

One of the most important questions asked about the County's finances is "is the County as a whole better off or worse off as a result of this year's activities?" The Statement of Net Assets and, the Statement of Activities report information about the County as a whole and about its activities in a way that helps answer this question. These statements include all assets and liabilities using the accrual basis of accounting, which is similar to the accounting used by most private-sector companies. All of current year's revenues, and expenses are taken into account regardless of when cash is received or paid.

These two statements report the County's net assets and changes in them. You can think of County's net assets as the difference between assets and liabilities as one way to measure the County's financial health, or financial position. Over time, increases or decreases in the County's net assets are one indicator of whether its financial health is improving or deteriorating. You will need to consider other non-financial factors, such as changes in the County's property base, and the condition of the County's roads to assess the overall health of the County.

The Statement of Net Assets, and the Statement of Activities present information about the following:

- Government activities: All of the County's basic services are considered to be governmental activities, including general government, community development, public safety, public works, and courts. Property taxes, sales taxes, franchise fees, grants, and charges for services finance most of the se activities.
  
- Business-type activities: The County's services that are financed through mostly users fees charged directly to the individual users including Sewer service, Solid Waste program, and Transfer Station program.

# KITSAP COUNTY, WASHINGTON

A - 1

## Statement of Net Assets December 31, 2001

	Primary Government		Total
	Governmental	Business-Type	
	Activities	Activities	
<b>ASSETS</b>			
Cash and Cash equivalents	\$ 44,055,945	\$ 4,865,768	\$ 48,921,713
Deposits with fiscal agents	225,000	13,532,341	13,757,341
Investments	63,911,772	39,863,622	103,775,394
Receivables(net)			
Property taxes	2,954,170	-	2,954,170
Special assessments	2,250,619	3,016,670	5,267,289
Accounts	119,857	1,675,286	1,795,143
Notes/Contracts	1,631,895	-	1,631,895
Others	72,591	-	72,591
Internal balances	523,381	(523,381)	-
Due from other governments	4,001,854	2,057,921	6,059,775
Prepayments	691,936	-	691,936
Inventories	860,672	294,472	1,155,144
Capital assets, net (Note1)			
Land	27,209,845	1,483,482	28,693,327
Buildings	39,984,272	15,618,951	55,603,223
Improvements & Other Buildings	3,177,942	35,438,804	38,616,746
Machinery & Equipments	15,898,501	368,023	16,266,524
Construction In Progress	5,843,304	13,153,847	18,997,151
Total assets	<u>213,413,556</u>	<u>130,845,806</u>	<u>344,259,362</u>
<b>LIABILITIES</b>			
Accounts payable and accrued expenses	4,234,679	1,265,356	5,500,035
Due to other governments	1,588,274	-	1,588,274
Other liabilities	4,457,888	177,262	4,635,150
Revenues collected in advance	2,500	-	2,500
Deferred revenue	5,519,442	-	5,519,442
Non current Liabilities (Note 2):			
Due within one year	154,059	-	154,059
Due in more than one year	73,264,060	45,205,281	118,469,341
Total liabilities	<u>89,220,902</u>	<u>46,647,899</u>	<u>135,868,801</u>
<b>NET ASSETS</b>			
Invested in capital assets, net of related debt	14,132,031	21,362,107	35,494,138
Restricted:			
Debt service	2,798,584	618,170	3,416,754
Unrestricted	107,262,039	62,217,630	169,479,669
Total net assets	<u>\$ 124,192,654</u>	<u>\$ 84,197,907</u>	<u>\$ 208,390,561</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, 2001

Functions/Programs	Expenses	Program Revenues			Governmental Activities	Primary Government		Total
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions		Business-Type Activities		
Primary government:								
Governmental activities								
General government	\$ 24,153,957	\$ 4,831,287	\$ 3,492,716	\$ 144,662	\$ (15,685,292)	\$ -	\$ (15,685,292)	
Judicial Services	12,238,605	1,186,632	1,176,602		(9,875,371)	-	(9,875,371)	
Public safety	27,187,605	326,437	4,592,304		(22,268,864)	-	(22,268,864)	
Physical Environment	1,504,840	1,236,895	107,366		(160,579)	-	(160,579)	
Transportation	18,068,131	1,400,253	5,691,062		(10,976,816)	-	(10,976,816)	
Health & Human Services	33,520,791	188,134	33,327,254		(5,403)	-	(5,403)	
Economic Environment	6,312,008	1,984,815	1,724,715		(2,602,478)	-	(2,602,478)	
Culture & recreation	5,003,951	1,108,413	333,947		(3,561,591)	-	(3,561,591)	
Interest on long-term debt	3,484,316	-			(3,484,316)	-	(3,484,316)	
Total governmental activities	<u>131,474,204</u>	<u>12,262,866</u>	<u>50,445,966</u>	<u>144,662</u>	<u>(68,620,710)</u>		<u>(68,620,710)</u>	
Business-type activities								
Solid Waste	6,760,406	2,578,020	-	-	-	(4,182,386)	(4,182,386)	
Sewer Utility	10,363,265	10,124,135	-	-	-	(239,130)	(239,130)	
Surface Water	3,929,806	4,417,234	-	-	-	487,428	487,428	
Other enterprises	26,435	-	-	-	-	(26,435)	(26,435)	
	<u>21,079,912</u>	<u>17,119,389</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(3,960,523)</u>	<u>(3,960,523)</u>	
Total primary government	<u>\$ 152,554,116</u>	<u>\$ 29,382,255</u>	<u>\$ 50,445,966</u>	<u>\$ 144,662</u>	<u>(68,620,710)</u>	<u>(3,960,523)</u>	<u>(72,581,233)</u>	
General revenues:								
Taxes:								
Property taxes, levied for general purposes					39,637,852	-	39,637,852	
Property taxes, levied for debt service					113,678	-	113,678	
Sales & use taxes					19,426,369	-	19,426,369	
Fines & Forfeits					2,002,347	-	2,002,347	
Other taxes					8,936,614	-	8,936,614	
Investment earnings					5,920,549	2,707,910	8,628,459	
Miscellaneous					1,944,327	2,595,855	4,540,182	
Special item - gain on sale of fixed assets					301,523	-	301,523	
Transfers					491,132	(157,919)	333,213	
Total general revenues, special items, and transfers					<u>78,774,391</u>	<u>5,145,846</u>	<u>83,920,237</u>	
Change in net assets					<u>10,153,681</u>	<u>1,185,323</u>	<u>11,339,004</u>	
Net assets - beginning					<u>114,038,973</u>	<u>83,012,584</u>	<u>197,051,557</u>	
Net assets - ending					<u>\$ 124,192,654</u>	<u>\$ 84,197,907</u>	<u>\$ 208,390,561</u>	

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