from other governments	-	-	-	-	-
Interfund loan receivable	-	-	-	-	128,849
Prepayments	-	-	-	-	-
Advance to other funds	-	-	-	-	-
Total assets	\$ -	\$ 933,094	\$ 283,573	\$ -	\$ 451,656
DEFERRED OUTFLOWS	-	-	-	-	-
Total assets and deferred outflows	\$ -	\$ 933,094	\$ 283,573	\$ -	\$ 451,656
LIABILITIES AND FUND BALANCES					
Liabilities					
Accounts payable	1,349	16,802	662	-	6,904
Due to other funds	-	-	-	-	6,483
Due to other governments	-	-	-	-	-
Other liabilities	121,001	3,324	-	-	-
Advance from other fund	-	-	-	-	-
Revenues collected in advance	-	-	-	-	2,219
Unearned revenues	-	-	-	-	-
Interfund loan payable	-	-	-	-	-
Other long term liabilities	-	-	-	-	-
Total Liabilities	122,350	20,126	662	-	15,606
DEFERRED INFLOWS (Note 15)	-	-	-	-	-
Fund Balances					
Nonspendable	-	-	-	-	-
Restricted	-	912,968	282,911	-	-
Committed	-	-	-	-	436,051
Assigned	-	-	-	-	-
Unassigned	(122,350)	-	-	-	-
Total Fund Balance	(122,350)	912,968	282,911	-	436,051
Total liabilities, deferred inflows & fund balances	\$ -	\$ 933,094	\$ 283,573	\$ -	\$ 451,656

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
-	\$ 7,569	\$ 26,071	\$ 97	\$ 99,253	\$ 12,332	\$ 142,686	\$ 270,438
	-	-	-	-	-	-	-
	7,219	74,783	-	729,235	-	9,152	10
	-	-	-	-	-	-	-
	-	-	-	-	-	-	-
	-	-	-	-	-	-	930
	-	-	-	-	-	300,000	3,514,982
	-	-	-	-	-	-	-
	-	-	-	464,301	-	8,493	-
-	-	-	-	34,312	-	345,147	44,205
	-	-	-	-	-	-	-
	-	-	-	-	-	-	-
<u>\$ -</u>	<u>\$ 14,788</u>	<u>\$ 100,853</u>	<u>\$ 97</u>	<u>\$ 1,327,101</u>	<u>\$ 12,332</u>	<u>\$ 805,478</u>	<u>\$ 3,830,566</u>
	-	-	-	-	-	-	-
<u>\$ -</u>	<u>\$ 14,788</u>	<u>\$ 100,853</u>	<u>\$ 97</u>	<u>\$ 1,327,101</u>	<u>\$ 12,332</u>	<u>\$ 805,478</u>	<u>\$ 3,830,566</u>
	3,402	106	-	15,608	2,385	298,966	44,205
-	-	-	-	32,371	-	-	7,398
	-	-	-	-	-	-	-
	-	-	-	47,931	-	6,046	-
	-	-	-	-	-	200,000	50,000
	-	-	-	-	-	-	-
	-	-	-	-	-	-	-
	-	-	-	-	-	-	-
<u>-</u>	<u>3,402</u>	<u>106</u>	<u>-</u>	<u>95,910</u>	<u>2,385</u>	<u>505,012</u>	<u>101,603</u>
-	-	-	-	-	-	300,000	3,514,982
	-	-	-	-	-	-	-
-	11,386	-	97	1,231,191	9,947	466	213,980
	-	100,747	-	-	-	-	-
	-	-	-	-	-	-	-
	-	-	-	-	-	-	-
<u>-</u>	<u>11,386</u>	<u>100,747</u>	<u>97</u>	<u>1,231,191</u>	<u>9,947</u>	<u>466</u>	<u>213,980</u>
<u>\$ -</u>	<u>\$ 14,788</u>	<u>\$ 100,853</u>	<u>\$ 97</u>	<u>\$ 1,327,101</u>	<u>\$ 12,332</u>	<u>\$ 805,478</u>	<u>\$ 3,830,566</u>

KITSAP COUNTY, WASHINGTON

Combining Balance Sheet
 Nonmajor Governmental Funds
 December 31, 2017

	Special Revenue Funds				
	Kitsap	Community	Long Lake	Jail &	Service Area 1
	Abatement	Development	Manage #3	Juvenile	Rd Impact Fee
	167	168	169	Sales Tax 171	173
ASSETS					
Cash and Cash equivalents	\$ 52,277	\$ 4,560,765	\$ 83,890	\$ 2,152,126	\$ 822,392
Deposits with fiscal agents	-	-	-	-	-
Investments	-	-	-	-	52,806
Receivables(net)	-	-	-	-	-
Property taxes	-	-	-	-	-
Sales taxes	-	-	-	848,928	-
Special assessments	-	-	-	-	-
Accounts	-	-	-	-	-
Notes/Contracts	-	-	-	-	-
Others	-	-	-	-	-
Due from other funds	-	381,761	-	-	-
Due from other governments	-	141,949	-	-	-
Interfund loan receivable	-	-	-	-	-
Prepayments	-	-	-	-	-
Advance to other funds	-	-	-	-	-
Total assets	\$ 52,277	\$ 5,084,475	\$ 83,890	\$ 3,001,054	\$ 875,198
DEFERRED OUTFLOWS					
	-	-	-	-	-
Total assets and deferred outflows	\$ 52,277	\$ 5,084,475	\$ 83,890	\$ 3,001,054	\$ 875,198
LIABILITIES AND FUND BALANCES					
Liabilities					
Accounts payable	-	49,937	-	-	-
Due to other funds	-	11,339	-	15,000	-
Due to other governments	-	-	-	-	-
Other liabilities	-	109,467	-	-	-
Advance from other fund	-	-	-	-	-
Revenues collected in advance	-	9,240	-	-	-
Unearned revenues	-	-	-	-	-
Interfund loan payable	-	-	-	-	-
Other long term liabilities	-	-	-	-	-
Total Liabilities	-	179,982	-	15,000	-
DEFERRED INFLOWS (Note 15)					
	-	-	-	-	-
Fund Balances:					
Nonspendable	-	-	-	-	-
Restricted	-	-	83,890	2,986,054	875,198
Committed	52,277	4,904,493	-	-	-
Assigned	-	-	-	-	-
Unassigned	-	-	-	-	-
Total Fund Balance	52,277	4,904,493	83,890	2,986,054	875,198
Total liabilities, deferred inflows & fund balances	\$ 52,277	\$ 5,084,475	\$ 83,890	\$ 3,001,054	\$ 875,198

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
\$ 690,906	\$ 112,847	\$ 303,931	\$ 101,743	\$ 200,373	\$ 469,850	\$ 1,397,386	\$ 101,466
-	-	-	-	-	-	-	-
136,855	9,026	106,400	108,887	-	748,372	-	-
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
-	-	-	-	-	12,911	-	15,936
-	-	-	-	-	-	500,245	68,224
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
<u>\$ 827,760</u>	<u>\$ 121,873</u>	<u>\$ 410,331</u>	<u>\$ 210,630</u>	<u>\$ 200,373</u>	<u>\$ 1,231,133</u>	<u>\$ 1,897,632</u>	<u>\$ 185,626</u>
-	-	-	-	-	-	-	-
<u>\$ 827,760</u>	<u>\$ 121,873</u>	<u>\$ 410,331</u>	<u>\$ 210,630</u>	<u>\$ 200,373</u>	<u>\$ 1,231,133</u>	<u>\$ 1,897,632</u>	<u>\$ 185,626</u>
-	701	-	-	1,453	1,023	304,363	2,888
-	-	-	-	-	-	-	80,675
-	-	-	-	-	-	481,527	-
-	-	-	-	-	-	5,167	6,217
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
<u>-</u>	<u>701</u>	<u>-</u>	<u>-</u>	<u>1,453</u>	<u>1,023</u>	<u>791,057</u>	<u>89,780</u>
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
827,760	121,172	410,331	210,630	-	1,230,110	1,106,575	95,846
-	-	-	-	198,920	-	-	-
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
<u>827,760</u>	<u>121,172</u>	<u>410,331</u>	<u>210,630</u>	<u>198,920</u>	<u>1,230,110</u>	<u>1,106,575</u>	<u>95,846</u>
<u>\$ 827,760</u>	<u>\$ 121,873</u>	<u>\$ 410,331</u>	<u>\$ 210,630</u>	<u>\$ 200,373</u>	<u>\$ 1,231,133</u>	<u>\$ 1,897,632</u>	<u>\$ 185,626</u>

Combining Balance Sheet
 Nonmajor Governmental Funds
 December 31, 2017

	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	\$ 54,820	\$ 2,741,523	\$ 159,836	\$ 610,281	\$ 11,884
Deposits with fiscal agents	-	-	-	-	-
Investments	-	581,945	-	-	-
Receivables(net)	-	-	-	-	-
Property taxes	-	-	-	-	-
Sales taxes	-	-	-	-	-
Special assessments	-	-	-	-	-
Accounts	-	-	-	-	-
Notes/Contracts	-	-	-	-	-
Others	-	-	-	-	-
Due from other funds	-	27,938	-	-	493
Due from other governments	-	791,410	-	1,023,243	320,445
Interfund loan receivable	-	-	-	-	-
Prepayments	-	-	-	-	-
Advance to other funds	-	-	-	-	-
Total assets	\$ 54,820	\$ 4,142,816	\$ 159,836	\$ 1,633,525	\$ 332,822
DEFERRED OUTFLOWS	-	-	-	-	-
Total assets and deferred outflows	\$ 54,820	\$ 4,142,816	\$ 159,836	\$ 1,633,525	\$ 332,822
LIABILITIES AND FUND BALANCES					
Liabilities					
Accounts payable	151	754,113	958	117,832	295,444
Due to other funds	-	17,501	109	-	-
Due to other governments	-	-	-	561,036	-
Other liabilities	-	-	-	57,310	7,378
Advance from other fund	-	-	-	-	30,000
Revenues collected in advance	-	-	-	-	-
Unearned revenues	-	-	-	-	-
Interfund loan payable	-	-	-	-	-
Other long term liabilities	-	-	-	-	-
Total Liabilities	151	771,614	1,068	736,178	332,822
DEFERRED INFLOWS (Note 15)	-	-	-	-	-
Fund balances					
Nonspendable					
Restricted	54,669	3,371,202	-	897,347	-
Committed	-	-	158,768	-	-
Assigned	-	-	-	-	-
Unassigned	-	-	-	-	-
Total Fund Balance	54,669	3,371,202	158,768	897,347	-
Total liabilities, deferred inflows & fund balances	\$ 54,820	\$ 4,142,816	\$ 159,836	\$ 1,633,525	\$ 332,822

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	Juvenile Services Facility 352
\$ 100,951	\$ 25,631	\$ 8,658	\$ 32,243,908	\$ 63,558	\$ 1,763	\$ 440,987	\$ -
-	-	-	-	-	-	-	-
-	-	-	4,955,041	-	-	-	-
-	-	-	-	-	-	-	-
-	-	-	54,233	-	-	-	-
-	-	-	1,786,542	-	-	-	-
-	-	-	-	-	-	-	-
-	-	-	930	-	-	15,200	-
-	-	-	3,814,982	-	-	-	-
-	-	-	-	-	-	-	-
-	-	-	948,288	-	-	-	-
120,233	-	-	3,808,858	-	-	-	-
-	-	-	128,849	-	-	-	-
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
<u>\$ 221,184</u>	<u>\$ 25,631</u>	<u>\$ 8,658</u>	<u>\$ 47,741,633</u>	<u>\$ 63,558</u>	<u>\$ 1,763</u>	<u>\$ 456,187</u>	<u>\$ -</u>
-	-	-	-	-	-	-	-
<u>\$ 221,184</u>	<u>\$ 25,631</u>	<u>\$ 8,658</u>	<u>\$ 47,741,633</u>	<u>\$ 63,558</u>	<u>\$ 1,763</u>	<u>\$ 456,187</u>	<u>\$ -</u>
116,057	8,019	-	3,064,964	-	-	20,686	-
493	-	-	304,764	-	-	-	-
-	-	-	1,042,563	-	-	-	-
-	-	-	427,689	-	-	-	-
-	-	-	280,000	-	-	-	-
-	-	-	13,859	-	-	-	-
-	-	-	-	-	-	5,022	-
-	-	-	-	-	-	-	-
<u>116,550</u>	<u>8,019</u>	<u>-</u>	<u>5,133,839</u>	<u>-</u>	<u>-</u>	<u>25,708</u>	<u>-</u>
-	-	-	3,869,216	-	-	-	-
-	-	-	-	-	-	-	-
104,634	-	8,658	32,532,505	63,558	1,763	430,479	-
-	17,613	-	6,370,824	-	-	-	-
-	-	-	-	-	-	-	-
-	-	-	(164,751)	-	-	-	-
<u>104,634</u>	<u>17,613</u>	<u>8,658</u>	<u>38,738,578</u>	<u>63,558</u>	<u>1,763</u>	<u>430,479</u>	<u>-</u>
<u>\$ 221,184</u>	<u>\$ 25,631</u>	<u>\$ 8,658</u>	<u>\$ 47,741,633</u>	<u>\$ 63,558</u>	<u>\$ 1,763</u>	<u>\$ 456,187</u>	<u>\$ -</u>

KITSAP COUNTY, WASHINGTON

Combining Balance Sheet
 Nonmajor Governmental Funds
 December 31, 2017

	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	\$ 96,927	\$ 747,113	\$ 2,831	\$ -	\$ 193,756
Deposits with fiscal agents	-	-	-	-	-
Investments	-	1,330,620	3	217,085	165,986
Receivables(net)	-	-	-	-	-
Property taxes	-	-	-	-	-
Sales taxes	-	-	-	-	-
Special assessments	-	-	-	-	-
Accounts	-	37,618	-	-	-
Notes/Contracts	-	1,789,381	-	-	-
Others	-	-	-	-	-
Due from other funds	-	-	-	-	-
Due from other governments	-	13,250	-	-	-
Interfund loan receivable	-	-	-	-	-
Prepayments	-	-	-	-	-
Advance to other funds	-	-	-	-	-
Total assets	\$ 96,927	\$ 3,917,982	\$ 2,835	\$ 217,085	\$ 359,742
DEFERRED OUTFLOWS	-	-	-	-	-
Total assets and deferred outflows	\$ 96,927	\$ 3,917,982	\$ 2,835	\$ 217,085	\$ 359,742
LIABILITIES AND FUND BALANCES					
Liabilities					
Accounts payable	-	23,550	-	-	-
Due to other funds	-	-	-	-	-
Due to other governments	-	-	-	-	-
Other liabilities	-	64,297	-	-	-
Advance from other fund	-	-	-	-	-
Revenues collected in advance	-	-	-	-	-
Unearned revenues	-	-	-	-	-
Interfund loan payable	-	-	-	-	-
Other long term liabilities	-	-	-	-	-
Total Liabilities	-	87,848	-	-	-
DEFERRED INFLOWS (Note 15)	-	1,789,381	-	-	-
Fund balances					
Nonspendable	-	-	-	-	-
Restricted	96,927	2,040,753	2,835	217,085	359,742
Committed	-	-	-	-	-
Assigned	-	-	-	-	-
Unassigned	-	-	-	-	-
Total fund balance	96,927	2,040,753	2,835	217,085	359,742
Total liabilities, deferred inflows & fund balances	\$ 96,927	\$ 3,917,982	\$ 2,835	\$ 217,085	\$ 359,742

Debt Service Funds				
2006 LTGO Bond Project 392	Total Capital Project Funds	KC LTGO 2010 235	KC LTGO 2011 Refund 236	K.C. G.O. Bonds 1999 B 282
\$ 2,711	\$ 1,549,648	\$ 145,888	\$ 106,048	\$ -
-	-	-	-	-
-	1,713,695	-	-	-
-	-	-	-	-
-	-	-	-	-
-	-	-	-	-
-	52,818	-	-	-
-	1,789,381	-	-	205,000
-	-	-	-	-
-	13,250	-	-	-
-	-	-	-	-
-	-	-	-	-
-	-	-	-	-
<u>\$ 2,711</u>	<u>\$ 5,118,791</u>	<u>\$ 145,888</u>	<u>\$ 106,048</u>	<u>\$ 205,000</u>
-	-	-	-	-
<u>\$ 2,711</u>	<u>\$ 5,118,791</u>	<u>\$ 145,888</u>	<u>\$ 106,048</u>	<u>\$ 205,000</u>
-	44,237	-	-	-
-	-	-	-	-
-	-	-	-	-
0	64,297	-	-	-
-	-	-	-	-
-	-	-	-	-
-	5,022	-	-	-
-	-	-	-	-
-	-	-	-	-
<u>0</u>	<u>113,556</u>	<u>-</u>	<u>-</u>	<u>-</u>
-	1,789,381	-	-	-
-	-	-	-	205,000
2,711	3,215,854	145,888	106,048	-
-	-	-	-	-
-	-	-	-	-
-	-	-	-	-
<u>2,711</u>	<u>3,215,854</u>	<u>145,888</u>	<u>106,048</u>	<u>205,000</u>
<u>\$ 2,711</u>	<u>\$ 5,118,791</u>	<u>\$ 145,888</u>	<u>\$ 106,048</u>	<u>\$ 205,000</u>

Combining Balance Sheet
 Nonmajor Governmental Funds
 December 31, 2017

	Debt Service Funds			Total Debt Service Funds	Total Nonmajor Governmental Funds
	G.O. Bond 2002A 286	Road Improvement Guaranty 290	G.O. Bonds refunding 2015 238		
ASSETS					
Cash and Cash equivalents	\$ 69,973	\$ 2,737	\$ 4	\$ 324,646	\$ 34,118,202
Deposits with fiscal agents	-	-	-	-	-
Investments	250,839	-	-	250,839	6,919,575
Receivables(net)	-	-	-	-	-
Property taxes	-	-	-	-	54,233
Sales taxes	-	-	-	-	1,786,542
Special assessments	-	-	-	-	-
Accounts	-	-	-	-	53,748
Notes/Contracts	6,405,000	-	-	6,610,000	12,214,364
Others	-	-	-	-	-
Due from other funds	-	-	-	-	948,288
Due from other governments	-	-	-	-	3,822,108
Interfund loan receivable	-	-	-	-	128,849
Prepayments	-	-	-	-	-
Advance to other funds	-	-	-	-	-
Total assets	\$ 6,725,812	\$ 2,737	\$ 4	\$ 7,185,485	\$ 60,045,910
DEFERRED OUTFLOWS					
	-	-	-	-	-
Total assets and deferred outflows	\$ 6,725,812	\$ 2,737	\$ 4	\$ 7,185,485	\$ 60,045,910
LIABILITIES AND FUND BALANCES					
Liabilities					
Accounts payable	-	-	-	-	3,109,200
Due to other funds	-	-	-	-	304,764
Due to other governments	-	-	-	-	1,042,563
Other liabilities	-	-	-	-	491,986
Advance from other fund	-	-	-	-	280,000
Revenues collected in advance	-	-	-	-	13,859
Unearned revenues	-	-	-	-	5,022
Interfund loan payable	-	-	-	-	-
Other long term liabilities	250,000	-	-	250,000	250,000
Total Liabilities	250,000	-	-	250,000	5,497,395
DEFERRED INFLOWS (Note 15)					
	-	-	-	-	5,658,597
Fund balances					
Nonspendable	6,405,000	-	-	6,610,000	6,610,000
Restricted	70,812	2,737	-	325,485	36,073,845
Committed	-	-	-	-	6,370,824
Assigned	-	-	-	-	-
Unassigned	-	-	-	-	(164,751)
Total fund balance	6,475,812	2,737	4	6,935,485	48,889,918
Total liabilities, deferred inflows & fund balances	\$ 6,725,812	\$ 2,737	\$ 4	\$ 7,185,485	60,045,910

KITSAP COUNTY, WASHINGTON

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

Nonmajor Governmental Funds

For the Year Ended December 31, 2017

	Special Revenue Funds				
	Emergency Services 104	Law Library 105	KPREP Fund 106	Mental Health Sales Tax 107	Homeless Housing 109
REVENUES:					
Property taxes	\$ -	\$ -	\$ -	\$ -	\$ -
Retail sales & use taxes	-	-	-	4,583,650	-
Other taxes	-	-	-	-	-
Licenses and permits	-	-	-	-	-
Intergovernmental	367,819	-	374,115	-	-
Charges for services	-	79,203	-	-	102,348
Fines & forfeits	-	-	-	-	-
Investment earnings	0	-	-	-	-
Miscellaneous	300	413	-	-	16,521
Total revenues	368,119	79,616	374,115	4,583,650	118,869
EXPENDITURES:					
Current:					
General government	-	-	-	-	-
Judicial Services	-	91,674	-	-	-
Public safety	605,483	-	508,309	-	-
Physical Environment	-	-	-	-	-
Transportation	-	-	-	-	-
Health & Human Services	-	-	-	2,212,565	105,542
Economic Environment	-	-	-	-	-
Culture & recreation	-	-	-	-	-
Debt service					
Principal	-	-	-	-	-
Interest and other charges	-	-	-	-	-
Capital outlay	6,120	-	-	-	-
Total expenditures	611,603	91,674	508,309	2,212,565	105,542
Excess(deficiency) of revenues over expenditures	(243,484)	(12,057)	(134,194)	2,371,085	13,327
OTHER FINANCING SOURCES (USES):					
Sale of capital assets	-	-	-	-	-
Transfers in	249,094	-	-	-	-
Transfers out	-	-	-	(723,700)	-
Total other financing sources & uses	249,094	-	-	(723,700)	-
SPECIAL ITEMS:					
Sales of pledged assets					
Net change in fund balance	5,610	(12,057)	(134,194)	1,647,385	13,327
Fund balances-beginning	(5,610)	154,148	91,793	5,767,552	71,050
Prior period adjustment	-	-	-	783,637	-
Fund balances-ending	\$ 0	\$ 142,091	\$ (42,401)	\$ 8,198,574	\$ 84,377

KITSAP COUNTY, WASHINGTON

Combining Statement of Revenues, Expenditures, and Changes in Fund Balances
Nonmajor Governmental Funds
For the Year Ended December 31, 2017

	Special Revenue Funds				
	Election Reserve 111	Auditor's Document Preserv.112	Housing Affordability 113	Westnet 114	Boating Safety Improve.117
REVENUES:					
Property taxes	\$ -	\$ -	\$ -	\$ -	\$ -
Retail sales & use taxes	-	-	-	-	-
Other taxes	-	-	-	-	-
Licenses and permits	-	-	-	-	-
Intergovernmental	-	105,604	425,604	137,033	62,790
Charges for services	216,417	130,609	1,633,614	-	-
Fines & forfeits	-	-	-	134,821	-
Investment earnings	-	-	-	2,248	1,902
Miscellaneous	-	-	-	2,700	1
Total revenues	216,417	236,213	2,059,218	276,801	64,693
EXPENDITURES:					
Current:					
General government	65,795	225,164	1,747,196	-	-
Judicial Services	-	-	-	-	-
Public safety	-	-	-	223,416	96,059
Physical Environment	-	-	-	-	-
Transportation	-	-	-	-	-
Health & Human Services	-	-	-	-	-
Economic Environment	-	-	-	-	-
Culture & recreation	-	-	-	-	-
Debt service					
Principal	96,788	-	-	-	-
Interest and other charges	3,240	-	-	-	-
Capital outlay	-	14,404	-	-	-
Total expenditures	165,824	239,568	1,747,196	223,416	96,059
Excess(deficiency) of revenues over expenditures	50,593	(3,355)	312,021	53,386	(31,366)
OTHER FINANCING SOURCES (USES):					
Sale of capital assets	-	-	-	-	-
Transfers in	-	-	-	10,241	-
Transfers out	-	(3,852)	-	(21,522)	-
Total other financing sources & use:	-	(3,852)	-	(11,282)	-
SPECIAL ITEMS:					
Sales of pledged assets					
Net change in fund balance	50,593	(7,207)	312,021	42,104	(31,366)
Fund balances-beginning	157,102	341,575	2,467,232	287,421	200,775
Prior period adjustment	-	-	-	(179)	(197)
Fund balances-ending	\$ 207,695	\$ 334,368	\$ 2,779,253	\$ 329,346	\$ 169,213

Special Revenue Funds							
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	Community Service 130
\$ -	\$ -	\$ -	\$ 405,861	\$ -	\$ -	\$ 1,361,596	\$ -
-	-	-	-	-	-	-	-
-	-	-	880	-	-	2,944	-
-	-	-	-	-	-	-	-
352	-	22,325	148	-	21,223	495	-
243,327	62,681	26,528	-	-	-	-	121,005
-	-	-	-	25,224	-	-	33,979
1,394	5,884	1,875	990	-	-	4,030	-
-	1,938	-	587	-	7,250	1,964	-
245,072	70,503	50,727	408,465	25,224	28,473	1,371,030	154,983
-	112,762	-	-	2,750	21,314	-	-
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
268,465	-	-	-	-	-	11,837	-
-	-	-	-	-	-	-	-
-	-	-	374,795	-	-	-	147,964
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
-	-	-	-	-	3,750	-	-
268,465	112,762	-	374,795	2,750	25,064	11,837	147,964
(23,393)	(42,260)	50,727	33,670	22,474	3,409	1,359,193	7,019
-	-	-	-	-	-	201,000	-
-	-	-	-	-	-	(1,023,594)	-
-	-	-	-	-	-	(822,594)	-
(23,393)	(42,260)	50,727	33,670	22,474	3,409	536,599	7,019
263,839	630,714	306,992	182,323	48,421	-	1,625,330	114,251
-	(569)	(181)	(96)	-	-	(390)	-
\$ 240,446	\$ 587,885	\$ 357,538	\$ 215,897	\$ 70,895	\$ 3,409	\$ 2,161,539	\$ 121,270

KITSAP COUNTY, WASHINGTON

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

Nonmajor Governmental Funds

For the Year Ended December 31, 2017

	Special Revenue Funds				
	Kitsap County Stadium 132	Kitsap County Fair 133	Inmate Welfare Fund 135	SIU Revenue 136	Kitsap SAIVS 139
REVENUES:					
Property taxes	\$ -	\$ -	\$ -	\$ -	\$ -
Retail sales & use taxes	537,474	-	-	-	-
Other taxes	-	-	-	-	-
Licenses and permits	-	-	-	-	-
Intergovernmental	-	-	-	63,393	42,312
Charges for services	-	-	-	-	5,511
Fines & forfeits	-	-	-	57,768	-
Investment earnings	-	614	-	6,304	-
Miscellaneous	-	126,525	213,730	152	3,500
Total revenues	537,474	127,139	213,730	127,617	51,323
EXPENDITURES:					
Current:					
General government	-	-	-	-	46,225
Judicial Services	-	-	-	-	-
Public safety	-	-	162,883	44,506	-
Physical Environment	-	-	-	-	-
Transportation	-	-	-	-	-
Health & Human Services	-	-	-	-	-
Economic Environment	-	-	-	-	-
Culture & recreation	423,018	92,870	-	-	-
Debt service	-	-	-	-	-
Principal	-	-	-	-	-
Interest and other charges	-	-	-	-	-
Capital outlay	-	-	-	33,587	-
Total expenditures	423,018	92,870	162,883	78,093	46,225
Excess(deficiency) of revenues over expenditures	114,456	34,269	50,847	49,525	5,099
OTHER FINANCING SOURCES (USES):					
Sale of capital assets	-	-	-	2,269	-
Transfers in	-	-	-	-	-
Transfers out	(21,045)	-	-	(10,241)	-
Total other financing sources & use:	(21,045)	-	-	(7,972)	-
SPECIAL ITEMS:					
Sales of pledged assets	-	-	-	-	-
Net change in fund balance	93,411	34,269	50,847	41,553	5,099
Fund balances-beginning	430,293	133,961	189,655	668,491	32,124
Prior period adjustment	83,253	(59)	-	(492)	-
Fund balances-ending	\$ 606,958	\$ 168,171	\$ 240,502	\$ 709,552	\$ 37,223

Special Revenue Funds

Anti-Profitteering Revolving 141	Family Court Services 142	Trial Court Improvement 143	Public Defense Fd 144	Pooling Fees 145	GMA Park Impact Fees 146	GMA Trans. Impact Fees C Kitsap 148	County Parks Acquisition & Develop. 150
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
-	18,157	-	-	-	-	-	-
-	-	93,796	-	-	-	-	-
-	-	-	-	-	276,712	-	56,163
2,568	-	-	-	-	-	-	109
-	-	-	-	560,862	-	63	1,124
-	-	-	-	-	-	-	321,012
<u>2,568</u>	<u>18,157</u>	<u>93,796</u>	<u>-</u>	<u>560,862</u>	<u>276,712</u>	<u>63</u>	<u>378,408</u>
7,856	-	-	-	314,912	-	-	-
-	20,688	-	269,937	-	-	-	-
-	-	-	-	-	-	-	-
-	-	-	-	-	1,384	-	-
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	337,523
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	11,999
<u>7,856</u>	<u>20,688</u>	<u>-</u>	<u>269,937</u>	<u>314,912</u>	<u>1,384</u>	<u>-</u>	<u>349,522</u>
(5,288)	(2,531)	93,796	(269,937)	245,950	275,328	63	28,886
-	-	-	-	-	-	-	-
-	-	(99,000)	-	-	(188,316)	(7,703)	(538)
-	-	(99,000)	-	-	(188,316)	(7,703)	(538)
(5,288)	(2,531)	(5,204)	(269,937)	245,950	87,012	(7,640)	28,348
23,284	47,464	163,510	147,587	667,018	195,899	7,647	407,812
						(6)	(109)
<u>\$ 17,996</u>	<u>\$ 44,933</u>	<u>\$ 158,306</u>	<u>\$ (122,350)</u>	<u>\$ 912,968</u>	<u>\$ 282,911</u>	<u>\$ 0</u>	<u>\$ 436,051</u>

KITSAP COUNTY, WASHINGTON

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

Nonmajor Governmental Funds

For the Year Ended December 31, 2017

	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		-	3,115	-	-
Intergovernmental	64,921	-	-	-	72,781
Charges for services		-	-	-	286,607
Fines & forfeits		-	8,623	-	-
Investment earnings		75	779	-	11,783
Miscellaneous		22,659	9,214	-	53,000
Total revenues	64,921	22,734	21,731	-	424,171
EXPENDITURES:					
Current:					
General government		-	-	-	-
Judicial Services		-	-	-	-
Public safety	64,921	-	20,917	-	-
Physical Environment	-	-	-	-	-
Transportation		-	-	-	-
Health & Human Services		-	-	-	2,875,788
Economic Environment		-	-	-	-
Culture & recreation		30,554	-	-	-
Debt service					
Principal		-	-	-	-
Interest and other charges		-	-	-	-
Capital outlay		-	-	-	-
Total expenditures	64,921	30,554	20,917	-	2,875,788
Excess(deficiency) of revenues over expenditures	-	(7,819)	814	-	(2,451,617)
OTHER FINANCING SOURCES (USES):					
Sale of capital assets				-	-
Transfers in		-	-	-	1,940,529
Transfers out		-	-	-	-
Total other financing sources & uses	-	-	-	-	1,940,529
SPECIAL ITEMS:					
Sales of pledged assets					
Net change in fund balance	-	(7,819)	814	-	(511,088)
Fund balances-beginning		19,212	100,009	97	1,743,469
Prior period adjustment		(7)	(75)		(1,189)
Fund balances-ending	\$ -	\$ 11,385	\$ 100,747	\$ 97	\$ 1,231,192

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
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
-	-	-	-	-	-	4,591,453	-
-	-	-	-	-	-	-	-
-	-	-	-	5,839,444	-	-	-
-	856,873	234,353	-	458,817	-	-	-
30,065	-	-	-	1,554,711	-	-	140,584
-	-	-	-	-	-	-	-
-	95	13,520	-	-	540	-	550
-	86,715	205,941	-	378,908	83,350	-	-
30,065	943,683	453,814	-	8,231,881	83,890	4,591,453	141,134
-	-	-	-	-	-	-	-
30,335	-	-	-	-	-	-	-
-	-	-	-	-	-	144,302	-
-	-	-	30,972	458,740	-	-	-
-	-	-	-	-	-	-	-
-	945,300	242,320	-	6,030,371	-	-	-
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
-	-	-	-	82,921	-	-	-
30,335	945,300	242,320	30,972	6,572,033	-	144,302	-
(270)	(1,617)	211,494	(30,972)	1,659,848	83,890	4,447,150	141,134
-	-	-	-	-	-	-	-
-	-	-	-	(7,343)	-	(4,255,034)	-
-	-	-	-	(7,343)	-	(4,255,034)	-
(270)	(1,617)	211,494	(30,972)	1,652,505	83,890	192,116	141,134
10,217	2,093	2,485	83,249	3,251,986	-	2,109,202	734,117
-	(9)	-	-	-	-	684,735	(53)
\$ 9,947	\$ 467	\$ 213,979	\$ 52,277	\$ 4,904,491	\$ 83,890	\$ 2,986,053	\$ 875,198

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

Nonmajor Governmental Funds

For the Year Ended December 31, 2017

	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	129,770	32,163	70,698	-	-
Fines & forfeits	-	-	-	-	-
Investment earnings	1,426	94	1,109	1,135	-
Miscellaneous	-	-	-	-	91,933
Total revenues	131,196	32,257	71,807	1,135	91,933
EXPENDITURES:					
Current:					
General government	-	-	-	-	-
Judicial Services	-	-	-	-	-
Public safety	-	-	-	-	-
Physical Environment	-	-	-	-	-
Transportation	-	-	-	-	-
Health & Human Services	-	-	-	-	-
Economic Environment	-	-	-	-	50,016
Culture & recreation	-	-	-	-	-
Debt service	-	-	-	-	-
Principal	-	-	-	-	-
Interest and other charges	-	-	-	-	-
Capital outlay	-	-	-	-	5,387
Total expenditures	-	-	-	-	55,403
Excess(deficiency) of revenues over expenditures	131,196	32,257	71,807	1,135	36,529
OTHER FINANCING SOURCES (USES):					
Sale of capital assets	-	-	-	-	-
Transfers in	7,704	-	-	-	-
Transfers out	-	-	-	-	-
Total other financing sources & use:	7,704	-	-	-	-
SPECIAL ITEMS:					
Sales of pledged assets					
Net change in fund balance	138,900	32,257	71,807	1,135	36,529
Fund balances-beginning	688,998	88,925	338,631	209,605	162,390
Prior period adjustment	(138)	(9)	(107)	(110)	
Fund balances-ending	\$ 827,760	\$ 121,173	\$ 410,330	\$ 210,630	\$ 198,919

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
\$ 530,269	\$ 250,000	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
-	3,140,810	325,394	-	10,294,512	-	3,903,273	2,496,689
-	-	-	-	-	10	-	-
7,799	-	-	-	6,065	-	-	-
-	4,313	-	2,723	-	79,359	435	-
<u>538,068</u>	<u>3,395,123</u>	<u>325,394</u>	<u>2,723</u>	<u>10,300,577</u>	<u>79,369</u>	<u>3,903,708</u>	<u>2,496,689</u>
-	-	-	-	-	-	-	-
-	-	-	4,016	-	-	-	-
-	-	-	-	-	91,631	-	-
77,103	3,386,802	385,025	-	8,788,931	-	3,765,649	2,496,689
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
<u>77,103</u>	<u>3,386,802</u>	<u>385,025</u>	<u>4,016</u>	<u>8,788,931</u>	<u>91,631</u>	<u>3,765,649</u>	<u>2,496,689</u>
460,965	8,321	(59,631)	(1,293)	1,511,646	(12,262)	138,060	-
-	-	18,564	-	7,500	-	39,865	-
(396,439)	-	(12,000)	-	(425,774)	-	-	-
<u>(396,439)</u>	<u>-</u>	<u>6,564</u>	<u>-</u>	<u>(418,274)</u>	<u>-</u>	<u>39,865</u>	<u>-</u>
64,527	8,321	(53,067)	(1,293)	1,093,372	(12,262)	177,925	-
1,166,338	1,098,254	148,912	55,961	2,278,418	171,030	719,424	-
(754)	-	-	-	(587)	-	-	-
<u>\$ 1,230,110</u>	<u>\$ 1,106,575</u>	<u>\$ 95,845</u>	<u>\$ 54,668</u>	<u>\$ 3,371,203</u>	<u>\$ 158,768</u>	<u>\$ 897,349</u>	<u>\$ -</u>

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

Nonmajor Governmental Funds

For the Year Ended December 31, 2017

	Special Revenue Funds				
	Employment Training Fund 192	K. Regional Coordinating Council 193	ARRA EECBG 195	Total Special Revenue Funds	Bethel Corridor Dev Project 333
REVENUES:					
Property taxes	\$ -	\$ -	\$ -	\$ 2,547,726	\$ -
Retail sales & use taxes	-	-	-	9,712,576	-
Other taxes	-	-	-	3,824	-
Licenses and permits	-	-	-	5,860,716	-
Intergovernmental	876,388	77,405	-	24,519,224	-
Charges for services	-	-	-	5,198,715	-
Fines & forfeits	-	-	-	263,101	-
Investment earnings	-	-	-	632,260	-
Miscellaneous	20,468	1,394	-	1,737,004	-
Total revenues	896,856	78,799	-	50,475,146	-
EXPENDITURES:					
Current:					
General government	-	-	-	2,543,974	-
Judicial Services	-	-	-	412,633	-
Public safety	-	-	-	1,874,811	-
Physical Environment	-	-	-	771,399	-
Transportation	-	-	-	91,631	-
Health & Human Services	903,216	-	-	25,520,068	-
Economic Environment	-	200,348	-	7,468,355	-
Culture & recreation	-	-	-	883,964	-
Debt service				-	
Principal	-	-	-	96,788	-
Interest and other charges	-	-	-	3,240	-
Capital outlay	-	-	-	158,169	-
Total expenditures	903,216	200,348	-	39,825,033	-
Excess(deficiency) of revenues over expenditures	(6,360)	(121,549)	-	10,650,114	-
OTHER FINANCING SOURCES (USES)	-	-	-	-	-
Sale of capital assets				2,269	
Transfers in	-	139,162	-	2,613,658	-
Transfers out	-	-	-	(7,196,101)	-
Total other financing sources & use:	-	139,162	-	(4,580,174)	-
SPECIAL ITEMS:					
Sales of pledged assets					
Net change in fund balance	(6,360)	17,613	-	6,069,940	-
Fund balances-beginning	110,992	-	8,658	31,122,325	63,558
Prior period adjustment				1,546,308	
Fund balances-ending	\$ 104,633	\$ 17,613	\$ 8,658	\$ 38,738,574	\$ 63,558

Capital Project Funds

KCLTGO 2010 Bond 335	Poplars Cap Project 336	Juvenile Services Facility 352	Silverdale Projects 363	Parks Capital Improve. 382	Jail Construction 383	Capital Proj. 2001 384	Administrative Building 387
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
-	-	-	-	636,125	-	-	-
-	-	-	-	-	-	-	-
-	-	-	-	25,270	-	2,262	1,730
-	325,118	-	-	3,322,220	0	-	-
-	325,118	-	-	3,983,615	0	2,262	1,730
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
-	-	1,951	-	-	-	-	-
-	204,241	-	1	-	-	-	-
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
-	-	-	-	275,619	-	-	-
-	-	-	-	-	-	-	-
-	-	-	-	88,597	-	-	-
-	-	-	-	11,403	-	-	-
-	-	-	75,519	4,279,517	-	-	-
-	204,241	1,951	75,521	4,655,135	-	-	-
-	120,877	(1,951)	(75,521)	(671,520)	0	2,262	1,730
-	-	-	-	462,646	-	-	-
-	-	-	-	74,196	-	-	-
-	(125,440)	-	-	(236,520)	-	-	-
-	(125,440)	-	-	300,323	-	-	-
-	(4,563)	(1,951)	(75,521)	(371,197)	0	2,262	1,730
1,763	435,043	1,951	172,447	2,413,293	2,834	215,041	358,180
-	-	-	-	(1,341)	-	(219)	(167)
\$ 1,763	\$ 430,480	\$ 0	\$ 96,926	\$ 2,040,755	\$ 2,834	\$ 217,085	\$ 359,743

KITSAP COUNTY, WASHINGTON

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

Nonmajor Governmental Funds

For the Year Ended December 31, 2017

	2006 LTGO Bond Project 392	Total Capital Projects	Debt Service Funds		
			K.C. G.O. Refunding Bond 1996 230	KC 2010 LTGO 235	KC 2011 Refunding 236
REVENUES:					
Property taxes	\$ -	\$ -	\$ -	\$ -	\$ -
Retail sales & use taxes	-	-	-	-	-
Other taxes	-	-	-	-	-
Licenses and permits	-	-	-	-	-
Intergovernmental	-	636,125	-	-	842,531
Charges for services	-	-	-	-	-
Fines & forfeits	-	-	-	-	-
Investment earnings	-	29,262	-	-	-
Miscellaneous	-	3,647,338	-	-	106,050
Total revenues	-	4,312,726	-	-	948,581
EXPENDITURES:					
Current:					
General government	-	-	-	-	-
Judicial Services	-	-	-	-	-
Public safety	-	1,951	-	-	-
Physical Environment	-	204,242	-	-	-
Transportation	-	-	-	-	-
Health & Human Services	-	-	-	-	-
Economic Environment	-	-	-	-	-
Culture & recreation	-	275,619	-	-	-
Debt service	-	-	-	-	-
Principal	-	88,597	-	515,000	1,450,000
Interest and other charges	-	11,403	-	129,883	497,300
Capital outlay	-	4,355,036	-	-	-
Total expenditures	-	4,936,848	-	644,883	1,947,300
Excess(deficiency) of revenues over expenditures	-	(624,122)	-	(644,883)	(998,719)
OTHER FINANCING SOURCES (USES)					
Sale of capital assets	-	462,646	-	-	-
Transfers in	-	74,196	-	644,883	898,035
Transfers out	-	(361,960)	(95,148)	-	-
Total other financing sources & uses:	-	174,883	(95,148)	644,883	898,035
SPECIAL ITEMS:					
Sales of pledged assets	-	-	-	-	-
Net change in fund balance	-	(449,239)	(95,148)	-	(100,684)
Fund balances-beginning	2,713	3,666,823	95,148	145,888	106,047
Prior period adjustment	-	(1,727)	-	-	100,684
Fund balances-ending	\$ 2,713	\$ 3,215,856	\$ -	\$ 145,888	\$ 106,047

Debt Service Funds

Special Assessments 265/266	GO Bond 1999 281	GO Bond 1999B 282	GO Bond Bonds 2000 283	GO Bond 2001 & Refunding 284	GO Bond 2002A 286	GO Bond 2003 287	GO Bond 2003B 288
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
-	-	-	-	-	243,073	-	-
-	-	-	-	-	-	-	-
-	-	-	-	-	4,735	-	-
-	-	-	-	-	-	-	-
-	-	-	-	-	247,808	-	-
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
-	-	95,000	-	-	595,000	-	-
-	-	-	-	-	247,531	-	-
-	-	-	-	-	-	-	-
-	-	95,000	-	-	842,531	-	-
-	-	(95,000)	-	-	(594,723)	-	-
-	-	-	-	-	-	-	-
(60,973)	(26,974)	(58,093)	(26,842)	(113,081)	-	(5,178)	(8,135)
(60,973)	(26,974)	(58,093)	(26,842)	(113,081)	-	(5,178)	(8,135)
(60,973)	(26,974)	(153,093)	(26,842)	(113,081)	(594,723)	(5,178)	(8,135)
60,973	26,974	358,093	26,842	113,081	7,070,792	5,178	8,135
-	-	-	-	-	(255)	-	-
\$ -	\$ -	\$ 205,000	\$ -	\$ -	\$ 6,475,814	\$ -	\$ -

KITSAP COUNTY, WASHINGTON

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

Nonmajor Governmental Funds

For the Year Ended December 31, 2017

	Debt Service Funds				
	GO Bond 2004 289	Road Improvement Guaranty 290	LTGO 2005 Refunding 291	LTGO 2015 Refunding 238	LTGO 2006 292
REVENUES:					
Property taxes	\$ -	\$ -	\$ -	\$ -	\$ -
Retail sales & use taxes	-	-	-	-	-
Other taxes	-	-	-	-	-
Licenses and permits	-	-	-	-	-
Intergovernmental	-	-	-	467,281	-
Charges for services	-	-	-	-	-
Fines & forfeits	-	-	-	-	-
Investment earnings	-	-	-	-	-
Miscellaneous	-	-	-	-	-
Total revenues	-	-	-	467,281	-
EXPENDITURES:					
Current:					
General government	-	-	-	-	-
Judicial Services	-	-	-	-	-
Public safety	-	-	-	-	-
Physical Environment	-	-	-	-	-
Transportation	-	-	-	-	-
Health & Human Services	-	-	-	-	-
Economic Environment	-	-	-	-	-
Culture & recreation	-	-	-	-	-
Debt service	-	-	-	-	-
Principal	-	-	-	1,880,000	-
Interest and other charges	-	-	-	813,000	-
Capital outlay	-	-	-	-	-
Total expenditures	-	-	-	2,693,000	-
Excess(deficiency) of revenues over expenditures	-	-	-	(2,225,719)	-
OTHER FINANCING SOURCES (USES):					
Sale of capital assets	-	-	-	-	-
Transfers in	-	-	-	2,225,719	-
Transfers out	(17,284)	-	(3,337)	-	(134)
Total other financing sources & use:	(17,284)	-	(3,337)	2,225,719	(134)
SPECIAL ITEMS:					
Sales of pledged assets	-	-	-	-	-
Net change in fund balance	(17,284)	-	(3,337)	-	(134)
Fund balances-beginning	17,284	2,737	3,337	4	134
Prior period adjustment	-	-	-	-	-
Fund balances-ending	-	\$ 2,737	\$ (0)	\$ 4	\$ -

Total Debt Service	Total Nonmajor Governmental Funds
\$ -	\$ 2,547,726
-	9,712,576
-	3,824
-	5,860,716
1,552,885	26,708,235
-	5,198,715
-	263,101
4,735	666,257
106,050	5,490,392
<u>1,663,670</u>	<u>56,451,542</u>
-	2,543,974
-	412,633
-	1,876,762
-	975,641
-	91,631
-	25,520,068
-	7,468,355
-	1,159,583
-	-
4,535,000	4,720,386
1,687,714	1,702,357
-	4,513,204
<u>6,222,714</u>	<u>50,984,595</u>
(4,559,045)	5,466,947
-	464,915
3,768,637	6,456,492
(415,179)	(7,973,240)
<u>3,353,458</u>	<u>(1,051,833)</u>
(1,205,587)	4,415,114
8,040,643	42,829,791
100,429	1,645,010
<u>\$ 6,935,486</u>	<u>\$ 48,889,916</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, 2017

	Budget		Actual	Variance with Final Budget
	Original	Final		
REVENUES:				
Intergovernmental	371,202	371,202	367,819	(3,383)
Investment earnings	-	-	0	0
Miscellaneous	-	-	300	300
Total revenues	371,202	371,202	368,119	(3,083)
EXPENDITURES:				
Current:				
Public safety	620,296	620,296	605,483	14,813
Capital Outlay	-	-	6,120	(6,120)
Total expenditures	620,296	620,296	611,603	8,693
Excess(deficiency) of revenues over expenditures	(249,094)	(249,094)	(243,484)	5,610
OTHER FINANCING SOURCES (USES):				
Transfers in	249,094	249,094	249,094	(0)
Transfers out	-	-	-	-
Total other financing sources & uses	249,094	249,094	249,094	(0)
Net change in fund balance	-	-	5,610	5,610
Fund balances-beginning	(5,610)	(5,610)	(5,610)	-
Prior period adjustments	-	-	-	-
Fund balances-ending	\$ (5,610)	\$ (5,610)	\$ 0	\$ 5,610

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, 2017

	Budget		Actual	Variance with Final Budget
	Original	Final		
REVENUES:				
Charges for services	89,000	89,000	79,203	(9,797)
Miscellaneous	140	140	413	273
Total revenues	<u>89,140</u>	<u>89,140</u>	<u>79,616</u>	<u>(9,524)</u>
EXPENDITURES:				
Current:				
Judicial Services	89,985	89,985	91,674	(1,689)
Total expenditures	<u>89,985</u>	<u>89,985</u>	<u>91,674</u>	<u>(1,689)</u>
Excess(deficiency) of revenues over expenditures	<u>(845)</u>	<u>(845)</u>	<u>(12,057)</u>	<u>(11,212)</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>(845)</u>	<u>(845)</u>	<u>(12,057)</u>	<u>(11,212)</u>
Fund balances-beginning	154,148	154,148	154,148	-
Prior period adjustments	-	-	-	-
Fund balances-ending	<u>\$ 153,303</u>	<u>\$ 153,303</u>	<u>\$ 142,091</u>	<u>\$ (11,212)</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, 2017

	Budget		Actual	Variance with Final Budget
	Original	Final		
REVENUES:				
Intergovernmental	\$ 500,612	\$ 500,612	\$ 374,115	\$ (126,497)
Total revenues	500,612	500,612	374,115	(126,497)
EXPENDITURES:				
Current:				
Public safety	500,612	500,612	508,309	(7,697)
Total expenditures	500,612	500,612	508,309	(7,697)
Excess(deficiency) of revenues over expenditures	-	-	(134,194)	(134,194)
OTHER FINANCING SOURCES (USES):				
Transfers in	-	-	-	-
Transfers out	-	-	-	-
Total other financing sources & uses	-	-	-	-
Net change in fund balance	-	-	(134,194)	(134,194)
Fund balances-beginning	91,793	91,793	91,793	-
Prior period adjustments	-	-	-	-
Fund balances-ending	\$ 91,793	\$ 91,793	\$ (42,401)	\$ (134,194)

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, 2017

	Budget		Actual	Variance with Final Budget
	Original	Final		
REVENUES:				
Retail sales and use taxes	\$ 4,079,244	\$ 4,079,244	\$ 4,583,650	\$ 504,406
Total revenues	<u>4,079,244</u>	<u>4,079,244</u>	<u>4,583,650</u>	<u>504,406</u>
EXPENDITURES:				
Current:				
Health & Human Services	3,018,691	3,036,728	2,212,565	824,163
Total expenditures	<u>3,018,691</u>	<u>3,036,728</u>	<u>2,212,565</u>	<u>824,163</u>
Excess(deficiency) of revenues over expenditures	<u>1,060,553</u>	<u>1,042,516</u>	<u>2,371,085</u>	<u>1,328,569</u>
OTHER FINANCING SOURCES (USES):				
Transfers in	-	-	-	-
Transfers out	(1,060,553)	(1,042,516)	(723,700)	318,816
Total other financing sources & uses	<u>(1,060,553)</u>	<u>(1,042,516)</u>	<u>(723,700)</u>	<u>318,816</u>
Net change in fund balance	-	-	1,647,385	1,647,385
Fund balances-beginning	5,767,552	5,767,552	5,767,552	-
Prior period adjustments	-	-	783,637	783,637
Fund balances-ending	<u>\$ 5,767,552</u>	<u>\$ 5,767,552</u>	<u>\$ 8,198,574</u>	<u>\$ 2,431,022</u>

KITSAP COUNTY, WASHINGTON

Homeless Housing 109

Schedule of Revenues, Expenditures, and Changes in Fund Balances - Budget and Actual
For the Year Ended December 31, 2017

	Budget		Actual	Variance with Final Budget
	Original	Final		
REVENUES:				
Retail sales and use taxes	\$ -	\$ -	\$ -	\$ -
Charges for services	102,348	95,000	102,348	7,348
Miscellaneous	16,521	14,000	16,521	2,521
Total revenues	<u>118,869</u>	<u>109,000</u>	<u>118,869</u>	<u>9,869</u>
EXPENDITURES:				
Current:				
Health & human services	105,542	109,000	105,542	3,458
Total expenditures	<u>105,542</u>	<u>109,000</u>	<u>105,542</u>	<u>3,458</u>
Excess(deficiency) of revenues over expenditures	<u>13,327</u>	<u>-</u>	<u>13,327</u>	<u>13,327</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>13,327</u>	<u>-</u>	<u>13,327</u>	<u>13,327</u>
Fund balances-beginning	71,050	71,050	71,050	-
Prior period adjustments	-	-	-	-
Fund balances-ending	<u>\$ 84,377</u>	<u>\$ 71,050</u>	<u>\$ 84,377</u>	<u>\$ 13,327</u>

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, 2017

	Budget		Actual	Variance with Final Budget
	Original	Final		
REVENUES:				
Charges for services	219,856	219,856	216,417	(3,439)
Total revenues	<u>219,856</u>	<u>219,856</u>	<u>216,417</u>	<u>(3,439)</u>
EXPENDITURES:				
Current:				
General government	38,319	74,069	65,795	8,274
Debt service				
Principal	100,028	100,028	96,788	3,240
Interest and other charges	-	-	3,240	(3,240)
Capital outlay	11,500	37,200	-	37,200
Total expenditures	<u>149,847</u>	<u>211,297</u>	<u>165,824</u>	<u>45,473</u>
Excess(deficiency) of revenues over expenditures	<u>70,009</u>	<u>8,559</u>	<u>50,593</u>	<u>42,034</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>70,009</u>	<u>8,559</u>	<u>50,593</u>	<u>42,034</u>
Fund balances-beginning	157,102	157,102	157,102	-
Prior period adjustments	-	-	-	-
Fund balances-ending	<u>\$ 227,111</u>	<u>\$ 165,661</u>	<u>\$ 207,695</u>	<u>\$ 42,034</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, 2017

	Budget		Actual	Variance with Final Budget
	Original	Final		
REVENUES:				
Intergovernmental	\$ 120,000	\$ 120,000	\$ 105,604	\$ (14,396)
Charges for services	126,024	126,024	130,609	4,585
Total revenues	<u>246,024</u>	<u>246,024</u>	<u>236,213</u>	<u>(9,811)</u>
EXPENDITURES:				
Current:				
General government	260,622	260,622	225,164	35,458
Capital outlay	15,500	15,500	14,404	
Total expenditures	<u>276,122</u>	<u>276,122</u>	<u>239,568</u>	<u>35,458</u>
Excess(deficiency) of revenues over expenditures	<u>(30,098)</u>	<u>(30,098)</u>	<u>(3,355)</u>	<u>26,743</u>
OTHER FINANCING SOURCES (USES):				
Transfers in	-	-	-	-
Transfers out	(5,000)	(8,853)	(3,852)	5,001
Total other financing sources & uses	<u>(5,000)</u>	<u>(8,853)</u>	<u>(3,852)</u>	<u>5,001</u>
Net change in fund balance	<u>(35,098)</u>	<u>(38,951)</u>	<u>(7,207)</u>	<u>31,744</u>
Fund balances-beginning	341,575	341,575	341,575	-
Prior period adjustments	-	-	-	-
Fund balances-ending	<u>\$ 306,477</u>	<u>\$ 302,624</u>	<u>\$ 334,368</u>	<u>\$ 31,744</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, 2017

	Budget		Actual	Variance with Final Budget
	Original	Final		
REVENUES:				
Intergovernmental	-	596,000	425,604	(170,396)
Charges for services	1,372,000	1,562,000	1,633,614	71,614
Total revenues	1,372,000	2,158,000	2,059,218	(98,782)
EXPENDITURES:				
Current:				
General government	1,372,000	2,158,000	1,747,196	410,804
Total expenditures	1,372,000	2,158,000	1,747,196	410,804
Excess(deficiency) of revenues over expenditures	-	-	312,021	312,021
OTHER FINANCING SOURCES (USES):				
Transfers in	-	-	-	-
Transfers out	-	-	-	-
Total other financing sources & uses	-	-	-	-
Net change in fund balance	-	-	312,021	312,021
Fund balances-beginning	2,467,232	2,467,232	2,467,232	-
Prior period adjustments	-	-	-	-
Fund balances-ending	\$ 2,467,232	\$ 2,467,232	\$ 2,779,253	\$ 312,021

KITSAP COUNTY, WASHINGTON

Westnet Fund 114

Schedule of Revenues, Expenditures, and Changes in Fund Balances - Budget and Actual
For the Year Ended December 31, 2017

	Budget		Actual	Variance with Final Budget
	Original	Final		
REVENUES:				
Intergovernmental	\$ 190,000	\$ 190,000	\$ 137,033	\$ (52,967)
Fines & forfeits	70,000	70,000	134,821	64,821
Investment earnings	1,500	1,500	2,248	748
Miscellaneous	-	-	2,700	2,700
Total revenues	<u>261,500</u>	<u>261,500</u>	<u>276,801</u>	<u>15,301</u>
EXPENDITURES:				
Current:				
Public safety	539,504	539,504	223,416	316,088
Capital outlay	-	-	-	-
Total expenditures	<u>539,504</u>	<u>539,504</u>	<u>223,416</u>	<u>316,088</u>
Excess(deficiency) of revenues over expenditures	<u>(278,004)</u>	<u>(278,004)</u>	<u>53,386</u>	<u>331,390</u>
OTHER FINANCING SOURCES (USES):				
Transfers in	92,113	92,113	10,241	(81,872)
Transfers out	(70,000)	(70,000)	(21,522)	48,478
Total other financing sources & uses	<u>22,113</u>	<u>22,113</u>	<u>(11,282)</u>	<u>(33,395)</u>
Net change in fund balance	<u>(255,891)</u>	<u>(255,891)</u>	<u>42,104</u>	<u>297,995</u>
Fund balances-beginning	287,421	287,421	287,421	-
Prior period adjustments	-	-	(179)	(179)
Fund balances-ending	<u>\$ 31,530</u>	<u>\$ 31,530</u>	<u>\$ 329,346</u>	<u>\$ 297,816</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, 2017

	Budget		Actual	Variance with Final Budget
	Original	Final		
REVENUES:				
Intergovernmental	\$ 63,000	\$ 63,000	\$ 62,790	\$ (210)
Investment earnings	1,000	1,000	1,902	902
Total revenues	<u>64,000</u>	<u>64,000</u>	<u>64,692</u>	<u>692</u>
EXPENDITURES:				
Current:				
Public safety	88,986	103,986	96,059	7,927
Capital Outlay	10,000	10,000	-	10,000
Total expenditures	<u>98,986</u>	<u>113,986</u>	<u>96,059</u>	<u>17,927</u>
Excess(deficiency) of revenues over expenditures	<u>(34,986)</u>	<u>(49,986)</u>	<u>(31,367)</u>	<u>18,619</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>(34,986)</u>	<u>(49,986)</u>	<u>(31,367)</u>	<u>18,619</u>
Fund balances-beginning	200,775	200,775	200,775	-
Prior period adjustments	-	-	(197)	(197)
Fund balances-ending	<u>\$ 165,789</u>	<u>\$ 150,789</u>	<u>\$ 169,211</u>	<u>\$ 18,422</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, 2017

	Budget		Actual	Variance with Final Budget
	Original	Final		
REVENUES:				
Intergovernmental	\$ 15,300	\$ 15,300	\$ 352	\$ (14,948)
Charges for services	-	221,000	243,327	22,327
Investment earnings	-	-	1,394	1,394
Total revenues	15,300	236,300	245,072	8,772
EXPENDITURES:				
Current:				
Physical Environment	-	356,291	268,465	87,826
Capital outlay	-	10,000	-	10,000
Total expenditures	-	366,291	268,465	97,826
Excess(deficiency) of revenues over expenditures	15,300	(129,991)	(23,393)	106,598
OTHER FINANCING SOURCES (USES):				
Transfers in	-	-	-	-
Transfers out	-	-	-	-
Total other financing sources & uses	-	-	-	-
Net change in fund balance	15,300	(129,991)	(23,393)	106,598
Fund balances-beginning	263,839	263,839	263,839	-
Prior period adjustments	-	-	-	-
Fund balances-ending	\$ 279,139	\$ 133,848	\$ 240,446	\$ 106,598

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, 2017

	Budget		Actual	Variance with Final Budget
	Original	Final		
REVENUES:				
Charges for services	\$ 143,000	\$ 143,000	\$ 62,681	\$ (80,319)
Investment earnings	3,500	3,500	5,884	2,384
Miscellaneous	1,500	1,500	1,938	438
Total revenues	<u>148,000</u>	<u>148,000</u>	<u>70,503</u>	<u>(77,497)</u>
EXPENDITURES:				
Current:				
General government	167,042	167,042	112,762	54,280
Total expenditures	<u>167,042</u>	<u>167,042</u>	<u>112,762</u>	<u>54,280</u>
Excess(deficiency) of revenues over expenditures	<u>(19,042)</u>	<u>(19,042)</u>	<u>(42,260)</u>	<u>(23,218)</u>
OTHER FINANCING SOURCES (USES):				
Transfers in	-	-	-	-
Transfers out	-	-	-	-
Total other financing sources & uses	-	-	-	-
Net change in fund balance	<u>(19,042)</u>	<u>(19,042)</u>	<u>(42,260)</u>	<u>(23,218)</u>
Fund balances-beginning	630,714	630,714	630,714	-
Prior period adjustments	-	-	(569)	(569)
Fund balances-ending	<u>\$ 611,672</u>	<u>\$ 611,672</u>	<u>\$ 587,885</u>	<u>\$ (23,787)</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, 2017

	Budget		Actual	Variance with Final Budget
	Original	Final		
REVENUES:				
Property taxes	\$ 370,000	\$ 400,000	\$ 405,861	\$ 5,861
Other taxes	-	-	880	880
Intergovernmental	-	-	148	148
Investment earnings	1,000	1,000	990	(10)
Miscellaneous			587	587
Total revenues	<u>371,000</u>	<u>401,000</u>	<u>408,465</u>	<u>7,465</u>
EXPENDITURES:				
Current:				
Health & Human Services	306,000	400,898	374,795	26,103
Total expenditures	<u>306,000</u>	<u>400,898</u>	<u>374,795</u>	<u>26,103</u>
Excess(deficiency) of revenues over expenditures	<u>65,000</u>	<u>102</u>	<u>33,670</u>	<u>33,568</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>65,000</u>	<u>102</u>	<u>33,670</u>	<u>33,568</u>
Fund balances-beginning	182,323	182,323	182,323	-
Prior period adjustments	-	-	(96)	(96)
Fund balances-ending	<u>\$ 247,323</u>	<u>\$ 182,425</u>	<u>\$ 215,897</u>	<u>\$ 33,472</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, 2017

	Budget		Actual	Variance with Final Budget
	Original	Final		
REVENUES:				
Fines & forfeits	\$ 24,000	\$ 24,000	\$ 25,224	\$ 1,224
Total revenues	24,000	24,000	25,224	1,224
EXPENDITURES:				
Current:				
General government	66,000	66,000	2,750	63,250
Total expenditures	66,000	66,000	2,750	63,250
Excess(deficiency) of revenues over expenditures	(42,000)	(42,000)	22,474	64,474
OTHER FINANCING SOURCES (USES):				
Transfers in	-	-	-	-
Transfers out	-	-	-	-
Total other financing sources & uses	-	-	-	-
Net change in fund balance	(42,000)	(42,000)	22,474	64,474
Fund balances-beginning	48,421	48,421	48,421	-
Prior period adjustments	-	-	-	-
Fund balances-ending	\$ 6,421	\$ 6,421	\$ 70,895	\$ 64,474

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, 2017

	Budget		Actual	Variance with Final Budget
	Original	Final		
REVENUES:				
Intergovernmental	\$ -	\$ 35,000	\$ 21,223	\$ (13,778)
Miscellaneous	-	-	7,250	7,250
Total revenues	-	35,000	28,473	(6,528)
EXPENDITURES:				
General government	-	35,000	21,314	13,686
Capital outlay	-	-	3,750	(3,750)
Total expenditures	-	35,000	25,064	9,936
Excess(deficiency) of revenues over expenditures	-	-	3,409	3,409
OTHER FINANCING SOURCES (USES):				
Transfers in	-	-	-	-
Transfers out	-	-	-	-
Total other financing sources & uses	-	-	-	-
Net change in fund balance	-	-	3,409	3,409
Fund balances-beginning	-	-	-	-
Prior period adjustments	-	-	-	-
Fund balances-ending	\$ -	\$ -	\$ 3,409	\$ 3,409

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, 2017

	Budget		Actual	Variance with Final Budget
	Original	Final		
REVENUES:				
Property taxes	\$ 1,458,157	\$ 1,458,157	\$ 1,361,596	\$ (96,561)
Other taxes	2,000	2,000	2,944	944
Intergovernmental	1,025	1,025	495	(530)
Investment earnings	2,292	2,292	4,030	1,738
Miscellaneous	-	-	1,964	1,964
Total revenues	<u>1,463,474</u>	<u>1,463,474</u>	<u>1,371,030</u>	<u>(92,444)</u>
EXPENDITURES:				
Physical Environment	11,837	11,837	11,837	-
Total expenditures	<u>11,837</u>	<u>11,837</u>	<u>11,837</u>	<u>-</u>
Excess(deficiency) of revenues over expenditures	<u>1,451,637</u>	<u>1,451,637</u>	<u>1,359,193</u>	<u>(92,444)</u>
OTHER FINANCING SOURCES (USES):				
Transfers in	-	201,000	201,000	-
Transfers out	-	(1,103,594)	(1,023,594)	80,000
Total other financing sources & uses	<u>-</u>	<u>(902,594)</u>	<u>(822,594)</u>	<u>80,000</u>
Net change in fund balance	<u>1,451,637</u>	<u>549,043</u>	<u>536,599</u>	<u>(12,444)</u>
Fund balances-beginning	1,625,330	1,625,330	1,625,330	-
Prior period adjustments	-	-	(390)	(390)
Fund balances-ending	<u>\$ 3,076,967</u>	<u>\$ 2,174,373</u>	<u>\$ 2,161,539</u>	<u>\$ (12,834)</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, 2017

	Budget		Actual	Variance with Final Budget
	Original	Final		
REVENUES:				
Charges for services	\$ 95,000	\$ 95,000	\$ 121,005	\$ 26,005
Fines & forfeits	30,000	30,000	33,979	3,979
Total revenues	<u>125,000</u>	<u>125,000</u>	<u>154,983</u>	<u>29,983</u>
EXPENDITURES:				
Current:				
Health & Human Services	<u>161,271</u>	<u>161,271</u>	<u>147,964</u>	<u>13,307</u>
Total expenditures	<u>161,271</u>	<u>161,271</u>	<u>147,964</u>	<u>13,307</u>
Excess(deficiency) of revenues over expenditures	<u>(36,271)</u>	<u>(36,271)</u>	<u>7,019</u>	<u>43,290</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>(36,271)</u>	<u>(36,271)</u>	<u>7,019</u>	<u>43,290</u>
Fund balances-beginning	114,251	114,251	114,251	-
Prior period adjustments	-	-	-	-
Fund balances-ending	<u>\$ 77,980</u>	<u>\$ 77,980</u>	<u>\$ 121,270</u>	<u>\$ 43,290</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, 2017

	Budget		Actual	Variance with Final Budget
	Original	Final		
REVENUES:				
Retail sales & use taxes	\$ 443,824	\$ 443,824	\$ 537,474	\$ 93,650
Total revenues	<u>443,824</u>	<u>443,824</u>	<u>537,474</u>	<u>93,650</u>
EXPENDITURES:				
Current:				
Culture & recreation	<u>422,779</u>	<u>422,779</u>	423,018	(239)
Total expenditures	<u>422,779</u>	<u>422,779</u>	423,018	(239)
Excess(deficiency) of revenues over expenditures	<u>21,045</u>	<u>21,045</u>	<u>114,456</u>	<u>93,411</u>
OTHER FINANCING SOURCES (USES):				
Transfers in	-	-	-	-
Transfers out	<u>(21,045)</u>	<u>(21,045)</u>	<u>(21,045)</u>	1
Total other financing sources & uses	<u>(21,045)</u>	<u>(21,045)</u>	<u>(21,045)</u>	1
Net change in fund balance	<u>-</u>	<u>-</u>	<u>93,411</u>	<u>93,411</u>
Fund balances-beginning	430,293	430,293	430,293	-
Prior period adjustments	-	-	83,253	83,253
Fund balances-ending	<u>\$ 430,293</u>	<u>\$ 430,293</u>	<u>\$ 606,958</u>	<u>\$ 176,665</u>

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, 2017

	Budget		Actual	Variance with Final Budget
	Original	Final		
REVENUES:				
Invest earnings	\$ 300	\$ 300	\$ 614	\$ 314
Miscellaneous	147,000	147,000	126,525	(20,475)
Total revenues	<u>147,300</u>	<u>147,300</u>	<u>127,139</u>	<u>(20,161)</u>
EXPENDITURES:				
Current:				
Culture & recreation	104,941	104,941	92,870	12,071
Total expenditures	<u>104,941</u>	<u>104,941</u>	<u>92,870</u>	<u>12,071</u>
Excess(deficiency) of revenues over expenditures	<u>42,359</u>	<u>42,359</u>	<u>34,269</u>	<u>(8,090)</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>42,359</u>	<u>42,359</u>	<u>34,269</u>	<u>(8,090)</u>
Fund balances-beginning	133,961	133,961	133,961	-
Prior period adjustments	-	-	(59)	(59)
Fund balances-ending	<u>\$ 176,320</u>	<u>\$ 176,320</u>	<u>\$ 168,171</u>	<u>\$ (8,149)</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, 2017

	Budget		Actual	Variance with Final Budget
	Original	Final		
REVENUES:				
Miscellaneous	190,000	190,000	213,730	23,730
Total revenues	190,000	190,000	213,730	23,730
EXPENDITURES:				
Public safety	173,016	181,016	162,883	18,133
Total expenditures	173,016	181,016	162,883	18,133
Excess(deficiency) of revenues over expenditures	16,984	8,984	50,847	41,863
OTHER FINANCING SOURCES (USES):				
Transfers in	-	-	-	-
Transfers out	-	-	-	-
Total other financing sources & uses	-	-	-	-
Net change in fund balance	16,984	8,984	50,847	41,863
Fund balances-beginning	189,655	189,655	189,655	-
Prior period adjustments	-	-	-	-
Fund balances-ending	\$ 206,639	\$ 198,639	\$ 240,502	\$ 41,863

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, 2017

	Budget		Actual	Variance with Final Budget
	Original	Final		
REVENUES:				
Intergovernmental	\$ 100,000	\$ 100,000	\$ 63,393	\$ (36,607)
Fines & forfeits	45,000	45,000	57,768	12,768
Investment earnings	2,000	2,000	6,304	4,304
Miscellaneous	-	-	152	152
Total revenues	<u>147,000</u>	<u>147,000</u>	<u>127,617</u>	<u>(19,383)</u>
EXPENDITURES:				
Current:				
Public safety	95,714	95,714	44,506	51,208
Capital outlay	30,000	30,000	33,587	(3,587)
Total expenditures	<u>125,714</u>	<u>125,714</u>	<u>78,093</u>	<u>47,621</u>
Excess(deficiency) of revenues over expenditures	<u>21,286</u>	<u>21,286</u>	<u>49,525</u>	<u>28,239</u>
OTHER FINANCING SOURCES (USES):				
Sale of capital assets	-	-	2,269	2,269
Transfers in	50,000	50,000	-	(50,000)
Transfers out	(92,113)	(92,113)	(10,241)	81,872
Total other financing sources & uses	<u>(42,113)</u>	<u>(42,113)</u>	<u>(7,972)</u>	<u>34,141</u>
Net change in fund balance	<u>(20,827)</u>	<u>(20,827)</u>	<u>41,553</u>	<u>62,380</u>
Fund balances-beginning	668,491	668,491	668,491	-
Prior period adjustments	-	-	(492)	(492)
Fund balances-ending	<u>\$ 647,664</u>	<u>\$ 647,664</u>	<u>\$ 709,552</u>	<u>\$ 61,888</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, 2017

	Budget		Actual	Variance with Final Budget
	Original	Final		
REVENUES:				
Intergovernmental	\$ 51,961	\$ 51,961	\$ 42,312	\$ (9,649)
Charges for services	3,600	3,600	5,511	1,911
Interest earnings	-	-	3,500	3,500
Total revenues	<u>55,561</u>	<u>55,561</u>	<u>51,323</u>	<u>(4,238)</u>
EXPENDITURES:				
Current:				
General government	79,191	79,191	46,225	32,966
Total Expenditures	<u>79,191</u>	<u>79,191</u>	<u>46,225</u>	<u>32,966</u>
Excess(deficiency) of revenues over expenditures	<u>(23,630)</u>	<u>(23,630)</u>	<u>5,099</u>	<u>28,729</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>(23,630)</u>	<u>(23,630)</u>	<u>5,099</u>	<u>28,729</u>
Fund balances-beginning	32,124	32,124	32,124	-
Prior period adjustments	-	-	-	-
Fund balances-ending	<u>\$ 8,494</u>	<u>\$ 8,494</u>	<u>\$ 37,223</u>	<u>\$ 28,729</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, 2017

	Budget		Actual	Variance with Final Budget
	Original	Final		
REVENUES:				
Fines & forfeits	\$ 2,400	\$ 2,400	\$ 2,568	\$ 168
Total revenues	2,400	2,400	2,568	168
EXPENDITURES:				
Current:				
General government	27,400	27,400	7,856	19,544
Total expenditures	27,400	27,400	7,856	19,544
Excess(deficiency) of revenues over expenditures	(25,000)	(25,000)	(5,288)	19,712
OTHER FINANCING SOURCES (USES):				
Transfers in	-	-	-	-
Transfers out	-	-	-	-
Total other financing sources & uses	-	-	-	-
Net change in fund balance	(25,000)	(25,000)	(5,288)	19,712
Fund balances-beginning	23,284	23,284	23,284	-
Prior period adjustments	-	-	-	-
Fund balances-ending	\$ (1,716)	\$ (1,716)	\$ 17,996	\$ 19,712

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, 2017

	Budget		Actual	Variance with Final Budget
	Original	Final		
REVENUES:				
Licenses and permits	\$ 16,346	\$ 16,346	\$ 18,157	\$ 1,811
Total revenues	<u>16,346</u>	<u>16,346</u>	<u>18,157</u>	<u>1,811</u>
EXPENDITURES:				
Current:				
Judicial Services	24,581	24,581	20,688	3,893
Total expenditures	<u>24,581</u>	<u>24,581</u>	<u>20,688</u>	<u>3,893</u>
Excess(deficiency) of revenues over expenditures	<u>(8,235)</u>	<u>(8,235)</u>	<u>(2,531)</u>	<u>5,704</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>(8,235)</u>	<u>(8,235)</u>	<u>(2,531)</u>	<u>5,704</u>
Fund balances-beginning	47,464	47,464	47,464	-
Prior period adjustments	-	-	-	-
Fund balances-ending	<u>\$ 39,229</u>	<u>\$ 39,229</u>	<u>\$ 44,933</u>	<u>\$ 5,704</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, 2017

	Budget		Actual	Variance with Final Budget
	Original	Final		
REVENUES:				
Intergovernmental	\$ 99,000	\$ 99,000	\$ 93,796	\$ (5,204)
Total revenues	<u>99,000</u>	<u>99,000</u>	<u>93,796</u>	<u>(5,204)</u>
EXPENDITURES:				
Current:				
Total expenditures	-	-	-	-
Excess(deficiency) of revenues over expenditures	<u>99,000</u>	<u>99,000</u>	<u>93,796</u>	<u>(5,204)</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	-	-	(5,204)	(5,204)
Fund balances-beginning	163,510	163,510	163,510	-
Prior period adjustments	-	-	-	-
Fund balances-ending	<u>\$ 163,510</u>	<u>\$ 163,510</u>	<u>\$ 158,306</u>	<u>\$ (5,204)</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, 2017

	Budget		Actual	Variance with Final Budget
	Original	Final		
REVENUES:				
Intergovernmental	\$ 223,910	\$ 223,910	\$ -	\$ (223,910)
Total revenues	<u>223,910</u>	<u>223,910</u>	<u>-</u>	<u>(223,910)</u>
EXPENDITURES:				
Current:				
Judicial Services	269,834	269,834	269,937	(103)
Total expenditures	<u>269,834</u>	<u>269,834</u>	<u>269,937</u>	<u>(103)</u>
Excess(deficiency) of revenues over expenditures	<u>(45,924)</u>	<u>(45,924)</u>	<u>(269,937)</u>	<u>(224,013)</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>(45,924)</u>	<u>(45,924)</u>	<u>(269,937)</u>	<u>(224,013)</u>
Fund balances-beginning	147,587	147,587	147,587	-
Prior period adjustments	-	-	-	-
Fund balances-ending	<u>\$ 101,663</u>	<u>\$ 101,663</u>	<u>\$ (122,350)</u>	<u>\$ (224,013)</u>

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, 2017

	Budget		Actual	Variance with Final Budget
	Original	Final		
REVENUES:				
Investment earnings	\$ 400,000	\$ 400,000	\$ 560,862	\$ 160,862
Total revenues	<u>400,000</u>	<u>400,000</u>	<u>560,862</u>	<u>160,862</u>
EXPENDITURES:				
Current:				
General government	700,853	700,853	314,912	385,941
Capital outlay	<u>5,000</u>	<u>5,000</u>	-	<u>5,000</u>
Total expenditures	<u>705,853</u>	<u>705,853</u>	<u>314,912</u>	<u>390,941</u>
Excess(deficiency) of revenues over expenditures	<u>(305,853)</u>	<u>(305,853)</u>	<u>245,950</u>	<u>551,803</u>
OTHER FINANCING SOURCES (USES):				
Transfers in	-	-	-	-
Transfers out	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total other financing sources & uses	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Net change in fund balance	<u>(305,853)</u>	<u>(305,853)</u>	<u>245,950</u>	<u>551,803</u>
Fund balances-beginning	667,018	667,018	667,018	-
Prior period adjustments	-	-	-	-
Fund balances-ending	<u>\$ 361,165</u>	<u>\$ 361,165</u>	<u>\$ 912,968</u>	<u>\$ 551,803</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, 2017

	Budget		Actual	Variance with Final Budget
	Original	Final		
REVENUES:				
Charges for services	\$ 140,000	\$ 140,000	\$ 276,712	\$ 136,712
Investment earnings	400	400	-	(400)
Total revenues	<u>140,400</u>	<u>140,400</u>	<u>276,712</u>	<u>136,312</u>
EXPENDITURES:				
Physical Environment	1,384	1,384	1,384	-
Total expenditures	<u>1,384</u>	<u>1,384</u>	<u>1,384</u>	<u>-</u>
Excess(deficiency) of revenues over expenditures	<u>139,016</u>	<u>139,016</u>	<u>275,328</u>	<u>136,312</u>
OTHER FINANCING SOURCES (USES):				
Transfers in	80,000	80,000	-	(80,000)
Transfers out	<u>(188,317)</u>	<u>(188,317)</u>	<u>(188,316)</u>	<u>1</u>
Total other financing sources & uses	<u>(108,317)</u>	<u>(108,317)</u>	<u>(188,316)</u>	<u>(79,999)</u>
Net change in fund balance	<u>30,699</u>	<u>30,699</u>	<u>87,012</u>	<u>56,313</u>
Fund balances-beginning	195,899	195,899	195,899	-
Prior period adjustments	-	-	-	-
Fund balances-ending	<u>\$ 226,598</u>	<u>\$ 226,598</u>	<u>\$ 282,911</u>	<u>\$ 56,313</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, 2017

	Budget		Actual	Variance with Final Budget
	Original	Final		
REVENUES:				
Charges for services	\$ 50,000	\$ 50,000	\$ 56,163	\$ 6,163
Fines & forfeits	300	300	109	(191)
Investment earnings	600	600	1,124	524
Miscellaneous	304,100	304,100	321,012	16,912
Total revenues	<u>355,000</u>	<u>355,000</u>	<u>378,408</u>	<u>23,408</u>
EXPENDITURES:				
Current:				
Culture & recreation	436,613	436,613	337,523	99,090
Capital outlay	-	-	11,999	(11,999)
Total expenditures	<u>436,613</u>	<u>436,613</u>	<u>349,522</u>	<u>87,092</u>
Excess(deficiency) of revenues over expenditures	<u>(81,613)</u>	<u>(81,613)</u>	<u>28,886</u>	<u>110,499</u>
OTHER FINANCING SOURCES (USES):				
Transfers in	-	-	-	-
Transfers out	<u>(25,540)</u>	<u>(25,540)</u>	<u>(538)</u>	<u>25,002</u>
Total other financing sources & uses	<u>(25,540)</u>	<u>(25,540)</u>	<u>(538)</u>	<u>25,002</u>
Net change in fund balance	<u>(107,153)</u>	<u>(107,153)</u>	<u>28,348</u>	<u>135,501</u>
Fund balances-beginning	407,812	407,812	407,812	-
Prior period adjustments	-	-	(109)	(109)
Fund balances-ending	<u>\$ 300,659</u>	<u>\$ 300,659</u>	<u>\$ 436,051</u>	<u>\$ 135,392</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, 2017

	Budget		Actual	Variance with Final Budget
	Original	Final		
REVENUES:				
Intergovernmental	\$ -	\$ 113,395	\$ 64,921	\$ (48,474)
Total revenues	-	113,395	64,921	-
EXPENDITURES:				
Current:				
Public Safety	\$ -	113,395	64,921	48,474
Total expenditures	-	113,395	64,921	48,474
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, 2017

	Budget		Actual	Variance with Final Budget
	Original	Final		
REVENUES:				
Investment earnings	\$ 100	\$ 100	\$ 75	\$ (25)
Miscellaneous	21,000	21,000	22,659	1,659
Total revenues	<u>21,100</u>	<u>21,100</u>	<u>22,734</u>	<u>1,634</u>
EXPENDITURES:				
Current:				
Culture & recreation	39,974	39,974	30,554	9,420
Total expenditures	<u>39,974</u>	<u>39,974</u>	<u>30,554</u>	<u>9,420</u>
Excess(deficiency) of revenues over expenditures	<u>(18,874)</u>	<u>(18,874)</u>	<u>(7,819)</u>	<u>11,055</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>(18,874)</u>	<u>(18,874)</u>	<u>(7,819)</u>	<u>11,055</u>
Fund balances-beginning	19,212	19,212	19,212	-
Prior period adjustments	-	-	(7)	(7)
Fund balances-ending	<u>\$ 338</u>	<u>\$ 338</u>	<u>\$ 11,385</u>	<u>\$ 11,047</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, 2017

	Budget		Actual	Variance with Final Budget
	Original	Final		
REVENUES:				
Licenses and permits	\$ 3,000	\$ 3,000	\$ 3,115	\$ 115
Fines & forfeits	15,000	15,000	8,623	(6,377)
Investment earnings	400	400	779	379
Miscellaneous	1,000	1,000	9,214	8,214
Total revenues	<u>19,400</u>	<u>19,400</u>	<u>21,731</u>	<u>2,331</u>
EXPENDITURES:				
Current:				
Public safety	<u>59,141</u>	<u>59,141</u>	<u>20,917</u>	<u>38,224</u>
Total expenditures	<u>59,141</u>	<u>59,141</u>	<u>20,917</u>	<u>38,224</u>
Excess(deficiency) of revenues over expenditures	<u>(39,741)</u>	<u>(39,741)</u>	<u>814</u>	<u>40,555</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>(39,741)</u>	<u>(39,741)</u>	<u>814</u>	<u>40,555</u>
Fund balances-beginning	<u>100,009</u>	<u>100,009</u>	<u>100,009</u>	<u>-</u>
Prior period adjustments	-	-	(75)	(75)
Fund balances-ending	<u>\$ 60,268</u>	<u>\$ 60,268</u>	<u>\$ 100,747</u>	<u>\$ 40,479</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, 2017

	Budget		Actual	Variance with Final Budget
	Original	Final		
REVENUES:				
Intergovernmental	\$ -	\$ -	\$ 72,781	\$ 72,781
Charges for services	-	-	286,607	286,607
Investment earnings	6,000	6,000	11,783	5,783
Miscellaneous	100,000	100,000	53,000	(47,000)
Total revenues	106,000	106,000	424,171	318,171
EXPENDITURES:				
Current:				
Health & Human Services	2,943,758	3,163,758	2,875,788	287,970
Capital outlay	-	-	-	-
Total expenditures	2,943,758	3,163,758	2,875,788	287,970
Excess(deficiency) of revenues over expenditures	(2,837,758)	(3,057,758)	(2,451,617)	606,141
OTHER FINANCING SOURCES (USES):				
Transfers in	2,837,758	2,837,758	1,940,529	(897,229)
Transfers out	-	-	-	-
Total other financing sources & uses	2,837,758	2,837,758	1,940,529	(897,229)
Net change in fund balance	-	(220,000)	(511,088)	(291,088)
Fund balances-beginning	1,743,469	1,743,469	1,743,469	-
Prior period adjustments	-	-	(1,189)	(1,189)
Fund balances-ending	\$ 1,743,469	\$ 1,523,469	\$ 1,231,192	\$ (292,277)

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, 2017

	Budget		Actual	Variance with Final Budget
	Original	Final		
REVENUES:				
Charges for services	\$ 40,000	\$ 40,000	\$ 30,065	\$ (9,935)
Total revenues	<u>40,000</u>	<u>40,000</u>	<u>30,065</u>	<u>(9,935)</u>
EXPENDITURES:				
Current:				
Judicial Services	40,000	40,000	30,335	9,665
Total expenditures	<u>40,000</u>	<u>40,000</u>	<u>30,335</u>	<u>9,665</u>
Excess(deficiency) of revenues over expenditures	<u>-</u>	<u>-</u>	<u>(270)</u>	<u>(270)</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>(270)</u>	<u>(270)</u>
Fund balances-beginning	10,217	10,217	10,217	-
Prior period adjustments	-	-	-	-
Fund balances-ending	<u>\$ 10,217</u>	<u>\$ 10,217</u>	<u>\$ 9,947</u>	<u>\$ (270)</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, 2017

	Budget		Actual	Variance with Final Budget
	Original	Final		
REVENUES:				
Intergovernmental	\$ 1,574,842	\$ 1,574,842	\$ 856,873	\$ (717,969)
Investment earnings	150	150	95	(55)
Miscellaneous	9,726	9,726	86,715	76,989
Total revenues	<u>1,584,718</u>	<u>1,584,718</u>	<u>943,683</u>	<u>(641,035)</u>
EXPENDITURES:				
Current:				
Economic Environment	1,584,718	1,584,718	945,300	639,418
Total expenditures	<u>1,584,718</u>	<u>1,584,718</u>	<u>945,300</u>	<u>639,418</u>
Excess(deficiency) of revenues over expenditures	<u>-</u>	<u>-</u>	<u>(1,617)</u>	<u>(1,617)</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>(1,617)</u>	<u>(1,617)</u>
Fund balances-beginning	2,093	2,093	2,093	-
Prior period adjustments	-	-	(9)	(9)
Fund balances-ending	<u>\$ 2,093</u>	<u>\$ 2,093</u>	<u>\$ 467</u>	<u>\$ (1,626)</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, 2017

	Budget		Actual	Variance with Final Budget
	Original	Final		
REVENUES:				
Intergovernmental	\$ 1,954,748	\$ 1,954,748	\$ 234,353	\$ (1,720,395)
Investment earnings	23,709	23,709	13,520	(10,189)
Miscellaneous	21,414	21,414	205,941	184,527
Total revenues	<u>1,999,871</u>	<u>1,999,871</u>	<u>453,814</u>	<u>(1,546,057)</u>
EXPENDITURES:				
Current:				
Health & Human Services	-	-	-	-
Economic Environment	1,999,871	1,999,871	242,320	1,757,551
Total Expenditures	<u>1,999,871</u>	<u>1,999,871</u>	<u>242,320</u>	<u>1,757,551</u>
Excess(deficiency) of revenues over expenditures	<u>-</u>	<u>-</u>	<u>211,494</u>	<u>211,494</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>211,494</u>	<u>211,494</u>
Fund balances-beginning	2,485	2,485	2,485	-
Prior period adjustments	-	-	-	-
Fund balances-ending	<u>\$ 2,485</u>	<u>\$ 2,485</u>	<u>\$ 213,979</u>	<u>\$ 211,494</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, 2017

	Budget		Actual	Variance with Final Budget
	Original	Final		
REVENUES:				
Intergovernmental	-	-	-	-
Total revenues	-	-	-	-
EXPENDITURES:				
Current:				
Physical Environment	40,000	83,249	30,972	52,277
Total expenditures	40,000	83,249	30,972	52,277
Excess(deficiency) of revenues over expenditures	(40,000)	(83,249)	(30,972)	52,277
OTHER FINANCING SOURCES (USES):				
Transfers in	-	-	-	-
Transfers out	-	-	-	-
Total other financing sources & uses	-	-	-	-
Net change in fund balance	(40,000)	(83,249)	(30,972)	52,277
Fund balances-beginning	83,249	83,249	83,249	-
Prior period adjustments	-	-	-	-
Fund balances-ending	\$ 43,249	\$ -	\$ 52,277	\$ 52,277

KITSAP COUNTY, WASHINGTON

Community Development 168

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

For the Year Ended December 31, 2017

	Budget		Actual	Variance with Final Budget
	Original	Final		
REVENUES:				
Licenses and permits	\$ 4,274,699	4,284,699	5,839,444	\$ 1,554,745
Intergovernmental	476,105	814,802	458,817	(355,985)
Charges for services	1,705,894	1,705,894	1,554,711	(151,183)
Miscellaneous	112,847	112,847	378,908	266,061
Total revenues	<u>6,569,545</u>	<u>6,918,242</u>	<u>8,231,881</u>	<u>1,313,639</u>
EXPENDITURES:				
Current:				
Physical Environment	\$ 476,105	\$ 814,802	\$ 458,740	\$ 356,062
Economic Environment	4,483,523	6,526,065	6,030,371	495,694
Capital outlay	67,200	97,200	82,921	14,279
Total expenditures	<u>5,026,828</u>	<u>7,438,067</u>	<u>6,572,033</u>	<u>866,034</u>
Excess(deficiency) of revenues over expenditures	<u>1,542,717</u>	<u>(519,825)</u>	<u>1,659,848</u>	<u>2,179,673</u>
OTHER FINANCING SOURCES (USES):				
Transfers in	-	-	-	-
Transfers out	-	(7,343)	(7,343)	-
Total other financing sources & uses	<u>-</u>	<u>(7,343)</u>	<u>(7,343)</u>	<u>-</u>
Net change in fund balance	<u>1,542,717</u>	<u>(527,168)</u>	<u>1,652,505</u>	<u>2,179,673</u>
Fund balances-beginning	3,251,986	3,251,986	3,251,986	-
Prior period adjustments	-	-	-	-
Fund balances-ending	<u>\$ 4,794,703</u>	<u>\$ 2,724,818</u>	<u>\$ 4,904,491</u>	<u>\$ 2,179,673</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, 2017

	Budget		Actual	Variance with Final Budget
	Original	Final		
REVENUES:				
Retail sales & use taxes	\$ 4,403,713	\$ 4,403,713	\$ 4,591,453	\$ 187,740
Investment earnings	-	-	-	-
Total revenues	<u>4,403,713</u>	<u>4,403,713</u>	<u>4,591,453</u>	<u>187,740</u>
EXPENDITURES:				
Current:				
Public Safety	-	-	144,302	(144,302)
Capital outlay	-	315,000	-	315,000
Total expenditures	-	315,000	144,302	170,698
Excess(deficiency) of revenues over expenditures	<u>4,403,713</u>	<u>4,088,713</u>	<u>4,447,150</u>	<u>358,437</u>
OTHER FINANCING SOURCES (USES):				
Transfers in	-	-	-	-
Transfers out	(4,355,719)	(4,355,719)	(4,255,034)	100,685
Total other financing sources & uses	<u>(4,355,719)</u>	<u>(4,355,719)</u>	<u>(4,255,034)</u>	<u>100,685</u>
Net change in fund balance	<u>47,994</u>	<u>(267,006)</u>	<u>192,116</u>	<u>459,122</u>
Fund balances-beginning	2,109,202	2,109,202	2,109,202	-
Prior period adjustments	-	-	684,735	684,735
Fund balances-ending	<u>\$ 2,157,196</u>	<u>\$ 1,842,196</u>	<u>\$ 2,986,053</u>	<u>\$ 1,143,857</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, 2017

	Budget		Actual	Variance with Final Budget
	Original	Final		
REVENUES:				
Miscellaneous	\$ 97,429	\$ 97,429	\$ 91,933	\$ (5,496)
Total revenues	<u>97,429</u>	<u>97,429</u>	<u>91,933</u>	<u>(5,496)</u>
	6			
EXPENDITURES:				
Current:				
Economic Environment	69,210	69,210	50,016	19,194
Capital outlay	<u>20,000</u>	<u>20,000</u>	<u>5,387</u>	<u>14,613</u>
Total expenditures	<u>89,210</u>	<u>89,210</u>	<u>55,403</u>	<u>33,807</u>
Excess(deficiency) of revenues over expenditures	<u>8,219</u>	<u>8,219</u>	<u>36,529</u>	<u>28,310</u>
OTHER FINANCING SOURCES (USES):				
Transfers in	-	-	-	-
Transfers out	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total other financing sources & uses	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Net change in fund balance	<u>8,219</u>	<u>8,219</u>	<u>36,529</u>	<u>28,310</u>
Fund balances-beginning	<u>162,390</u>	<u>162,390</u>	<u>162,390</u>	<u>-</u>
Prior period adjustments	-	-	-	-
Fund balances-ending	<u>\$ 170,609</u>	<u>\$ 170,609</u>	<u>\$ 198,919</u>	<u>\$ 28,310</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, 2017

	Budget		Actual	Variance with Final Budget
	Original	Final		
REVENUES:				
Property taxes	\$ 550,000	\$ 550,000	\$ 530,269	\$ (19,731)
Investment earnings	-	-	7,799	7,799
Miscellaneous	5,000	5,000	-	(5,000)
Total revenues	<u>555,000</u>	<u>555,000</u>	<u>538,068</u>	<u>(16,932)</u>
EXPENDITURES:				
Current:				
Health & Human Services	105,000	105,000	77,103	27,897
Total expenditures	<u>105,000</u>	<u>105,000</u>	<u>77,103</u>	<u>27,897</u>
Excess(deficiency) of revenues over expenditures	<u>450,000</u>	<u>450,000</u>	<u>460,965</u>	<u>10,965</u>
OTHER FINANCING SOURCES (USES):				
Transfers in	-	-	-	-
Transfers out	(450,000)	(450,000)	(396,439)	53,561
Total other financing sources & uses	<u>(450,000)</u>	<u>(450,000)</u>	<u>(396,439)</u>	<u>53,561</u>
Net change in fund balance	-	-	64,527	64,527
Fund balances-beginning	1,166,338	1,166,338	1,166,338	-
Prior period adjustments	-	-	(754)	(754)
Fund balances-ending	<u>\$ 1,166,338</u>	<u>\$ 1,166,338</u>	<u>\$ 1,230,110</u>	<u>\$ 63,772</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, 2017

	Budget		Actual	Variance with Final Budget
	Original	Final		
REVENUES:				
Property taxes	\$ 250,000	\$ 250,000	\$ 250,000	\$ -
Intergovernmental	3,447,100	3,447,100	3,140,810	(306,290)
Miscellaneous	12,000	12,000	4,313	(7,688)
Total revenues	<u>3,709,100</u>	<u>3,709,100</u>	<u>3,395,123</u>	<u>(313,977)</u>
EXPENDITURES:				
Current:				
Health & Human Services	3,709,100	3,709,100	3,386,802	322,298
Total expenditures	<u>3,709,100</u>	<u>3,709,100</u>	<u>3,386,802</u>	<u>322,298</u>
Excess(deficiency) of revenues over expenditures	<u>-</u>	<u>-</u>	<u>8,321</u>	<u>8,321</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>8,321</u>	<u>8,321</u>
Fund balances-beginning	1,098,254	1,098,254	1,098,254	-
Prior period adjustments	-	-	-	-
Fund balances-ending	<u>\$ 1,098,254</u>	<u>\$ 1,098,254</u>	<u>\$ 1,106,575</u>	<u>\$ 8,321</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, 2017

	Budget		Actual	Variance with Final Budget
	Original	Final		
REVENUES:				
Intergovernmental	\$ 260,000	\$ 1,508,150	\$ 325,394	\$ (1,182,756)
Miscellaneous	4,000	4,000	-	(4,000)
Total revenues	<u>264,000</u>	<u>1,512,150</u>	<u>325,394</u>	<u>(1,186,756)</u>
EXPENDITURES:				
Current:				
Health & Human Services	270,564	1,518,714	385,025	1,133,689
Total expenditures	<u>270,564</u>	<u>1,518,714</u>	<u>385,025</u>	<u>1,133,689</u>
Excess(deficiency) of revenues over expenditures	<u>(6,564)</u>	<u>(6,564)</u>	<u>(59,631)</u>	<u>(53,067)</u>
OTHER FINANCING SOURCES (USES):				
Transfers in	18,564	18,564	18,564	-
Transfers out	<u>(12,000)</u>	<u>(12,000)</u>	<u>(12,000)</u>	-
Total other financing sources & uses	<u>6,564</u>	<u>6,564</u>	<u>6,564</u>	-
Net change in fund balance	<u>-</u>	<u>-</u>	<u>(53,067)</u>	<u>(53,067)</u>
Fund balances-beginning	148,912	148,912	148,912	-
Prior period adjustments	-	-	-	-
Fund balances-ending	<u>\$ 148,912</u>	<u>\$ 148,912</u>	<u>\$ 95,845</u>	<u>\$ (53,067)</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, 2017

	Budget		Actual	Variance with Final Budget
	Original	Final		
REVENUES:				
Miscellaneous	\$ 1,306	\$ 1,306	\$ 2,723	\$ 1,417
Total revenues	<u>1,306</u>	<u>1,306</u>	<u>2,723</u>	<u>1,417</u>
EXPENDITURES:				
Current:				
Public safety	44,667	44,667	4,016	40,651
Total expenditures	<u>44,667</u>	<u>44,667</u>	<u>4,016</u>	<u>40,651</u>
Excess(deficiency) of revenues over expenditures	<u>(43,361)</u>	<u>(43,361)</u>	<u>(1,293)</u>	<u>42,068</u>
OTHER FINANCING SOURCES (USES):				
Transfers in	-	-	-	-
Transfers out	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total other financing sources & uses	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Net change in fund balance	<u>(43,361)</u>	<u>(43,361)</u>	<u>(1,293)</u>	<u>42,068</u>
Fund balances-beginning	55,961	55,961	55,961	-
Prior period adjustments	-	-	-	-
Fund balances-ending	<u>\$ 12,600</u>	<u>\$ 12,600</u>	<u>\$ 54,668</u>	<u>\$ 42,068</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, 2017

	Budget		Actual	Variance with Final Budget
	Original	Final		
REVENUES:				
Intergovernmental	\$ 9,105,000	\$ 10,105,000	\$ 10,294,512	\$ 189,512
Investment earnings	3,500	3,500	6,065	2,565
Miscellaneous	-	-	-	-
Total revenues	<u>9,108,500</u>	<u>10,108,500</u>	<u>10,300,577</u>	<u>192,077</u>
EXPENDITURES:				
Current:				
Health and human services	<u>8,540,850</u>	<u>9,637,749</u>	<u>8,788,931</u>	<u>848,818</u>
Total expenditures	<u>8,540,850</u>	<u>9,637,749</u>	<u>8,788,931</u>	<u>848,818</u>
Excess(deficiency) of revenues over expenditures	<u>567,650</u>	<u>470,751</u>	<u>1,511,646</u>	<u>1,040,895</u>
OTHER FINANCING SOURCES (USES):				
Transfers in	7,500	7,500	7,500	-
Transfers out	<u>(575,150)</u>	<u>(478,251)</u>	<u>(425,774)</u>	<u>52,477</u>
Total other financing sources & uses	<u>(567,650)</u>	<u>(470,751)</u>	<u>(418,274)</u>	<u>52,477</u>
Net change in fund balance	<u>-</u>	<u>-</u>	<u>1,093,372</u>	<u>1,093,372</u>
Fund balances-beginning	<u>2,278,418</u>	<u>2,278,418</u>	<u>2,278,418</u>	<u>-</u>
Prior period adjustments	<u>-</u>	<u>-</u>	<u>(587)</u>	<u>(587)</u>
Fund balances-ending	<u>\$ 2,278,418</u>	<u>\$ 2,278,418</u>	<u>\$ 3,371,203</u>	<u>\$ 1,092,785</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, 2017

	Budget		Actual	Variance with Final Budget
	Original	Final		
REVENUES:				
Fines & forfeits	\$ -	\$ -	\$ 10	\$ -
Miscellaneous	\$ 82,068	\$ 82,068	\$ 79,359	\$ (2,709)
Total revenues	<u>82,068</u>	<u>82,068</u>	<u>79,369</u>	<u>(2,709)</u>
EXPENDITURES:				
Current:				
Transportation	94,070	94,070	91,631	2,439
Total expenditures	<u>94,070</u>	<u>94,070</u>	<u>91,631</u>	<u>2,439</u>
Excess(deficiency) of revenues over expenditures	<u>(12,002)</u>	<u>(12,002)</u>	<u>(12,262)</u>	<u>(260)</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>(12,002)</u>	<u>(12,002)</u>	<u>(12,262)</u>	<u>(260)</u>
Fund balances-beginning	171,030	171,030	171,030	-
Prior period adjustments	-	-	-	-
Fund balances-ending	<u>\$ 159,028</u>	<u>\$ 159,028</u>	<u>\$ 158,768</u>	<u>\$ (260)</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, 2017

	Budget		Actual	Variance with Final Budget
	Original	Final		
REVENUES:				
Intergovernmental	\$ 3,961,387	\$ 4,081,387	\$ 3,903,273	\$ (178,114)
Miscellaneous	2,500	2,500	435	(2,065)
Total revenues	<u>3,963,887</u>	<u>4,083,887</u>	<u>3,903,708</u>	<u>(180,179)</u>
EXPENDITURES:				
Current:				
Health & Human Services	4,003,752	4,123,752	3,765,649	358,103
Total expenditures	<u>4,003,752</u>	<u>4,123,752</u>	<u>3,765,649</u>	<u>358,103</u>
Excess(deficiency) of revenues over expenditures	<u>(39,865)</u>	<u>(39,865)</u>	<u>138,060</u>	<u>177,925</u>
OTHER FINANCING SOURCES (USES):				
Transfers in	39,865	39,865	39,865	-
Transfers out	-	-	-	-
Total other financing sources & uses	<u>39,865</u>	<u>39,865</u>	<u>39,865</u>	<u>-</u>
Net change in fund balance	-	-	177,925	177,925
Fund balances-beginning	719,424	719,424	719,424	-
Prior period adjustments	-	-	-	-
Fund balances-ending	<u>\$ 719,424</u>	<u>\$ 719,424</u>	<u>\$ 897,349</u>	<u>\$ 177,925</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, 2017

	Budget		Actual	Variance with Final Budget
	Original	Final		
REVENUES:				
Intergovernmental	\$ 2,240,000	\$ 2,845,000	\$ 2,496,689	\$ (348,311)
Miscellaneous	-	-	-	-
Total revenues	<u>2,240,000</u>	<u>2,845,000</u>	<u>2,496,689</u>	<u>(348,311)</u>
EXPENDITURES:				
Current:				
Health & Human Services	2,240,000	2,845,000	2,496,689	348,311
Total expenditures	<u>2,240,000</u>	<u>2,845,000</u>	<u>2,496,689</u>	<u>348,311</u>
Excess(deficiency) of revenues over expenditures	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</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>-</u>	<u>-</u>
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, 2017

	Budget		Actual	Variance with Final Budget
	Original	Final		
REVENUES:				
Intergovernmental	\$ 1,200,000	\$ 1,200,000	\$ 876,388	\$ (323,612)
Charges for services	-	-	-	-
Fines & forfeits	-	-	-	-
Investment earnings	-	-	-	-
Miscellaneous	45,000	45,000	20,468	(24,532)
Total revenues	<u>1,245,000</u>	<u>1,245,000</u>	<u>896,856</u>	<u>(348,144)</u>
EXPENDITURES:				
Current:				
Health & Human Services	<u>1,245,000</u>	<u>1,245,000</u>	<u>903,216</u>	<u>341,784</u>
Total expenditures	<u>1,245,000</u>	<u>1,245,000</u>	<u>903,216</u>	<u>341,784</u>
Excess(deficiency) of revenues over expenditures	<u>-</u>	<u>-</u>	<u>(6,360)</u>	<u>(6,360)</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>(6,360)</u>	<u>(6,360)</u>
Fund balances-beginning	<u>110,992</u>	<u>110,992</u>	<u>110,992</u>	<u>-</u>
Prior period adjustments	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Fund balances-ending	<u>\$ 110,992</u>	<u>\$ 110,992</u>	<u>\$ 104,633</u>	<u>\$ (6,360)</u>

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, 2017

	Budget		Actual	Variance with Final Budget
	Original	Final		
REVENUES:				
Intergovernmental	\$ 78,682	\$ 78,682	\$ 77,405	\$ (1,277)
Charges for services	-	-	-	-
Miscellaneous	-	-	1,394	1,394
Total revenues	<u>78,682</u>	<u>78,682</u>	<u>78,799</u>	<u>117</u>
EXPENDITURES:				
Current:				
Economic Environment	<u>217,844</u>	<u>217,844</u>	<u>200,348</u>	<u>17,496</u>
Total expenditures	<u>217,844</u>	<u>217,844</u>	<u>200,348</u>	<u>17,496</u>
Excess(deficiency) of revenues over expenditures	<u>(139,162)</u>	<u>(139,162)</u>	<u>(121,549)</u>	<u>17,613</u>
OTHER FINANCING SOURCES (USES):				
Transfers in	139,162	139,162	139,162	-
Transfers out	-	-	-	-
Total other financing sources & uses	<u>139,162</u>	<u>139,162</u>	<u>139,162</u>	<u>-</u>
Net change in fund balance	<u>-</u>	<u>-</u>	<u>17,613</u>	<u>17,613</u>
Fund balances-beginning	-	-	-	-
Prior period adjustments	-	-	-	-
Fund balances-ending	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 17,613</u>	<u>\$ 17,613</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, 2017

	Budget		Actual	Variance with Final Budget
	Original	Final		
REVENUES:				
Investment earnings	\$ -	\$ -	\$ -	\$ -
Miscellaneous	317,500	317,500	325,118	\$ 7,618
Total revenues	<u>317,500</u>	<u>317,500</u>	<u>325,118</u>	<u>7,618</u>
EXPENDITURES:				
Physical Environment	213,198	213,198	204,241	8,957
Interest and other charges	-	-	-	-
Total expenditures	<u>213,198</u>	<u>213,198</u>	<u>204,241</u>	<u>8,957</u>
Excess(deficiency) of revenues over expenditures	<u>104,302</u>	<u>104,302</u>	<u>120,877</u>	<u>16,575</u>
OTHER FINANCING SOURCES (USES):				
Transfers in	-	-	-	-
Transfers out	(125,440)	(125,440)	(125,440)	-
Total other financing sources & uses	<u>(125,440)</u>	<u>(125,440)</u>	<u>(125,440)</u>	<u>-</u>
Net change in fund balance	(21,138)	(21,138)	(4,563)	16,575
Fund balances-beginning	435,043	435,043	435,043	-
Fund balances-ending	<u>\$ 413,905</u>	<u>\$ 413,905</u>	<u>\$ 430,480</u>	<u>\$ 16,575</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, 2017

	Budget		Actual	Variance with Final Budget
	Original	Final		
REVENUES:				
Intergovernmental	\$ -	\$ -	\$ -	\$ -
Total revenues	-	-	-	-
EXPENDITURES:				
Current:				
Physical Environment	175,000	175,000	1	174,999
Capital outlay	-	-	75,519	(75,519)
Total Expenditures	175,000	175,000	75,521	99,479
Excess(deficiency) of revenues over expenditures	(175,000)	(175,000)	(75,521)	99,479
OTHER FINANCING SOURCES (USES):				
Transfers in	-	-	-	-
Transfers out	-	-	-	-
Total other financing sources & uses	-	-	-	-
Net change in fund balance	(175,000)	(175,000)	(75,521)	99,479
Fund balances-beginning	172,447	172,447	172,447	-
Prior period adjustments	-	-	-	-
Fund balances-ending	\$ (2,553)	\$ (2,553)	\$ 96,926	\$ 99,479

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, 2017

	Budget		Actual	Variance with Final Budget
	Original	Final		
REVENUES:				
Intergovernmental	\$ 1,751,020	\$ 1,751,020	\$ 636,125	\$ (1,114,895)
Investment earnings	10,000	10,000	25,270	15,270
Miscellaneous	-	-	3,322,220	3,322,220
Total revenues	<u>1,761,020</u>	<u>1,761,020</u>	<u>3,983,615</u>	<u>2,222,595</u>
EXPENDITURES:				
Current:				
Culture & recreation	663,576	663,576	275,619	387,957
Debt service:				
Principal	-	-	88,597	(88,597)
Interest and other charges	-	-	11,403	(11,403)
Capital outlay	3,465,000	3,465,000	4,279,517	(814,517)
Total expenditures	<u>4,128,576</u>	<u>4,128,576</u>	<u>4,655,135</u>	<u>(526,559)</u>
Excess(deficiency) of revenues over expenditures	<u>(2,367,556)</u>	<u>(2,367,556)</u>	<u>(671,520)</u>	<u>1,696,036</u>
OTHER FINANCING SOURCES (USES):				
Sale of assets	250,000	250,000	462,646	212,646
Transfers in	920,000	920,000	74,196	(845,804)
Transfers out	-	(236,520)	(236,520)	-
Total other financing sources & uses	<u>1,170,000</u>	<u>933,480</u>	<u>300,323</u>	<u>(633,157)</u>
Net change in fund balance	<u>(1,197,556)</u>	<u>(1,434,076)</u>	<u>(371,197)</u>	<u>1,062,879</u>
Fund balances-beginning	2,413,293	2,413,293	2,413,293	-
Prior period adjustments	-	-	(1,341)	(1,341)
Fund balances-ending	<u>\$ 1,215,737</u>	<u>\$ 979,217</u>	<u>\$ 2,040,755</u>	<u>\$ 1,061,538</u>

KITSAP COUNTY, WASHINGTON

KC2010 LTGO 235

Schedule of Revenues, Expenditures, and Changes in Fund Balances - Budget and Actual
For the Year Ended December 31, 2017

	Budget		Actual	Variance with Final Budget
	Original	Final		
REVENUES:				
Investment earnings	\$ -	\$ -	\$ -	\$ -
Total revenues	-	-	-	-
EXPENDITURES:				
Current:				
Principal	515,000	515,000	515,000	-
Interest and other charges	129,883	129,883	129,883	-
Total expenditures	644,883	644,883	644,883	-
Excess(deficiency) of revenues over expenditures	(644,883)	(644,883)	(644,883)	-
OTHER FINANCING SOURCES (USES):				
Transfers in	644,883	644,883	644,883	-
Transfers out	-	-	-	-
Total other financing sources & uses	644,883	644,883	644,883	-
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, 2017

	Budget		Actual	Variance with Final Budget
	Original	Final		
REVENUES:				
Intergovernmental	\$ -	\$ -	\$ 842,531	\$ 842,531
Miscellaneous	106,050	106,050	106,050	-
Total revenues	106,050	106,050	948,581	842,531
EXPENDITURES:				
Current:				
Principal	1,449,999	1,449,999	1,450,000	(1)
Interest and other charges	497,300	497,300	497,300	-
Total expenditures	1,947,299	1,947,299	1,947,300	(1)
Excess(deficiency) of revenues over expenditures	(1,841,249)	(1,841,249)	(998,719)	842,530
OTHER FINANCING SOURCES (USES):				
Transfers in	1,841,249	1,841,249	898,035	(943,214)
Transfers out	-	-	-	-
Total other financing sources & uses	1,841,249	1,841,249	898,035	(943,214)
Net change in fund balance	-	-	(100,684)	(100,684)
Fund balances-beginning	106,047	106,047	106,047	-
Prior period adjustments	-	-	100,684	100,684
Fund balances-ending	\$ 106,047	\$ 106,047	\$ 106,047	0

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, 2017

	Budget		Actual	Variance with Final Budget
	Original	Final		
REVENUES:				
Intergovernmental	\$ 400,438	\$ 400,438	\$ 286,995	\$ (113,443)
Interest earnings	-	-	221,169	\$ 221,169
Miscellaneous	-	-	-	-
Total revenues	<u>400,438</u>	<u>400,438</u>	<u>508,164</u>	<u>107,726</u>
EXPENDITURES:				
Current:				
Physical environment	-	-	-	-
Principal	2,195,000	2,195,000	4,155,000	(1,960,000)
Interest and other charges	1,614,925	1,614,925	1,614,925	-
Total expenditures	<u>3,809,925</u>	<u>3,809,925</u>	<u>5,769,925</u>	<u>(1,960,000)</u>
Excess(deficiency) of revenues over expenditures	<u>(3,409,487)</u>	<u>(3,409,487)</u>	<u>(5,261,761)</u>	<u>(1,852,274)</u>
OTHER FINANCING SOURCES (USES):				
Transfers in	3,456,527	3,456,527	3,871,708	415,181
Transfers out	-	-	-	-
Total other financing sources & uses	<u>3,456,527</u>	<u>3,456,527</u>	<u>3,871,708</u>	<u>415,181</u>
Net change in fund balance	<u>47,040</u>	<u>47,040</u>	<u>(1,390,053)</u>	<u>(1,437,093)</u>
Fund balances-beginning	3,166,620	3,166,620	3,166,620	-
Prior period adjustments	-	-	(1,115)	(1,115)
Fund balances-ending	<u>\$ 3,213,660</u>	<u>\$ 3,213,660</u>	<u>\$ 1,775,452</u>	<u>\$ (1,438,208)</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, 2017

	Budget		Actual	Variance with Final Budget
	Original	Final		
REVENUES:				
Intergovernmental	\$ -	\$ 467,281	\$ 467,281	\$ -
Total revenues	-	467,281	467,281	-
EXPENDITURES:				
Current:				
Principal	-	1,893,000	1,880,000	13,000
Interest and other charges	-	800,000	813,000	(13,000)
Total expenditures	-	2,693,000	2,693,000	-
Excess(deficiency) of revenues over expenditures	-	(2,225,719)	(2,225,719)	-
OTHER FINANCING SOURCES (USES):				
Transfers in	-	2,225,719	2,225,719	-
Transfers out	-	-	-	-
Total other financing sources & uses	-	2,225,719	2,225,719	-
Net change in fund balance	-	-	-	-
Fund balances-beginning	4	4	4	-
Prior period adjustments	-	-	-	-
Fund balances-ending	\$ 4	\$ 4	\$ 4	\$ -

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, 2017

	Budget		Actual	Variance with Final Budget
	Original	Final		
REVENUES:				
Intergovernmental	\$ 842,530	\$ 842,530	\$ 243,073	\$ (599,457)
Investment earnings	-	-	4,735	4,735
Total revenues	<u>842,530</u>	<u>842,530</u>	<u>247,808</u>	<u>(594,722)</u>
EXPENDITURES:				
Current:				
Principal	-	-	595,000	(595,000)
Interest and other charges	-	-	247,531	(247,531)
Total expenditures	-	-	842,531	(842,531)
Excess(deficiency) of revenues over expenditures	<u>842,530</u>	<u>842,530</u>	<u>(594,723)</u>	<u>(1,437,253)</u>
OTHER FINANCING SOURCES (USES):				
Transfers in			-	
Transfers out	(842,530)	(842,530)	-	842,530
Total other financing sources & uses	<u>(842,530)</u>	<u>(842,530)</u>	<u>-</u>	<u>842,530</u>
Net change in fund balance	-	-	(594,723)	(594,723)
Fund balances-beginning	7,070,792	7,070,792	7,070,792	-
Prior period adjustments	-	-	(255)	(255)
Fund balances-ending	<u>\$ 7,070,792</u>	<u>\$ 7,070,792</u>	<u>\$ 6,475,814</u>	<u>\$ (594,978)</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, 2017

	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	\$ 13,727	\$ -	\$ 196,928	\$ 257,301
Deposits with fiscal agents	-	-	-	250,000	250,000
Investments	-	-	1,138	1,394,130	1,395,268
Total current assets	<u>\$ 46,646</u>	<u>\$ 13,727</u>	<u>\$ 1,138</u>	<u>\$ 1,841,057</u>	<u>1,902,569</u>
Total assets					
Deferred outflows	-	-	-	-	-
LIABILITIES AND FUND BALANCES					
LIABILITIES					
Other liabilities	-	30	-	-	30
Notes/Contracts	-	-	-	6,405,000	6,405,000
Total liabilities	<u>-</u>	<u>30</u>	<u>-</u>	<u>6,405,000</u>	<u>6,405,030</u>
Deferred inflows	-	-	-	-	-
NET POSITION					
Net investment in capital assets	-	-	-	-	-
Unrestricted	46,646	13,698	1,138	(4,563,943)	(4,502,460)
Total net position	<u>\$ 46,646</u>	<u>\$ 13,698</u>	<u>\$ 1,138</u>	<u>\$ (4,563,943)</u>	<u>\$ (4,502,460)</u>

KITSAP COUNTY, WASHINGTON

Combining Statement of Revenues, Expenditures and Changes in Fund Balances

Component Unit - Public Facilities District

For the Year Ended December 31, 2017

	PFD KFEC Facility 966	PFD Operations 968	PFD Kitsap Con 976	PFD Regional Center Cap 977	Total
REVENUES:					
Retail sales & use taxes	\$ -	\$ -	\$ -	\$ 1,507,252	\$ 1,507,252
Intergovernmental	-	-	-	-	-
Interest earnings	-	-	13	11,398	11,411
Miscellaneous	-	400	-	-	400
Total revenues	-	400	13	1,518,650	1,519,063
EXPENDITURES:					
Current:					
Physical environment	-	132,072	-	264,340	396,412
Capital outlay	-	-	-	-	-
Total expenditures	-	132,072	-	264,340	396,412
Excess(deficiency) of revenues over expenditures	-	(131,672)	13	1,254,310	1,122,651
OTHER FINANCING SOURCES (USES):					
Transfers out	-	-	-	(155,000)	(155,000)
Transfers in	-	140,000	-	-	140,000
Total other financing sources & uses	-	140,000	-	(155,000)	(15,000)
Net change in fund balance	-	8,328	13	1,099,310	1,107,651
Net position-beginning	46,646	5,370	1,126	(5,662,302)	(5,609,160)
Prior period adjustments	-	-	(1)	(950)	(951)
Net position-ending	\$ 46,646	\$ 13,698	\$ 1,138	\$ (4,563,942)	\$ (4,502,460)



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.

Combining Statement of Net Position

Internal Service Funds

December 31, 2017

	Equipment Rental and Revolving	Building Repair and Replacement	Employer Benefits	Self Insurance
ASSETS				
Current assets:				
Cash and Cash equivalents	\$ 21,075,531	\$ 320,010	\$ 4,985,406	\$ 10,565,191
Deposits with fiscal agents	-	-	-	-
Receivables, net	1,580	-	189	-
Due from other funds	593,774	15,000	-	-
Due from other governments	-	-	-	-
Prepayments	-	-	-	145,302
Inventories	1,922,439	-	-	-
Total current assets	<u>23,593,324</u>	<u>335,010</u>	<u>4,985,595</u>	<u>10,710,493</u>
Noncurrent assets:				
Buildings	1,659,927	1,065,846	-	-
Machinery & Equipment	33,356,731	6,812	-	-
Construction In Progress	-	94,491	-	-
Less accumulated depreciation	<u>(17,473,431)</u>	<u>(61,486)</u>	<u>-</u>	<u>-</u>
Total noncurrent assets	<u>17,543,227</u>	<u>1,105,663</u>	<u>-</u>	<u>-</u>
Total assets	<u>\$ 41,136,551</u>	<u>\$ 1,440,673</u>	<u>\$ 4,985,595</u>	<u>\$ 10,710,493</u>
DEFERRED OUTFLOWS				
Deferred Outflows Related to Pensions	83,230	-	-	-
Total assets and deferred outflows	<u>\$ 41,219,781</u>	<u>\$ 1,440,673</u>	<u>\$ 4,985,595</u>	<u>\$ 10,710,493</u>
LIABILITIES				
Current liabilities:				
Accounts payable	\$ 96,412	\$ 9,970	\$ 1,200	\$ 26,422
Due to other funds	24,591	-	-	13,905
Due to other governments	-	-	-	-
Other liabilities	39,002	-	90,978	8,707,058
Current portion of long term liabilities	8,856	-	1,987	3,177
Total current liabilities	<u>168,861</u>	<u>9,970</u>	<u>94,165</u>	<u>8,750,562</u>
Noncurrent Liabilities				
Net pension liability	497,136	-	-	-
Due in more than one year	79,708	-	17,879	28,593
Total noncurrent liabilities	<u>576,844</u>	<u>-</u>	<u>17,879</u>	<u>28,593</u>
Total liabilities	<u>745,705</u>	<u>9,970</u>	<u>112,044</u>	<u>8,779,155</u>
DEFERRED INFLOWS				
Deferred Inflows Related to Pensions	104,023	-	-	-
Total liabilities and deferred inflows	<u>\$ 849,728</u>	<u>\$ 9,970</u>	<u>\$ 112,044</u>	<u>\$ 8,779,155</u>
NET POSITION				
Net investment in capital assets	\$ 17,543,227	\$ 1,105,663	\$ -	\$ -
Restricted:				
Debt service	-	-	-	-
Unrestricted	22,826,826	325,040	4,873,551	1,931,338
Total net position	<u>\$ 40,370,053</u>	<u>\$ 1,430,703</u>	<u>\$ 4,873,551</u>	<u>\$ 1,931,338</u>

Elections	Information Services	Total
\$ -	\$ 1,378,885	\$ 38,325,023
-	-	-
-	11,223	12,992
-	-	608,774
518,436	234,995	753,431
-	-	145,302
-	-	1,922,439
<u>518,436</u>	<u>1,625,103</u>	<u>41,767,961</u>
-	-	2,725,773
270,846	4,052,148	37,686,537
-	-	94,491
<u>(270,846)</u>	<u>(3,494,279)</u>	<u>(21,300,042)</u>
-	557,869	19,206,759
<u>\$ 518,436</u>	<u>\$ 2,182,972</u>	<u>\$ 60,974,720</u>
83,230	416,149	582,609
<u>\$ 601,666</u>	<u>\$ 2,599,121</u>	<u>\$ 61,557,329</u>
\$ 6,470	\$ 202,225	\$ 342,699
1,054	4,795	44,345
-	-	-
517,892	110,978	9,465,908
3,996	27,633	45,649
<u>529,412</u>	<u>345,631</u>	<u>9,898,601</u>
497,136	2,485,678	3,479,950
35,964	248,693	410,837
<u>533,100</u>	<u>2,734,371</u>	<u>3,890,787</u>
<u>1,062,512</u>	<u>3,080,002</u>	<u>13,789,388</u>
104,023	520,116	728,162
<u>\$ 1,166,535</u>	<u>\$ 3,600,118</u>	<u>\$ 14,517,550</u>
\$ -	\$ 557,869	\$ 19,206,759
-	-	-
<u>(564,869)</u>	<u>(1,558,866)</u>	<u>27,833,020</u>
<u>\$ (564,869)</u>	<u>\$ (1,000,997)</u>	<u>\$ 47,039,779</u>

KITSAP COUNTY, WASHINGTON

Combining Statement of Revenues, Expenses, and Changes in Fund Net Assets Internal Service Funds For the Year Ended December 31, 2017

	Equipment Rental and Revolving	Building Repair and Replacement	Employer Benefits	Self Insurance
Operating revenues:				
Charges for services	\$ 12,066,024	\$ -	\$ 16,698,159	\$ 3,924,462
Miscellaneous	11,621	-	287,469	-
Total operating revenues	<u>12,077,645</u>	<u>-</u>	<u>16,985,628</u>	<u>3,924,462</u>
Operating expenses:				
Personal services	1,422,399	-	329,314	1,160,847
Contractual services	392,766	13,775	17,315,901	757,855
Utilities	22,918	-	-	140
Repair and maintenance	27,279	72,172	72,731	292
Other supplies and expenses	5,435,521	8,472	107,476	372,915
Ins. claims and expenses	8,923	-	791,590	223,076
Depreciation	2,490,794	48,823	-	3,792
Total operating expenses	<u>9,800,600</u>	<u>143,242</u>	<u>18,617,012</u>	<u>2,518,917</u>
Operating income	<u>2,277,045</u>	<u>(143,242)</u>	<u>(1,631,384)</u>	<u>1,405,545</u>
Nonoperating revenue (expenses)				
Interest revenue	-	-	-	-
Miscellaneous revenue	100,250	-	-	(46,769)
Interest expense	-	-	-	-
Miscellaneous expense	-	-	-	-
Total nonoperating exp.	<u>100,250</u>	<u>-</u>	<u>-</u>	<u>(46,769)</u>
Income (loss) before contributions & transfers	<u>2,377,295</u>	<u>(143,242)</u>	<u>(1,631,384)</u>	<u>1,358,776</u>
Capital contributions	523,553	-	-	-
Transfers in	-	440,000	-	-
Transfers out	(20,923)	-	-	-
Change in Net Position	<u>2,879,925</u>	<u>296,758</u>	<u>(1,631,384)</u>	<u>1,358,776</u>
Total net position - beginning	37,490,128	1,133,945	6,504,935	572,562
Prior period adjustment related to pensions	-	-	-	-
Total net position - ending	<u>\$ 40,370,053</u>	<u>\$ 1,430,703</u>	<u>\$ 4,873,551</u>	<u>\$ 1,931,338</u>

Elections	Information Services	Total
\$ 1,611,380	\$ 7,887,720	\$ 42,187,745
-	97	\$ 299,187
<u>1,611,380</u>	<u>7,887,817</u>	<u>42,486,932</u>
780,508	5,037,786	8,730,854
205,946	884,050	19,570,293
-	-	23,058
37,078	1,142,712	1,352,264
401,632	1,696,304	8,022,320
1,555	11,589	1,036,733
-	195,300	2,738,709
<u>1,426,719</u>	<u>8,967,741</u>	<u>41,474,231</u>
<u>184,661</u>	<u>(1,079,924)</u>	<u>1,012,701</u>
-	-	-
-	-	53,481
-	-	-
-	-	-
<u>-</u>	<u>-</u>	<u>53,481</u>
184,661	(1,079,924)	1,066,182
-	-	523,553
-	208,290	648,290
-	-	(20,923)
<u>184,661</u>	<u>(871,634)</u>	<u>2,217,102</u>
<u>(749,530)</u>	<u>(129,363)</u>	<u>44,822,677</u>
-	-	-
<u>\$ (564,869)</u>	<u>\$ (1,000,997)</u>	<u>\$ 47,039,779</u>

Combining Statement of Cash Flows
Internal Service Funds
For the Year Ended December 31, 2017

	Equipment Rental and Revolving	Building Repair and Replacement	Employer Benefits	Self Insurance
CASH FLOWS FROM OPERATING ACTIVITIES				
Receipts from customers	\$ 11,847,194	\$ (15,000)	\$ 17,085,378	\$ 4,457,167
Payments to suppliers	(6,262,936)	(91,044)	(18,203,571)	(2,407,562)
Payments to employees	(1,423,074)	-	(319,673.00)	(1,157,205)
Net cash provided by operating activities	<u>4,161,184</u>	<u>(106,044)</u>	<u>(1,437,866)</u>	<u>892,400</u>
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES				
Operating grants received	-	-	-	-
Transfers in	-	440,000	-	-
Transfers out	(20,923)	-	-	-
Net cash provided by noncapital activities	<u>(20,923)</u>	<u>440,000</u>	<u>-</u>	<u>-</u>
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES				
Capital contributions	-	-	-	-
Proceeds from sales of capital assets	100,250	-	-	(46,769)
Purchases of capital assets	(3,078,866)	(122,575)	-	(3,792)
Principal paid on capital debt	-	-	-	-
Interest paid on capital debt	-	-	-	-
Net cash from related financing activities	<u>(2,978,616)</u>	<u>(122,575)</u>	<u>-</u>	<u>(50,561)</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	1,161,645	211,381	(1,437,866)	841,839
Balances - beginning of the year	19,913,886	108,629	6,423,272	9,723,352
Balances - end of the year	<u>\$ 21,075,531</u>	<u>\$ 320,010</u>	<u>\$ 4,985,406</u>	<u>\$ 10,565,191</u>
Reconciliation of operating income (loss) to net cash provided (used) by operating activities:				
Operating income (loss)	\$ 2,277,045	\$ (143,242)	\$ (1,631,384)	\$ 1,405,545
Adjustments to reconcile operating income to net cash provided (used) by operating activities:				
Depreciation expense	2,490,794	48,823	-	3,792
Change in assets and liabilities:				
Receivables, net	(1,096)	-	99,750	542,814
Due from other funds	(229,355)	(15,000)	-	-
Due from other governments	-	-	-	-
Prepayments	-	-	-	(10,109)
Inventories	(134,228)	-	-	-
Deferred inflows	86,069	-	-	-
Accounts and other payables	(255,386)	3,382	(111)	(19,839)
Due to other funds	4,242	(7)	(4,252)	(18,517)
Due to other governments	9,843	-	-	-
Accrued expenses	-	-	88,490	(1,014,928)
Deferred outflows	50,874	-	-	-
Net pension liability	(155,800)	-	-	-
Employee leave benefits	18,182	-	9,641	3,642
Net cash provided by operating activities	<u>\$ 4,161,184</u>	<u>\$ (106,044)</u>	<u>\$ (1,437,866)</u>	<u>\$ 892,400</u>
Noncash investing, capital and financing activities				
Contribution of capital assets	\$ 523,553			

	Elections	Information Services	Total
\$	1,301,912	\$ 7,939,723	42,616,374
	(501,587)	(3,702,925)	(31,169,625)
	(800,325)	(4,614,283)	(8,314,560)
	-	(377,485)	3,132,189
	-	-	-
	-	208,290	648,290
	-	-	(20,923)
	-	208,290	627,367
	-	-	-
	-	-	53,481
	-	(109,241)	(3,314,474)
	-	-	-
	-	-	-
	-	(109,241)	(3,260,993)
	-	-	-
	-	-	-
	-	(278,436)	498,563
	-	1,657,321	37,826,460
\$	-	\$ 1,378,885	\$ 38,325,023
\$	184,661	\$ (1,079,924)	\$ 1,012,701
	-	195,300	2,738,709
	-	(10,956)	630,512
	-	289,063	44,708
(309,468)	(226,201)	(535,669)	
-	-	(10,109)	
-	-	(134,228)	
86,069	448,299	620,437	
(13,916)	73,167	(212,703)	
(75,237)	(75,035)	(168,806)	
-	-	9,843	
233,777	33,598	(659,063)	
50,874	120,265	222,013	
(155,800)	(126,064)	(437,664)	
(960)	(18,997)	11,508	
\$	-	\$ (377,485)	\$ 3,132,189

\$ 523,553

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Investment Trust Funds

Kitsap County Auditor | Financial Division

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.

KITSAP COUNTY, WASHINGTON

**Combining Statement of Fiduciary Net Position
Investment Trust Funds
December 31, 2017**

	State School	School Districts	Public Utility	Recreation Districts
ASSETS				
Cash & Pooled Investments	\$ 349,888	\$ 356,855,749	\$ 9,805,083	\$ 3,607,398
Cash and Investments in Trust	-	-	-	-
Investments	-	-	-	-
Taxes Receivable	-	-	-	-
Other Current Receivables	-	-	-	-
Due From Other Funds	-	-	-	-
Due From Other Governments	-	-	-	-
Total Assets	<u>\$ 349,888</u>	<u>\$ 356,855,749</u>	<u>\$ 9,805,083</u>	<u>\$ 3,607,398</u>
LIABILITIES				
Warrants Payable	\$ -	\$ -	\$ -	\$ -
Accounts Payable	-	-	-	-
Due to Other Governments	-	-	-	-
Interfund loans	-	-	-	-
Custodial Account	-	-	-	-
Total Liabilities	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
NET POSITION				
Investments Held in Trust for Pool Participants	349,888	356,855,749	9,805,083	3,607,398
Investments Held in Trust for Other Purposes	-	-	-	-
Total Net Position	<u>\$ 349,888</u>	<u>\$ 356,855,749</u>	<u>\$ 9,805,083</u>	<u>\$ 3,607,398</u>

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

Pub Health District	Library Districts	Cities	Ports	Water Districts	Fire Districts	Sewer District
\$ 2,448,308	\$ 4,774,974	\$ 268,576	\$ 7,296,313	\$ 63,914,446	\$ 55,051,683	\$ 10,801,297
-	-	-	-	-	-	-
-	-	-	-	-	-	-
-	-	-	-	-	-	-
-	-	-	-	-	-	-
-	-	-	-	-	-	-
<u>\$ 2,448,308</u>	<u>\$ 4,774,974</u>	<u>\$ 268,576</u>	<u>\$ 7,296,313</u>	<u>\$ 63,914,446</u>	<u>\$ 55,051,683</u>	<u>\$ 10,801,297</u>
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
-	-	-	-	-	-	-
-	-	-	-	-	-	-
-	-	-	-	-	-	-
<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
2,448,308	4,774,974	268,576	7,296,313	63,914,446	55,051,683	10,801,297
-	-	-	-	-	-	-
<u>\$ 2,448,308</u>	<u>\$ 4,774,974</u>	<u>\$ 268,576</u>	<u>\$ 7,296,313</u>	<u>\$ 63,914,446</u>	<u>\$ 55,051,683</u>	<u>\$ 10,801,297</u>

KITSAP COUNTY, WASHINGTON

**Combining Statement of Fiduciary Net Position
Investment Trust Funds
December 31, 2017**

	Public Transport	Pass-Thru	Kitsap 911	Totals 2017
ASSETS				
Cash & Pooled Investments	\$ 20,012,156	\$ 55,544	\$ 4,839,956	\$ 540,081,370
Cash and Investments in Trust	-	-	-	-
Investments	-	-	-	-
Taxes Receivable	-	-	-	-
Other Current Receivables	-	-	-	-
Due From Other Funds	-	-	-	-
Due From Other Governments	-	-	-	-
Total Assets	<u>\$ 20,012,156</u>	<u>\$ 55,544</u>	<u>\$ 4,839,956</u>	<u>\$ 540,081,370</u>
LIABILITIES				
Warrants Payable	\$ -	\$ -	\$ -	\$ -
Accounts Payable	-	-	-	-
Due to Other Governments	-	-	-	-
Interfund loans	-	-	-	-
Custodial Account	-	-	-	-
Total Liabilities	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
NET POSITION				
Investments Held in Trust for Pool Participants	20,012,156	55,544	4,839,956	\$ 540,081,370
Investments Held in Trust for Other Purposes	-	-	-	-
Total Net Position	<u>\$ 20,012,156</u>	<u>\$ 55,544</u>	<u>\$ 4,839,956</u>	<u>\$ 540,081,370</u>

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

**Combining Statement of Changes in Fiduciary Net Position
Investment Trust Funds
December 31, 2017**

	State School	School Districts	Public Utility	Recreation Districts
Additions:				
Contributions				
Additions by Participants	\$ 66,253,684	\$ 575,860,412	\$ 37,048,656	\$ 12,534,712
Trust Revenues	-	-	-	-
Total Contributions	<u>66,253,684</u>	<u>575,860,412</u>	<u>37,048,656</u>	<u>12,534,712</u>
Investment Income				
Net Increase (Decrease) in Fair Value of Investments	-	13,199	1,100	(169)
Interest, Dividends & Other	-	3,246,390	95,207	23,633
Total Investment Income	<u>-</u>	<u>3,259,589</u>	<u>96,307</u>	<u>23,464</u>
Total Additions	66,253,684	579,120,001	37,144,964	12,558,176
Deductions:				
Distributions to Participants	66,210,398	559,860,985	36,918,969	12,532,065
Trust Administrative Costs	-	-	-	-
Total Deductions	<u>66,210,398</u>	<u>559,860,985</u>	<u>36,918,969</u>	<u>12,532,065</u>
Change in Net Position Held for Individuals, Organizations & Other Governments	43,286	19,259,016	225,995	26,111
Net Position as of January 1, 2017 - Restated	<u>306,603</u>	<u>337,596,733</u>	<u>9,579,089</u>	<u>3,581,287</u>
Net Position as of December 31, 2017	<u><u>349,888</u></u>	<u><u>356,855,749</u></u>	<u><u>9,805,083</u></u>	<u><u>3,607,398</u></u>

Pub Health District	Library Districts	Cities	Ports	Water Districts	Fire Districts	Sewer District
\$ 16,102,598	\$ 19,439,703	\$ 14,672,130	\$ 19,175,604	\$ 78,584,214	\$ 119,022,301	\$ 17,072,068
-	-	-	-	-	-	-
16,102,598	19,439,703	14,672,130	19,175,604	78,584,214	119,022,301	17,072,068
733	(205)	-	3,281	(41,191)	10,934	86
30,125	37,445	7,566	73,370	296,758	585,292	93,501
30,858	37,241	7,566	76,651	255,566	596,226	93,587
16,133,455	19,476,944	14,679,697	19,252,255	78,839,781	119,618,527	17,165,655
16,219,867	19,801,756	14,617,482	18,527,842	77,175,980	119,803,293	17,506,134
-	-	-	-	-	-	-
16,219,867	19,801,756	14,617,482	18,527,842	77,175,980	119,803,293	17,506,134
(86,411)	(324,812)	62,215	724,413	1,663,801	(184,766)	(340,479)
2,534,719	5,099,786	206,361	6,571,900	62,250,645	55,236,449	11,141,776
2,448,308	4,774,974	268,576	7,296,313	63,914,446	55,051,683	10,801,297

**Combining Statement of Changes in Fiduciary Net Position
Investment Trust Funds
December 31, 2017**

	Public Transport	Pass-Thru	Kitsap 911	Totals 2017
Additions:				
Contributions				
Additions by Participants	\$ 57,563,134	\$ 298,369	\$ 16,887,078	\$ 1,050,514,663
Trust Revenues	-	-	-	-
Total Contributions	<u>57,563,134</u>	<u>298,369</u>	<u>16,887,078</u>	<u>1,050,514,663</u>
Investment Income				
Net Increase (Decrease) in Fair Value of Investments	(6,600)	3	(3,349)	(22,178)
Interest, Dividends & Other	104,085	96	40,626	4,634,094
Total Investment Income	<u>97,485</u>	<u>99</u>	<u>37,277</u>	<u>4,611,916</u>
Total Additions	57,660,618	298,469	16,924,354	1,055,126,579
Deductions:				
Distributions to Participants	59,365,045	276,420	19,429,006	1,038,245,241
Trust Administrative Costs	-	-	-	-
Total Deductions	<u>59,365,045</u>	<u>276,420</u>	<u>19,429,006</u>	<u>1,038,245,241</u>
Change in Net Position Held for Individuals, Organizations & Other Governments	(1,704,426)	22,048	(2,504,652)	16,881,338
Net Position as of January 1, 2017 - Restated	<u>21,716,582</u>	<u>33,495</u>	<u>7,344,608</u>	<u>523,200,032</u>
Net Position as of December 31, 2017	<u><u>20,012,156</u></u>	<u><u>55,544</u></u>	<u><u>4,839,956</u></u>	<u><u>540,081,370</u></u>



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, 2017

	City of Port Orchard	City of Bainbridge Island	Balance December 31
City of Port Orchard			
Assets			
Cash	\$ 8,513	\$ 18,641	\$ 27,154
Deposits with Fiscal Agents/Trustees	-	-	-
Investments	9,909,758	26,368,638	36,278,396
Taxes Receivable	63,490	159,164	222,655
Other Current Receivables	-	52,292	52,292
Due From Other Funds	-	-	-
Due From Other Governmental Units	-	-	-
Total Assets	<u>\$ 9,981,761</u>	<u>\$ 26,598,735</u>	<u>\$ 36,580,496</u>
Liabilities:			
Warrants Payable	-	\$ -	\$ -
Accounts Payable	-	-	-
Sales Tax Payable	-	-	-
Other Accrued Liabilities	-	-	-
Due to Other Funds	-	-	-
Custodial Account	9,981,761	26,598,735	36,580,496
Due to Other Governmental Units	-	-	-
Deferred Compensation	-	-	-
Total Liabilities	<u>\$ 9,981,761</u>	<u>\$ 26,598,735</u>	<u>\$ 36,580,496</u>
City of Bainbridge Island			
Assets			
Cash	\$ 45,704	\$ 27,005,859	\$ 27,051,563
Deposits with Fiscal Agents/Trustees	-	-	-
Investments	26,508,951	13,559,687	40,068,638
Taxes Receivable	170,953	-	170,953
Other Current Receivables	48,983	3,309	52,292
Due From Other Funds	-	-	-
Due From Other Governmental Units	-	-	-
Total Assets	<u>\$ 26,774,591</u>	<u>\$ 40,568,855</u>	<u>\$ 67,343,446</u>
Liabilities:			
Warrants Payable	\$ -	\$ -	\$ -
Accounts Payable	-	-	-
Sales Tax Payable	-	-	-
Other Accrued Liabilities	-	-	-
Due to Other Funds	-	-	-
Custodial Account	26,774,591	40,568,855	67,343,446
Due to Other Governmental Units	-	-	-
Deferred Compensation	-	-	-
Total Liabilities	<u>\$ 26,774,591</u>	<u>\$ 40,568,855</u>	<u>\$ 67,343,446</u>

KITSAP COUNTY, WASHINGTON

Combining Statement of Changes in Assets and Liabilities

Agency Funds

For the Fiscal Year Ended December 31, 2017

	Balance January 1	Additions	Deletions	Balance December 31
City of Port Orchard				
Assets				
Cash and Investments	\$ 8,103,134	\$ 9,210,316	\$ 7,395,177	\$ 9,918,272
Cash and Investments in Trust	-	-	-	-
Investments	-	-	-	-
Taxes Receivable	82,539	-	19,049	63,490
Other Current Receivables	-	-	-	-
Due From Other Funds	-	-	-	-
Due From Other Governmental Units	-	-	-	-
Total Assets	<u>\$ 8,185,673</u>	<u>\$ 9,210,316</u>	<u>\$ 7,414,226</u>	<u>\$ 9,981,763</u>

Liabilities:				
Warrants Payable	\$ -	\$ -	\$ -	\$ -
Other Accrued Liabilities	-	-	-	-
Due to Other Funds	-	-	-	-
Custodial Account	8,185,673	9,210,316	7,414,226	9,981,763
Due to Other Governmental Units	-	-	-	-
Deferred Compensation	-	-	-	-
Total Liabilities	<u>\$ 8,185,673</u>	<u>\$ 9,210,316</u>	<u>\$ 7,414,226</u>	<u>\$ 9,981,763</u>

	Balance January 1	Additions	Deletions	Balance December 31
City of Bainbridge Island				
Assets				
Cash	\$ 45,704	\$ 27,005,859	\$ 27,032,922	\$ 18,641
Deposits with Fiscal Agents/Trustees	-	-	-	-
Investments	26,508,951	13,559,687	13,700,000	26,368,638
Taxes Receivable	170,953	-	11,788	159,164
Interest Receivable	48,983	3,309	-	52,292
Other Current Receivables	-	-	-	-
Due From Other Funds	-	-	-	-
Due From Other Governmental Units	-	-	-	-
Total Assets	<u>\$ 26,774,591</u>	<u>\$ 40,568,855</u>	<u>\$ 40,744,710</u>	<u>\$ 26,598,735</u>

Liabilities:				
Warrants Payable	\$ -	\$ -	\$ -	\$ -
Accounts Payable	-	-	-	-
Sales Tax Payable	-	-	-	-
Other Accrued Liabilities	-	-	-	-
Due to Other Funds	-	-	-	-
Custodial Account	26,774,591	40,568,855	40,744,710	26,598,735
Due to Other Governmental Units	-	-	-	-
Deferred Compensation	-	-	-	-
Total Liabilities	<u>\$ 26,774,591</u>	<u>\$ 40,568,855</u>	<u>\$ 40,744,710</u>	<u>\$ 26,598,735</u>



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.

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KITSAP COUNTY, WASHINGTON

Table 1

Net Position by Component

Last Ten Fiscal Years

(amounts expressed in thousands)

	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017
Governmental activities										
Invested in capital assets, net of related debt	\$ 336,650	\$ 337,423	\$ 329,346	\$ 330,249	\$ 325,882	\$ 319,654	\$ 320,748	\$ 326,360	\$ 335,511	\$ 347,090
Restricted	13,837	21,404	18,758	15,984	13,681	13,022	13,981	12,194	11,707	11,927
Unrestricted	70,512	44,582	50,676	52,207	53,902	86,958	97,403	63,595	65,851	88,553
Total governmental activities net position	<u>\$ 420,999</u>	<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>
Business-type activities										
Invested in capital assets, net of related debt	\$ 42,903	\$ 47,506	\$ 53,159	\$ 53,847	\$ 53,332	\$ 61,483	\$ 80,135	\$ 70,080	\$ 85,810	\$ 96,670
Restricted	44	44	3,449	3,342	3,342	3,342	4,441	5,222	4,472	4,524
Unrestricted	67,114	67,734	60,168	60,238	62,209	54,738	41,054	51,756	49,834	47,614
Total business-type activities net position	<u>\$ 110,061</u>	<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>
Primary government										
Net investment in capital assets	\$ 379,553	\$ 384,929	\$ 382,505	\$ 384,095	\$ 379,215	\$ 381,137	\$ 400,883	\$ 396,440	\$ 421,321	\$ 443,761
Restricted	13,881	21,448	22,207	19,326	17,023	16,375	18,421	17,416	16,179	16,450
Unrestricted	137,626	112,316	110,844	112,446	116,111	141,685	138,458	115,352	115,685	136,167
Total primary government net position	<u>\$ 531,060</u>	<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>

KITSAP COUNTY, WASHINGTON

Table 2

Change in Net Position

Last Ten Fiscal Years

(amounts expressed in thousands)

	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017
Expenses										
Governmental Activities:										
General Government	\$ 26,687	\$ 27,213	\$ 27,402	\$ 25,549	\$ 24,934	\$ 19,290	\$ 25,090	\$ 21,904	\$ 23,378	\$ 26,393
Judicial Services	14,611	14,577	13,506	13,872	13,331	13,954	14,063	15,098	15,759	16,267
Public Safety	51,517	51,901	50,796	49,375	49,145	49,931	50,590	52,483	59,463	44,065
Physical Environment	3,982	4,198	4,588	3,044	3,288	3,342	3,493	4,045	3,746	976
Transportation	37,460	37,761	36,831	37,020	38,056	37,842	38,456	40,574	42,458	41,248
Health & Human Services	44,876	47,931	46,998	43,615	43,974	43,858	49,067	52,533	59,966	69,624
Economic Environment	8,752	7,639	7,698	6,523	6,747	6,459	7,004	6,623	7,180	8,612
Culture & Recreation	7,293	6,885	6,436	6,766	6,908	6,494	6,628	7,112	7,402	7,212
Interest on Long-Term Debt	5,444	5,367	6,445	5,599	5,399	4,715	4,359	4,287	3,637	3,359
Total Governmental	\$ 200,621	\$ 203,472	\$ 200,700	\$ 191,363	\$ 191,782	\$ 185,885	\$ 198,752	\$ 204,660	\$ 222,989	\$ 217,755
Business Type Activities										
Solid Waste	14,033	13,780	13,823	14,373	13,637	13,749	14,259	14,907	15,924	16,710
Sewer Utility	14,886	14,026	14,545	15,763	16,613	17,805	16,986	16,930	18,070	20,582
Surface Water	4,813	5,505	6,150	7,055	7,388	7,918	8,060	8,201	8,701	9,491
Golf	27	416	-	-	-	-	-	-	-	-
Total Business Type Activities	\$ 33,759	\$ 33,727	\$ 34,518	\$ 37,191	\$ 37,638	\$ 39,472	\$ 39,306	\$ 40,038	\$ 42,695	\$ 46,784
Total Primary Government Expenses	\$ 234,380	\$ 237,199	\$ 235,218	\$ 228,554	\$ 229,420	\$ 225,357	\$ 238,058	\$ 244,698	\$ 265,685	\$ 264,539
Program Revenues										
Governmental Activities										
Charges for Services										
General Government	\$ 8,833	\$ 10,327	\$ 10,581	\$ 8,502	\$ 8,639	\$ 9,077	\$ 8,743	\$ 9,061	\$ 9,512	\$ 9,289
Judicial Services	4,650	4,486	4,414	4,804	5,007	5,255	4,974	4,701	4,182	3,817
Public Safety	929	1,269	1,289	1,033	1,053	868	693	652	1,602	633
Physical Environment	5,781	4,068	4,094	3,850	4,224	4,361	4,844	5,826	7,087	7,959
Transportation	2,840	2,462	2,468	3,445	3,012	2,401	2,448	2,987	2,668	2,256
Health & Human Services	292	219	203	199	182	195	167	179	271	554
Economic Environment	56	86	79	75	91	100	78	-	-	-
Culture and Recreation	939	1,117	1,006	1,055	1,449	1,124	1,076	1,013	1,157	961
Operating Grants	72,120	71,831	72,055	67,947	66,458	66,651	78,453	75,878	87,466	87,778
Capital Grants and Contributions	3,799	4,053	1,662	3,265	2,556	3,035	1,463	6,369	7,259	9,422
Total Governmental Activities	\$ 100,239	\$ 99,918	\$ 97,851	\$ 94,175	\$ 92,671	\$ 93,067	\$ 102,939	\$ 106,665	\$ 121,204	\$ 122,670
Program Revenues										

KITSAP COUNTY, WASHINGTON

Table 2

Change in Net Position

Last Ten Fiscal Years

(amounts expressed in thousands)

	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017
Business Type Activities										
Charges for Services										
Solid Waste	\$ 13,621	\$ 12,665	\$ 12,407	\$ 12,290	\$ 12,163	\$ 12,632	\$ 13,777	\$ 14,855	\$ 16,068	\$ 17,272
Sewer Utility	14,817	14,398	14,325	15,809	16,029	17,391	19,878	20,670	21,871	21,435
Surface Water	6,916	7,347	7,493	7,397	7,394	7,689	8,311	10,530	9,382	10,289
Golf	-	-	-	-	-	-	-	-	-	-
Operating Grants	-	-	608	1,037	998	1,161	2,265	1,882	4,948	4,105
Capital Grants and contributions	831	3,117	742	784	1,925	1,186	903	1,726	3,642	1,690
Total business-type activities	\$ 36,185	\$ 37,527	\$ 35,575	\$ 37,317	\$ 38,509	\$ 40,059	\$ 45,134	\$ 49,664	\$ 55,911	\$ 54,791
program revenues										
Total Primary Government	\$ 136,424	\$ 137,445	\$ 133,426	\$ 131,492	\$ 131,180	\$ 133,126	\$ 148,074	\$ 156,329	\$ 177,115	\$ 177,461
Program Revenues										
Net (Expense)/ Revenue										
Governmental Activities	(100,382)	(103,554)	(102,849)	(97,188)	(99,111)	(92,818)	(95,813)	(97,994)	(101,786)	(95,085)
Business-type activities	2,426	3,800	1,057	126	871	587	5,828	9,626	13,216	8,008
Total Primary Government Net Expense	\$ (97,956)	\$ (99,754)	\$ (101,792)	\$ (97,062)	\$ (98,240)	\$ (92,231)	\$ (89,985)	\$ (88,369)	\$ (88,570)	\$ (87,077)

General Revenues and Other Changes in Net Position

Governmental activities

Taxes										
Property taxes, levied for general purposes	\$ 51,816	\$ 52,821	\$ 54,472	\$ 55,249	\$ 56,249	\$ 57,360	\$ 58,720	\$ 59,764	\$ 60,221	\$ 61,717
Property taxes, levied for debt service	-	-	-	-	-	-	-	-	-	-
Sales & use taxes	29,642	27,339	26,498	26,995	27,008	27,667	32,383	35,976	39,436	37,377
Other taxes	9,774	9,288	10,139	9,989	11,062	12,288	11,958	13,349	13,918	12,765
Investment earnings	4,739	3,064	2,183	1,704	1,683	1,512	1,541	2,044	2,279	2,844
Miscellaneous	5,087	5,133	4,763	3,772	3,428	3,357	3,741	4,170	4,071	7,335
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	538	542	382	334	349	350	378	472	350	395
Total Governmental activities	\$ 101,596	\$ 85,689	\$ 98,221	\$ 96,848	\$ 94,143	\$ 117,443	\$ 108,722	\$ 115,775	\$ 112,556	\$ 122,433
Business-type activities										
Investment earnings	\$ 2,034	\$ 1,189	\$ 816	\$ 859	\$ 649	\$ 442	\$ 346	\$ 393	\$ 496	\$ 655
Miscellaneous	842	776	-	-	-	-	-	-	-	-
Special item - gain(loss) on sale of capital assets	-	-	-	-	-	-	-	-	-	-
Transfers	(538)	(542)	(382)	(334)	(349)	(350)	(378)	(472)	(350)	(395)
Total business-type activities	\$ 2,338	\$ 1,423	\$ 434	\$ 525	\$ 300	\$ 92	\$ (32)	\$ (79)	\$ 146	\$ 260
Total Primary Government	\$ 103,934	\$ 87,112	\$ 98,655	\$ 97,373	\$ 94,443	\$ 117,535	\$ 108,690	\$ 115,696	\$ 112,702	\$ 122,693

Change in Net Position

Governmental activities	1,214	(17,865)	(4,628)	(340)	(4,968)	24,625	12,909	17,781	10,771	27,349
Business Type activities	4,764	5,223	1,491	651	1,171	679	5,797	9,546	13,362	8,268
Total Primary Government	\$ 5,978	\$ (12,642)	\$ (3,137)	\$ 311	\$ (3,797)	\$ 25,304	\$ 18,705	\$ 27,327	\$ 24,133	\$ 35,616

KITSAP COUNTY, WASHINGTON

Table 3

Fund Balances of Governmental Funds

Last Ten Fiscal Years

(amounts expressed in thousands)

	2008	2009 (1)	2010	2011 (2)	2012	2013	2014	2015	2016	2017
General Fund (Per GASB 54) (2)										
Nonspendable	-	-	-	\$ 440	\$ 443	\$ 418	\$ 387	\$ 376	\$ 365	\$ 474
Restricted	-	-	-	-	-	-	-	-	-	-
Committed	-	-	-	-	-	-	-	-	-	-
Assigned	-	-	-	-	-	-	-	-	-	-
Unassigned	-	-	-	13,233	18,018	18,395	20,589	18,455	20,681	25,807
General Fund (Prior to GASB 54) (2)										
Reserved	\$ 11,197	\$ 462	\$ 451	-	-	-	-	-	-	-
Unreserved	6,581	5,111	7,900	-	-	-	-	-	-	-
Total General Fund	\$ 17,778	\$ 5,573	\$ 8,351	\$ 13,673	\$ 18,461	\$ 18,813	\$ 20,976	\$ 18,830	\$ 21,045	\$ 26,281
All Other Governmental Funds (Per GASB 54) (2)										
Nonspendable	-	-	-	\$ 9,785	\$ 9,260	\$ 8,710	\$ 8,150	\$ 7,580	\$ 7,000	\$ 6,610
Restricted	-	-	-	55,836	26,728	29,646	35,920	42,592	48,598	56,422
Committed	-	-	-	1,535	32,334	35,309	37,410	39,811	33,258	36,846
Assigned	-	-	-	-	-	-	-	-	-	-
Unassigned	-	-	-	(413)	-	(268)	(136)	(47)	(6)	(165)
All Other Governmental Funds (Prior to GASB 54) (2)										
Reserved	\$ 2,267	\$ 2,713	\$ 2,042	-	-	-	-	-	-	-
Unreserved, reported in:										
Special Revenue Funds	51,796	46,522	49,966	-	-	-	-	-	-	-
Debt Service Funds	1,506	12,319	11,716	-	-	-	-	-	-	-
Capital Projects Funds	12,331	9,052	7,074	-	-	-	-	-	-	-
Total all other Governmental Funds	\$ 67,900	\$ 70,606	\$ 70,798	\$ 66,743	\$ 68,322	\$ 73,397	\$ 81,345	\$ 89,936	\$ 88,851	\$ 99,713

(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)

	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017
Revenues										
Property Taxes	\$ 51,816	\$ 52,821	\$ 54,472	\$ 55,249	\$ 56,249	\$ 57,360	\$ 58,720	\$ 59,764	\$ 60,221	\$ 61,717
Retail Sales & Use Taxes	29,641	27,339	26,498	26,995	27,008	27,667	32,383	35,976	39,436	37,377
Other Taxes	9,774	9,288	10,139	9,989	11,062	12,288	11,958	13,349	13,918	12,765
Licenses and Permits	2,637	1,847	2,597	2,415	2,782	2,917	3,315	4,144	5,605	6,167
Intergovernmental	75,919	75,884	73,717	71,212	68,703	69,686	79,916	82,252	94,724	97,200
Charges for Services	15,824	15,894	15,463	14,066	14,605	14,568	14,370	15,528	16,557	15,201
Fines & Forfeits	2,998	2,719	2,452	2,820	3,105	2,660	2,541	2,382	2,181	2,084
Investment Earnings	4,739	3,064	2,183	1,704	1,682	1,512	1,541	2,044	2,279	2,844
Miscellaneous	5,028	4,669	4,724	3,749	3,415	3,343	4,005	4,088	4,070	7,334
Total Revenues	\$ 198,376	\$ 193,525	\$ 192,245	\$ 188,199	\$ 188,611	\$ 192,001	\$ 208,750	\$ 219,528	\$ 238,991	\$ 242,689
Expenditures										
Current:										
General Government	\$ 28,817	\$ 27,540	\$ 27,173	\$ 24,376	\$ 25,254	\$ 25,000	\$ 27,248	\$ 26,888	\$ 28,544	\$ 29,565
Judicial Services	14,592	14,556	13,486	13,854	13,312	13,938	14,045	15,081	15,742	16,250
Public Safety	47,059	47,703	45,942	45,071	44,512	45,200	46,318	51,164	52,186	44,474
Physical Environment	3,982	4,198	4,588	3,044	3,289	3,342	3,493	4,122	3,746	976
Transportation	23,404	23,249	23,744	24,208	25,215	25,193	25,937	28,334	30,644	29,592
Health & Human Services	44,725	47,780	46,854	43,475	43,834	43,718	48,928	52,479	59,826	68,631
Economic Environment	8,737	7,624	7,684	6,518	6,743	6,455	7,000	6,542	7,177	9,554
Culture and Recreation	6,053	5,482	5,165	5,479	5,595	5,266	5,447	5,942	6,094	6,009
Debt Service										
Principal	6,129	17,438	9,692	11,567	9,803	23,057	6,189	6,424	6,695	8,923
Interest and Other Charges	5,444	6,664	5,959	5,275	5,075	4,553	4,359	4,287	3,637	3,329
Capital Outlay	19,917	14,678	8,038	10,379	4,406	6,216	11,267	11,411	20,045	16,105
Total Expenditures	\$ 208,859	\$ 216,912	\$ 198,325	\$ 193,246	\$ 187,038	\$ 201,938	\$ 200,231	\$ 212,675	\$ 234,338	\$ 233,408
Excess (Deficiency) of Revenues										
Over Expenditures	\$ (10,483)	\$ (23,387)	\$ (6,080)	\$ (5,047)	\$ 1,573	\$ (9,937)	\$ 8,518	\$ 6,853	\$ 4,653	\$ 9,281

KITSAP COUNTY, WASHINGTON

Table 4

Changes in Fund Balances, Governmental Funds

Last Ten Fiscal Years

(amounts expressed in thousands)

	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017
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	-	-	-	-	-	-
Capital-Related Debt Issued	-	-	-	-	-	-	-	-	-	-
Payment to Bond Refunding Escrow Agent	-	-	(7,141)	(21,363)	-	(37,914)	-	(24,412)	-	-
Sale of Capital Assets	4	-	7	-	567	117	1,659	104	378	478
Transfers In	18,792	29,349	20,725	15,780	17,659	31,582	14,420	16,428	20,802	14,435
Transfers Out	(18,416)	(28,775)	(20,373)	(15,492)	(17,607)	(31,982)	(14,077)	(16,932)	(24,854)	(14,667)
Other Adjustments	-	-	-	-	-	-	-	-	-	-
Total Other Financing Sources & Uses	\$ 380	\$ 41,120	\$ 3,583	\$ 856	\$ 1,111	\$ 15,301	\$ 2,002	\$ (303)	\$ (3,673)	\$ 245
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	-	(27,508)	5,468	5,459	3,688	121	-	-	-	-
Net Change in Fund Balance	\$ (10,103)	\$ (9,775)	\$ 2,971	\$ 1,268	\$ 6,372	\$ 5,485	\$ 10,521	\$ 6,550	\$ 980	\$ 9,526
Debt Service as a Percentage of Non-capital Expenditures	6.1%	11.9%	8.2%	9.2%	8.1%	14.1%	5.6%	5.3%	4.8%	5.6%

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		
2008	\$ 31,882,028	\$ 36,395,009	\$ 456,171	\$ 465,956	\$ 32,338,199	\$ 36,860,965	87.8%	2.02
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%	2.58

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*	
2008	0.88	1.14	2.02	4.61	1.34	0.46	1.52	0.28	0.06	1.26	11.55
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	14.87
2016	1.17	1.60	2.77	6.54	2.11	0.31	1.94	0.38	0.08	1.07	15.20
2017	1.09	1.49	2.58	6.06	1.96	0.28	1.80	0.35	0.07	1.00	14.10

Source: Kitsap County Assessor

*Includes Current Expense, Conservation Futures, and Cencom / 911 Facility.

KITSAP COUNTY, WASHINGTON

Table 7

Principal Property Taxpayers

December 31, 2017

Current Year and Nine Years Ago

Reported in Thousands

Name	2017			2008		
	Assessed Value	Rank	Percent of County Assessed Value**	Assessed Value	Rank	Percent of County Assessed Value**
PPR Kitsap Mall LLC	\$ 836,447	1	2.675%	\$ 97,127	2	0.297%
Puget Sound Energy	194,699	2	0.623%	149,953	1	0.459%
Walmart	47,294	3	0.151%	48,117	5	0.147%
Fairgrounds Road LLC	43,509	4	0.139%	31,176	8	0.095%
Qwest Corporation	39,015	5	0.125%			
Fred Meyer Stores Inc	37,943	6	0.121%	45,953	6	0.141%
NW Mariners Glen 68 LP	37,074	7	0.119%	22,240	15	0.068%
Tahoe Lane Apartments LLC	35,829	8	0.115%			
Santa Fe Ridge Apartments LLC	34,094	9	0.109%			
Brixton Nse Port Orchard Fee Owner LLC	31,727	10	0.101%			
Gemini Wellington Fee Owner LLC	31,492	11	0.101%			
Trillium Heights Apartments	30,954	12	0.099%			
PK 1 Silverdale Shopping Center LLC	28,636	13	0.092%	31,163	9	0.095%
Gemini Ridgetop Fee Owner LLC	27,966	14	0.089%			
FPA5 Outlook LLC	27,799	15	0.089%			
Compass Signature Apartments LLC	26,407	16	0.084%			
Silverdale Centercal LLC	26,034	17	0.083%			
Lowe's Hiw Inc	23,307	18	0.075%			
LBG Bainbridge LLC	22,593	19	0.072%			
Olhava Investment Group LLC	22,237	20	0.071%			
Forest City				52,476	4	0.161%
Kitsap Community Federal Credit Union				24,768	14	0.076%
Mentor J P				27,910	11	0.085%
Gem1 LLC				65,270	3	0.200%
Cascade Natural Gas Corp				27,221	12	0.083%
New Albertsons Inc				33,080	7	0.101%
Sprint Corp United Tele NW				30,028	10	0.092%
Olhava Associated Limited Partnership				25,803	13	0.079%
	<u>\$ 1,605,056</u>		<u>5.133%</u>	<u>\$ 712,285</u>		<u>2.181%</u>
Assessed Value **	31,270	2017		32,652	2008	

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	
2008	\$ 52,321,921	\$ 20,442	\$ 52,342,363	\$ 50,776,187	97.05%	\$ 1,520,059	\$ 52,296,246	99.91%	\$ 46,117	0.09%
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%	\$ 1,600,693	\$ 54,379,351	99.91%	\$ 48,377	0.09%
2011	\$ 55,458,279	\$ (229,827)	\$ 55,228,452	\$ 53,687,415	96.81%	\$ 1,491,766	\$ 55,179,181	99.91%	\$ 49,271	0.09%
2012	\$ 56,410,557	\$ (202,188)	\$ 56,208,369	\$ 54,763,640	97.08%	\$ 1,377,116	\$ 56,140,756	99.88%	\$ 67,613	0.12%
2013	\$ 57,248,798	\$ (106,897)	\$ 57,141,901	\$ 55,825,744	97.51%	\$ 1,313,675	\$ 57,139,419	100.00%	\$ 2,482	0.00%
2014	\$ 58,327,285	\$ (69,649)	\$ 58,257,636	\$ 57,263,948	98.18%	\$ 930,089	\$ 58,194,037	99.89%	\$ 63,599	0.11%
2015	\$ 59,452,629	\$ (60,384)	\$ 59,392,245	\$ 58,546,937	98.48%	\$ 623,532	\$ 59,170,469	99.63%	\$ 221,776	0.37%
2016	\$ 60,119,406	\$ (89,758)	\$ 60,029,648	\$ 59,245,780	98.55%	\$ 395,034	\$ 59,640,814	99.35%	\$ 388,834	0.65%
2017	\$ 61,718,967	\$ (29,145)	\$ 61,689,822	\$ 60,958,421	98.77%	\$ -	\$ 60,958,421	98.81%	\$ 731,401	1.19%

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)			
2008	\$ 102,866	\$ 5	\$ 5,829	\$ 17,520	\$ 114	\$ 10,854	\$ 137,188	1.304%	\$ 575
2009	\$ 100,335	\$ -	\$ 31,438	\$ 15,825	\$ -	\$ 10,225	\$ 157,822	1.510%	\$ 640
2010	\$ 97,862	\$ -	\$ 27,292	\$ 52,535	\$ -	\$ 10,400	\$ 188,089	1.766%	\$ 747
2011	\$ 91,962	\$ -	\$ 24,484	\$ 50,620	\$ -	\$ 9,485	\$ 176,551	1.701%	\$ 734
2012	\$ 84,644	\$ -	\$ 22,489	\$ 48,650	\$ -	\$ 11,484	\$ 167,267	1.543%	\$ 678
2013	\$ 98,890	\$ -	\$ 2,937	\$ 46,595	\$ -	\$ 12,019	\$ 160,441	1.387%	\$ 613
2014	\$ 93,465	\$ -	\$ 2,734	\$ 44,440	\$ -	\$ 11,329	\$ 151,968	1.284%	\$ 606
2015	\$ 86,085	\$ -	\$ 2,525	\$ 59,540	\$ -	\$ 10,398	\$ 158,547	1.271%	\$ 611
2016	\$ 80,275	\$ -	\$ 2,324	\$ 57,175	\$ -	\$ 9,459	\$ 149,233	1.134%	\$ 564
2017	\$ 72,275	\$ -	\$ 2,092	\$ 55,515	\$ -	\$ 8,512	\$ 138,394	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)
2008	\$ 102,980	\$ 1,414	\$ 101,566	0.28%	\$ 412
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 (3)	\$ 88,630	0.32%	\$ 348
2014	\$ 93,465	\$ 10,402 (3)	\$ 83,063	0.30%	\$ 325
2015	\$ 86,085	\$ 10,604 (3)	\$ 75,481	0.27%	\$ 295
2016	\$ 80,275	\$ 10,995 (3)	\$ 69,280	0.25%	\$ 264
2017	\$ 72,275	\$ 8,708	\$ 63,567	0.22%	\$ 241

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, 2017

<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	\$ 74,367,047	100%	\$ 74,367,047
<u>Overlapping debt:</u>			
Cities	\$ 57,062,038	100%	\$ 57,062,038
School Districts	\$ 334,055,120	100%	\$ 334,055,120
Park Districts	\$ 6,350,000	100%	\$ 6,350,000
Fire Districts	\$ 22,913,655	100%	\$ 22,913,655
Port Districts	\$ 7,441,866	100%	\$ 7,441,866
Utility Districts	\$ 3,870,000	100%	\$ 3,870,000
Total Overlapping	\$ 431,692,679		\$ 431,692,679
Total Direct & Overlapping	\$ 506,059,726		\$ 506,059,726

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)

	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017
Debt Limit	\$ 816,307	\$ 814,933	\$ 754,916	\$ 710,862	\$ 678,312	\$ 652,991	647,773	\$ 679,005	\$ 708,255	\$ 781,756
Total net debt applicable to limit	108,809	131,773	125,153	116,446	107,133	101,827	96,199	88,610	82,599	74,367
Legal debt margin	\$ 707,498	\$ 683,160	\$ 629,763	\$ 594,416	\$ 571,179	\$ 551,163	\$ 551,574	\$ 590,395	\$ 625,655	\$ 707,388
Total net debt applicable to the limit as a percentage of debt limit	13.33%	16.17%	16.58%	16.38%	15.79%	15.59%	14.85%	13.05%	11.66%	9.51%

Legal Debt Margin Calculation for Fiscal Year 2017

Total assessed value	\$ 31,270,222
Debt limit (2.5% of total assessed value)	781,756
Debt applicable to limit:	
General Obligation bonds	72,275
Other debt	2,092
Total net debt applicable to limit	<u>74,367</u>
Legal debt margin	<u>\$ 707,388</u>

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	
2008	\$ 15,744,093	\$ 9,649,643	\$ 6,094,450	\$ 1,630,000	\$ 862,471	\$ 2,492,471	2.45	\$ 20,072	\$ 40,000	\$ 2,408	\$ 42,408	0.47
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

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)
2008	246,800	10,518	44,046	40,463	5.0
2009	247,600	10,454	42,406	40,678	7.7
2010	251,133	10,649	42,314	39,280	8.2
2011	253,900	10,377	43,117	39,642	7.9
2012	254,500	10,842	43,956	38,888	7.4
2013	254,000	11,564	44,215	38,411	6.8
2014	255,900	11,838	47,196	38,255	6.6
2015	258,200	12,474	48,063	37,942	5.0
2016	262,590	13,163	49,709	39,020	5.7
2017	264,300	N/A	N/A	38,626	4.9

Sources:

(1) State of Washington - Office of Financial Management

(2) Bureau of Economic Analysis, an agency of the U.S. Department of Commerce

(3) Bureau of Economic Analysis, an agency of the U.S. Department of Commerce

(4) Washington Office of Superintendent of Public Instruction and Private School Review

(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	2016			2007		
	Employees	Rank	Percentage of Total County Employment	Employees	Rank	Percentage of Total County Employment
(1) Naval Base Kitsap	33,800	1	37.56%	36,380	1-3, 7	30.97%
Harrison Hospital	1,956	2	2.17%	1,972	4	1.68%
Washington State Government	1,740	3	1.93%			
Central Kitsap School District	1,446	4	1.61%	1,601	5	1.36%
Olympic College	1,314	5	1.46%	1,497	6	1.27%
South Kitsap School District	1,176	6	1.31%	1,203	9	1.02%
Kitsap County	1,122	7	1.25%	1,243	8	1.06%
Port Madison Enterprises	980	8	1.09%	1,025	10	0.87%
North Kitsap school District	855	9	0.95%			
Bremerton School District	706	10	0.78%			
Fred Meyer	685	11	0.76%			
Total	45,780		50.87%	44,921		38.24%
Total non-farm employment	90,000			117,460		

Note - 2016 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 and includes military and civilian employees

KITSAP COUNTY, WASHINGTON

Table 16

Full-time Equivalent County Employees by Function Last Ten Fiscal Years

	2008	2009	2010	2011 (1)	2012	2013	2014	2015	2016	2017
Governmental Activities:										
General Government										
Administrative Services	11	10	11	11	9	10	11	11	11	10
Assessor	32	32	32	23	23	22	22	22	22	23
Auditor	37	39	39	29	29	28	28	28	28	29
Commissioners	12	12	15	10	10	11	12	12	12	12
ER&R	16	16	15	16	16	16	16	16	16	16
Facilities Maintenance	29	29	29	21	21	11	11	11	11	12
Information Services	29	33	33	33	35	41	41	42	42	45
Personnel	16	15	15	13	12	13	13	15	15	14
Purchasing	3	4	4	2	2	1	2	1	1	1
Self insurance	3	3	3	3	1	2	2	2	2	3
Treasurer	13	13	13	11	11	11	11	12	12	12
Workers Compensation	2	2	2	3	2	2	2	1	1	2
Total General Government	203	208	211	175	171	168	171	174	174	179
Judicial Services:										
Public Safety	456	460	461	406	393	394	398	400	400	333
Physical Environment	3	3	3	3	3	3	3	3	3	6
Transportation	140	141	140	146	142	137	140	140	148	146
Health & Human Services	87	88	88	83	84	80	81	78	82	84
Economic Environment	92	90	90	47	48	52	57	63	67	70
Culture and Recreation	35	36	34	30	31	33	34	36	36	37
Total Governmental	1008	1017	1020	889	873	872	891	903	919	855
Business Type Activities:										
Solid Waste	22	25	25	25	25	26	26	24	24	24
Sewer Utility	63	62	61	64	64	66	66	65	65	65
Surface Water	29	12	30	30	30	30	32	33	34	35
Total Business Type Activities	115	99	116	119	119	122	124	122	123	124
Total Government	1326	1324	1347	1183	1163	1162	1186	1199	1216	1158

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	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017
Judicial Services										
Prosecutor										
Total Criminal Referrals	11,802	13,424	11,348	15,459	14,309	13,743	12,211	11,210	11,113	11,962
Public Safety										
Sheriffs										
Complaint Reports	16,631	14,859	14,376	14,553	14,238	13,670	13,479	12,607	N/A	13,803
Jail										
Bookings	10,204	10,180	9,835	9,359	9,031	8,813	8,606	8,130	8,436	8,640
Average Daily Jail Population	408	376	436	461	396	450	448	387	399	413
Cencom										
Emergency Calls Answered	155,904	157,027	159,937	157,381	166,809	165,860	178,860	180,824	190,653	N/A
Incidents Dispatched	239,995	238,097	244,984	247,602	283,861	241,623	250,623	306,353	257,889	266,350
Transportation										
Roads										
Sealcoating (center ln. miles)	0	0	17.17	0.00	12.54	14.62	14.64	17.34	16.63	19.30
Maintenance Overlays (center ln. miles)	15.99	16.09	18.37	44.82	17.01	18.33	28.89	33.38	18.54	14.64
Business Type Activities										
Sewer Utility										
Total Treated Sewage (gallons) (1)	1,530,734	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
Sewer Permits Issued	162	120	68	131	112	171	77	51	156	162
Surface and Storm Water Management										
Catch Basins Maintained	11,000	11,015	7,196	6,081	7,566	6,196	7,566	10,799	11,000	11,193
Number of Request for Action	136	93	131	117	203	131	122	173	203	93
Solid Waste										
Tons of Garbage Disposed	196,439	182,299	181,156	178,024	176,398	178,081	187,914	193,432	207,038	214,612
Tons of Recyclables Collected	36,294	37,254	36,383	36,592	36,730	31,053	30,649	36,572	40,790	40,953

Sources: Various County Departments

Note: Some indicators are not available for government functions.

(1) Reported in thousands

KITSAP COUNTY, WASHINGTON

Table 18

Capital Asset Statistics by Function Last Ten Fiscal Years

Function	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017
Judicial Services (1)											
Superior Court Rooms	9	9	8	8	8	8	8	8	8	8	8
District Court Rooms	5	5	4	4	4	4	4	4	4	4	4
Public Safety											
Sheriffs											
Stations	3	3	3	3	3	3	3	3	3	3	3
Jail											
Beds (2)	587	587	587	587	587	587	587	587	587	587	587
Juvenile Detention Center											
Beds	103	103	103	103	103	103	103	103	103	103	103
Cencom											
Buildings	1	1	1	1	1	1	1	1	1	1	1
Broadcast Towers	6	5	5	5	8	9	8	9	73	73	73
Transportation											
Roads											
Miles of Roads Maintained	939	930	914	923	921	904	915	915	907	918	916
Traffic Signals	41	43	44	44	41	44	45	46	44	44	44
Street Lights	496	496	545	545	545	554	772	777	777	777	777
Culture and Recreation											
Parks											
Developed parks	77	78	78	81	79	79	75	79	72	72	73
Parks acreage	5,800	5,694	5,800	6,119	6,344	6,344	6,340	7,000	7,399	7,566	10,478
Business Type Activities											
Sewer Utility											
Treatment Plants	4	4	4	4	4	4	4	4	4	4	4
Pump Stations	65	67	64	64	64	64	64	64	58	58	58
Surface and Storm Water Management											
Number of Retention Facilities (Ponds)	551	551	551	551	413	459	459	460	460	475	475
Solid Waste											
Transfer Stations	4	4	4	4	4	4	4	4	4	4	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