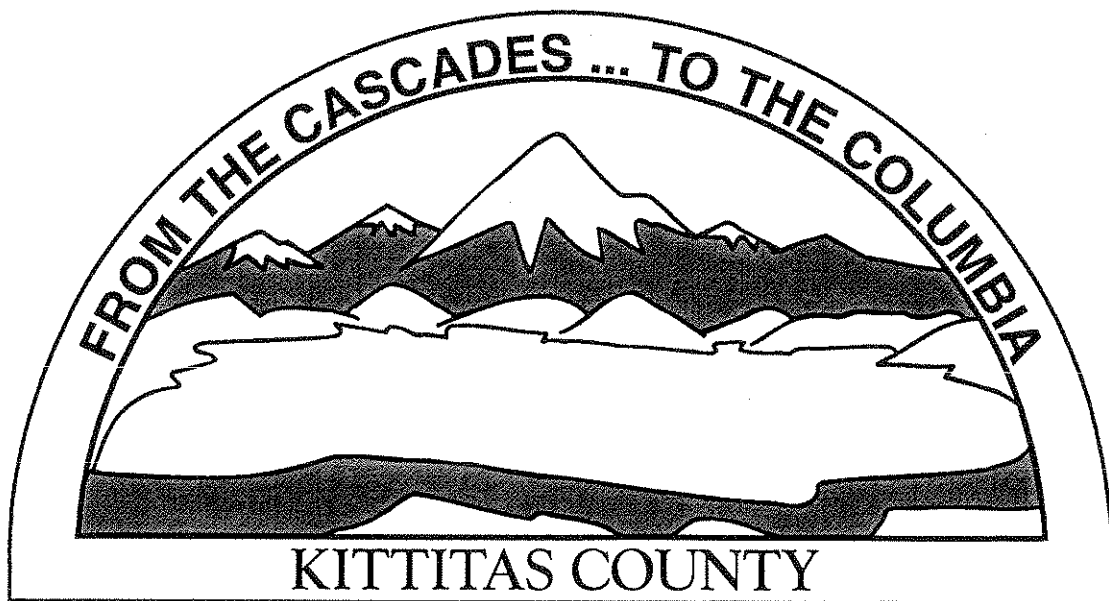


Required Supplementary Information



KITTITAS COUNTY, WASHINGTON

Statement of Revenues, Expenditures, and Changes in Fund Balance
Budget (GAAP Basis) and Actual
For the Year Ended December 31, 2009

General Fund

	Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)
Revenues				
Taxes	\$ 9,504,000	\$ 9,589,000	\$ 9,257,930	\$ (331,070)
Licenses & Permits	1,029,400	348,400	844,591	496,191
Intergovernmental	2,355,102	3,108,180	3,161,862	53,682
Charges for Services	1,844,125	1,983,650	1,940,023	(43,627)
Fines & Forfeits	1,634,900	1,684,382	1,691,278	6,896
Miscellaneous	1,067,678	1,146,307	813,343	(332,964)
Total Revenues	\$ 17,435,205	\$ 17,859,919	\$ 17,709,027	\$ (150,892)
Expenditures				
General Governmental	\$ 6,447,282	\$ 6,795,128	\$ 6,372,296	\$ 422,832
Judicial	2,639,601	2,709,571	2,620,996	88,575
Security of Persons and Property	7,194,072	8,044,175	7,396,543	647,632
Physical Environment	126,000	122,200	111,777	10,423
Transportation	3,717	3,717	3,717	-
Economic Environment	948,612	1,270,094	987,275	282,819
Mental & Physical Health	-	-	-	-
Culture & Recreation	1,233,902	1,239,327	1,129,907	109,420
Debt Service	100,838	146,338	155,837	(9,499)
Capital Outlay	659,927	2,841,848	2,649,033	192,815
Total Expenditures	\$ 19,353,951	\$ 23,172,398	\$ 21,427,381	\$ 1,745,017
Excess (Deficit) Revenues over Expenditures	\$ (1,918,746)	\$ (5,312,479)	\$ (3,718,354)	\$ 1,594,125
Other Financing Sources (Uses)				
Proceeds Capital Leases	\$ -	\$ -	\$ -	\$ -
Restitution	500	500	424	(76)
Sale of Fixed Assets	-	55,000	58,218	3,218
Transfers in	631,090	641,090	100,812	(540,278)
Transfers Out	(294,347)	(519,347)	(306,674)	212,673
Total Other Financing Sources (Uses)	\$ 337,243	\$ 177,243	\$ (147,220)	\$ (324,463)
Net Change in Fund Balance	\$ (1,581,503)	\$ (5,135,236)	\$ (3,865,574)	\$ 1,269,662
Fund Balance, January 1	\$ 5,945,249	\$ 8,774,232	\$ 8,074,309	\$ (699,923)
Fund Balance, December 31	\$ 4,363,746	\$ 3,638,996	\$ 4,208,735	\$ 569,739

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

KITTITAS COUNTY, WASHINGTON

Statement of Revenues, Expenditures, and Changes in Fund Balance
Budget (GAAP Basis) and Actual
For the Year Ended December 31, 2009

County Road

	Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)
Revenues				
Taxes	\$ 4,152,000	\$ 4,657,000	\$ 4,239,581	\$ (417,419)
Licenses & Permits	200	200	65	(135)
Intergovernmental	8,551,749	8,551,749	6,008,508	(2,543,241)
Charges for Services	56,100	56,100	161,059	104,959
Miscellaneous	140,000	140,000	151,696	11,696
Total Revenues	\$ 12,900,049	\$ 13,405,049	\$ 10,560,909	\$ (2,844,140)
Expenditures				
General Governmental	\$ 178,000	\$ 178,000	\$ 283,255	\$ (105,255)
Transportation	7,031,300	7,031,300	5,825,161	1,206,139
Capital Outlay	7,184,500	7,689,500	1,840,943	5,848,557
Total Expenditures	\$ 14,393,800	\$ 14,898,800	\$ 7,949,359	\$ 6,949,441
Excess (Deficit) Revenues over Expenditures	\$ (1,493,751)	\$ (1,493,751)	\$ 2,611,550	\$ 4,105,301
Other Financing Sources (Uses)				
Sale of Fixed Assets	\$ -	\$ -	\$ (33)	\$ (33)
Transfers In	330,000	330,000		(330,000)
Transfers Out			(4,860)	(4,860)
Total Other Financing Sources (Uses)	\$ 330,000	\$ 330,000	\$ (4,893)	\$ (334,893)
Net Change in Fund Balance	\$ (1,163,751)	\$ (1,163,751)	\$ 2,606,657	\$ 3,770,408
Fund Balance, January 1	\$ 7,715,000	\$ 7,715,000	\$ 10,579,432	\$ 2,864,432
Fund Balance, December 31	\$ 6,551,249	\$ 6,551,249	\$ 13,186,089	\$ 6,634,840

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

Required Supplemental Information
Notes to Budgetary Comparison Schedule
Year Ended December 31, 2009

A. Budgetary Basis

Annual appropriated budgets are adopted for the general, special revenue, debt service, capital projects and all proprietary funds on the modified accrual basis of accounting. For governmental funds, there are no differences between the budgetary basis and generally accepted accounting principles.

B. Material Violations

There were no material violations of finance-related legal or contractual provisions in the general fund and special revenue funds. In addition, these fund's expenditures did not exceed legal appropriation for 2009.

Required Supplemental Information
 Kittitas County
 LEOFF I Retiree Medical Benefits
 Schedule of Funding Progress
 Year Ended December 31, 2009

Fiscal Year Ended	Actuarial Value of Assets	Actuarial Accrued Liability Entry Age	Unfunded Actuarial Accrued Liabilities (UAAL)	Funded Ratio	Covered Payroll	UAAL as a Percentage of Covered Payroll
12/31/08	\$ -	\$2,198,297	\$2,198,297	0%	-	-
12/31/09	\$ -	\$2,082,585	\$2,082,585	0%	-	-

*2008 is the first year Kittitas County implemented GASB 45, and only two years are presented.

KITTITAS COUNTY

Required Supplementary Information

December 31, 2009

Information about Infrastructure Assets Reported Using the Modified Approach

As allowed by GASB Statement No. 34, Basic Financial Statements – Management’s Discussion and Analysis – for State and Local Governments, the County has adopted an alternative process for recording depreciation expense on selected infrastructure assets. Under this alternative method, referred to as the modified approach, the County expenses certain maintenance and preservation costs and does not report depreciation expense.

Full assessment of these infrastructure assets was completed in July, 2008 by County Staff. Through 2008, graveled roads were assessed on a yearly basis for the purpose of hard surfacing prioritization. Beginning in 2009, a full condition assessment will be done on a yearly basis in July. Detailed documentation of disclosed assessment levels is kept on file.

In order to utilize the modified approach, the County is required to:

- Maintain an asset management system that includes an up-to-date inventory of eligible infrastructure assets.
- Perform condition assessments of eligible assets and summarize the results using a measurement scale.
- Estimate each year the annual amount to maintain and preserve the assets at the condition level established and disclosed by the County.
- Document that the assets are being preserved approximately at, or above, the established condition level.

ROADS

Measurement Scale

The County’s graveled roads are scored based on the following point system. The number of structures on the road can be up to 41% of the total score.

	Max. Points
Structures	40
<i>Based on number of residences access road</i>	
<i>2 points per residence</i>	
<i>No. of houses _____</i>	
Traffic ADT	10
<i>Based on a comparative ride roughness.</i>	
<i>Rating:</i>	
<i>Under 49=0</i>	
<i>50 to 99 = 2 pts</i>	
<i>100 to 149 = 4pts</i>	
<i>150 to 250 = 6 pts</i>	
<i>Over 250 = 10 pts</i>	
Speed Limit	4
<i>Based on a posted speed.</i>	
<i>0-35 mph = 2 pts</i>	
<i>over 35 mph = 4 pts</i>	

Routes	10
<i>Based on a reported school and mail routes.</i>	
<i>School Bus Route= 5</i>	
<i>US Mail= 5</i>	
Classification	8
<i>Based on Federal Functional Classification.</i>	
<i>Access (Class 09) =0</i>	
<i>Minor Collector (Class 08) =4</i>	
<i>Major Collector (Class 07) =8</i>	
Connector	10
Maintenance Costs	15
<i>≤ 1000 = 5 pts, ≤ 2000 = 6 pts, ≤ 3000 = 7 pts ,</i>	
<i>≤ 4000 = 8 pts, ≤ 5000 = 9 pts, ≤ 6000 = 10 pts,</i>	
<i>< 7000 = 11pts, <8000 = 12pts, <9000 = 13 pts,</i>	
<i><10,000 = 14 pts, >10,000 = 15 pts</i>	
Total Possible Points	97

Assessed Conditions

The following table reports the rating of the County's graveled roads by the number of miles by rating score. The ratings are used to prioritize the graveled roads for paving in the future.

Miles of Gravel Roads	Rating Score
4.21	50-65
1.14	41-49
7.3	31-40
5.16	21-30
28.16	11-20
21.9	0-10

Condition Level

The condition level which we budget to preserve condition level is equal to \$5,000 per mile in maintenance/preservation costs. (\$325,000 annual budget/64 miles of gravel roads).

BUDGETED AND ESTIMATED COSTS TO MAINTAIN INFRASTRUCTURE

The following table presents the County's estimate of spending necessary to preserve and maintain the roads and bridges at, or above, the "Established Condition Levels" cited above, and the actual amount spent during the past five fiscal years:

Fiscal Year	Estimated Spending	Actual Spending
2005	292,000	78,169
2006	327,000	208,278
2007	312,000	193,131
2008	335,500	246,629
2009	372,000	218,576