



Office of the Washington State Auditor
Pat McCarthy

Financial Statements and Federal Single Audit Report

Kittitas County

For the period January 1, 2025 through December 31, 2025

Published September 21, 2026

Report No. 1040492



Scan to see another great way
we're helping advance
#GoodGovernment



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

September 21, 2026

Board of Commissioners
Kittitas County
Ellensburg, Washington

Report on Financial Statements and Federal Single Audit

Please find attached our report on Kittitas County's financial statements and compliance with federal laws and regulations.

We are issuing this report in order to provide information on the County's financial activities and condition.

Sincerely,

Pat McCarthy, State Auditor
Olympia, WA

Americans with Disabilities

In accordance with the Americans with Disabilities Act, we will make this document available in alternative formats. For more information, please contact our Office at (564) 999-0950, TDD Relay at (800) 833-6388, or email our webmaster at webmaster@sao.wa.gov.

TABLE OF CONTENTS

Schedule of Findings and Questioned Costs.....	4
Independent Auditor's Report on Internal Control Over Financial Reporting and on Compliance and Other Matters Based on an Audit of Financial Statements Performed in Accordance with <i>Government Auditing Standards</i>	6
Independent Auditor's Report on Compliance for Each Major Federal Program and Report on Internal Control Over Compliance in Accordance With the Uniform Guidance	8
Independent Auditor's Report on the Financial Statements.....	11
Financial Section.....	15
About the State Auditor's Office.....	92

SCHEDULE OF FINDINGS AND QUESTIONED COSTS

Kittitas County January 1, 2025 through December 31, 2025

SECTION I – SUMMARY OF AUDITOR’S RESULTS

The results of our audit of Kittitas County are summarized below in accordance with Title 2 *U.S. Code of Federal Regulations* (CFR) Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance).

Financial Statements

We issued an unmodified opinion on the fair presentation of the basic financial statements of the governmental activities, the business-type activities, each major fund and the aggregate remaining fund information in accordance with accounting principles generally accepted in the United States of America (GAAP).

Internal Control over Financial Reporting:

- *Significant Deficiencies:* We reported no deficiencies in the design or operation of internal control over financial reporting that we consider to be significant deficiencies.
- *Material Weaknesses:* We identified no deficiencies that we consider to be material weaknesses.

We noted no instances of noncompliance that were material to the financial statements of the County.

Federal Awards

Internal Control over Major Programs:

- *Significant Deficiencies:* We reported no deficiencies in the design or operation of internal control over major federal programs that we consider to be significant deficiencies.
- *Material Weaknesses:* We identified no deficiencies that we consider to be material weaknesses.

We issued an unmodified opinion on the County’s compliance with requirements applicable to its major federal program.

We reported no findings that are required to be disclosed in accordance with 2 CFR 200.516(a).

Identification of Major Federal Programs

The following program was selected as a major program in our audit of compliance in accordance with the Uniform Guidance.

<u>ALN</u>	<u>Program or Cluster Title</u>
20.205	Highway Planning and Construction

The dollar threshold used to distinguish between Type A and Type B programs, as prescribed by the Uniform Guidance, was \$1,000,000.

The County did not qualify as a low-risk auditee under the Uniform Guidance.

SECTION II – FINANCIAL STATEMENT FINDINGS

None reported.

SECTION III – FEDERAL AWARD FINDINGS AND QUESTIONED COSTS

None reported.

INDEPENDENT AUDITOR'S REPORT

Report on Internal Control over Financial Reporting and on Compliance and Other Matters Based on an Audit of Financial Statements Performed in Accordance with *Government Auditing Standards*

Kittitas County **January 1, 2025 through December 31, 2025**

Board of Commissioners
Kittitas County
Ellensburg, Washington

We have audited, 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, the financial statements of the governmental activities, the business-type activities, each major fund and the aggregate remaining fund information of Kittitas County, as of and for the year ended December 31, 2025, and the related notes to the financial statements, which collectively comprise the County's basic financial statements, and have issued our report thereon dated September 14, 2026.

REPORT ON INTERNAL CONTROL OVER FINANCIAL REPORTING

In planning and performing our audit of the financial statements, we considered the County's internal control over financial reporting (internal control) as a basis for designing audit procedures that are appropriate in the circumstances for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the County's internal control. Accordingly, we do not express an opinion on the effectiveness of the County's internal control.

A deficiency in internal control exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, misstatements on a timely basis. A *material weakness* is a deficiency, or a combination of deficiencies, in internal control such that there is a reasonable possibility that a material misstatement of the County's financial statements will not be prevented, or detected and corrected on a timely basis. A *significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

Our consideration of internal control was for the limited purpose described above and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies and therefore, material weaknesses or significant deficiencies may exist that were not identified.

Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses.

We noted certain other matters that we have reported to the management of the County in a separate letter dated September 14, 2026.

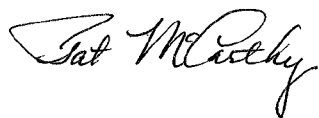
REPORT ON COMPLIANCE AND OTHER MATTERS

As part of obtaining reasonable assurance about whether the County's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements, noncompliance with which could have a direct and material effect on the financial statements. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion.

The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

PURPOSE OF THIS REPORT

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the County's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the County's internal control and compliance. Accordingly, this communication is not suitable for any other purpose. However, this report is a matter of public record and its distribution is not limited. It also serves to disseminate information to the public as a reporting tool to help citizens assess government operations.

A handwritten signature in black ink, reading "Pat McCarthy". The signature is written in a cursive, flowing style.

Pat McCarthy, State Auditor

Olympia, WA

September 14, 2026

INDEPENDENT AUDITOR'S REPORT

Report on Compliance for Each Major Federal Program and Report on Internal Control over Compliance in Accordance with the Uniform Guidance

Kittitas County January 1, 2025 through December 31, 2025

Board of Commissioners
Kittitas County
Ellensburg, Washington

REPORT ON COMPLIANCE FOR EACH MAJOR FEDERAL PROGRAM

Opinion on Each Major Federal Program

We have audited the compliance of Kittitas County, with the types of compliance requirements identified as subject to audit in the U.S. *Office of Management and Budget (OMB) Compliance Supplement* that could have a direct and material effect on each of the County's major federal programs for the year ended December 31, 2025. The County's major federal programs are identified in the auditor's results section of the accompanying Schedule of Findings and Questioned Costs.

In our opinion, the County complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on each of its major federal programs for the year ended December 31, 2025.

Basis for Opinion on Each Major Federal Program

We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America (GAAS); the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States; and the audit requirements of Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards (Uniform Guidance)* are further described in the Auditor's Responsibilities for the Audit of Compliance section of our report.

We are required to be independent of the County and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion on compliance for each major federal program. Our audit does not provide a legal determination on the County's compliance with the compliance requirements referred to above.

Responsibilities of Management for Compliance

Management is responsible for compliance with the requirements referred to above and for the design, implementation, and maintenance of effective internal control over compliance with the requirements of laws, statutes, regulations, rules and provisions of contracts or grant agreements applicable to the County's federal programs.

Auditor's Responsibilities for the Audit of Compliance

Our objectives are to obtain reasonable assurance about whether material noncompliance with the compliance requirements referred to above occurred, whether due to fraud or error, and express an opinion on the County's compliance based on our audit. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with GAAS, *Government Auditing Standards* and the Uniform Guidance will always detect a material noncompliance when it exists. The risk of not detecting a material noncompliance resulting from fraud is higher than for that resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Noncompliance with the compliance requirements referred to above is considered material, if there is a substantial likelihood that, individually or in the aggregate, it would influence the judgement made by a reasonable user of the report on compliance about the County's compliance with the requirements of each major federal program as a whole.

Performing an audit in accordance with GAAS, *Government Auditing Standards* and the Uniform Guidance includes the following responsibilities:

- Exercise professional judgment and maintain professional skepticism throughout the audit;
- Identify and assess the risks of material noncompliance, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the County's compliance with the compliance requirements referred to above and performing such other procedures as we considered necessary in the circumstances;
- Obtain an understanding of the County's internal control over compliance relevant to the audit in order to design audit procedures that are appropriate in the circumstances and to test and report on internal control over compliance in accordance with the Uniform Guidance, but not for the purpose of expressing an opinion on the effectiveness of the County's internal control over compliance. Accordingly, no such opinion is expressed; and
- We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and any significant deficiencies and material weaknesses in internal control over compliance that we identified during the audit.

REPORT ON INTERNAL CONTROL OVER COMPLIANCE

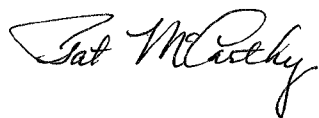
A *deficiency in internal control over compliance* exists when the design or operation of a control over compliance does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, noncompliance with a type of compliance requirement of a federal program on a timely basis. A *material weakness in internal control over compliance* is a deficiency, or combination of deficiencies, in internal control over compliance, such that there is a reasonable possibility that material noncompliance with a type of compliance requirement of a federal program will not be prevented, or detected and corrected, on a timely basis. A *significant deficiency in internal control over compliance* is a deficiency, or a combination of deficiencies, in internal control over compliance with a type of compliance requirement of a federal program that is less severe than a material weakness in internal control over compliance, yet important enough to merit attention by those charged with governance.

Our audit was not designed for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, no such opinion is expressed. Our consideration of internal control over compliance was for the limited purpose described in the Auditor's Responsibilities for the Audit of Compliance section above and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies in internal control over compliance and therefore, material weaknesses or significant deficiencies may exist that were not identified.

Given these limitations, during our audit we did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses, as defined above.

Purpose of this Report

The purpose of this report on internal control over compliance is solely to describe the scope of our testing of internal control over compliance and the results of that testing based on the requirements of the Uniform Guidance. Accordingly, this report is not suitable for any other purpose. However, this report is a matter of public record and its distribution is not limited. It also serves to disseminate information to the public as a reporting tool to help citizens assess government operations.



Pat McCarthy, State Auditor

Olympia, WA

September 14, 2026

INDEPENDENT AUDITOR'S REPORT

Report on the Audit of the Financial Statements

Kittitas County **January 1, 2025 through December 31, 2025**

Board of Commissioners
Kittitas County
Ellensburg, Washington

REPORT ON THE AUDIT OF THE FINANCIAL STATEMENTS

Opinions

We have audited the accompanying financial statements of the governmental activities, the business-type activities, each major fund and the aggregate remaining fund information of Kittitas County, as of and for the year ended December 31, 2025, and the related notes to the financial statements, which collectively comprise the County's basic financial statements as listed in the financial section of our report.

In our opinion, the accompanying 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 remaining fund information of Kittitas County, as of December 31, 2025, and the respective changes in financial position and, where applicable, cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinions

We conducted our audit in accordance with auditing standards generally accepted in the United States of America (GAAS) and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of the County and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

Responsibilities of Management 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, and for 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.

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about the County's ability to continue as a going concern for twelve months beyond the financial statement date, including any currently known information that may raise substantial doubt shortly thereafter.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinions. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with GAAS and *Government Auditing Standards* will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

Performing an audit in accordance with GAAS and *Government Auditing Standards* includes the following responsibilities:

- Exercise professional judgment and maintain professional skepticism throughout the audit;
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements;
- Obtain an understanding of internal control relevant to the audit 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, no such opinion is expressed;
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements;

- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the County's ability to continue as a going concern for a reasonable period of time; and
- Communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control-related matters that we identified during the audit.

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 financial section of our report be presented to supplement the basic financial statements. Such information is the responsibility of management and, 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 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 accompanying Schedule of Expenditures of Federal Awards is presented for purposes of additional analysis as required by Title 2 *U.S. Code of Federal Regulations* (CFR) Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). This supplementary information 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 basic financial statements. The information has been subjected to the 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 basic financial statements or to the basic 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 as a whole.

OTHER REPORTING REQUIRED BY GOVERNMENT AUDITING STANDARDS

In accordance with *Government Auditing Standards*, we have also issued our report dated September 14, 2026 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. 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 the effectiveness of the County's 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.

A handwritten signature in black ink that reads "Pat McCarthy". The signature is written in a cursive, flowing style.

Pat McCarthy, State Auditor

Olympia, WA

September 14, 2026

FINANCIAL SECTION

Kittitas County January 1, 2025 through December 31, 2025

REQUIRED SUPPLEMENTARY INFORMATION

Management's Discussion and Analysis – 2025

BASIC FINANCIAL STATEMENTS

Statement of Net Position – 2025

Statement of Activities – 2025

Governmental Funds Balance Sheet – 2025

Reconciliation of Governmental Funds Balance Sheet to the Statement of Net Position – 2025

Statement of Revenues, Expenditures and Changes in Fund Balance – Governmental Funds – 2025

Reconciliation of Governmental Funds Statement of Revenues, Expenditures and Changes in Fund Balance to the Statement of Activities – 2025

Statement of Net Position – Proprietary Funds – 2025

Statement of Revenues, Expenses and Changes in Fund Net Position – Proprietary Funds – 2025

Statement of Cash Flows – Proprietary Funds – 2025

Statement of Net Position – Fiduciary Funds – 2025

Statement of Changes in Fiduciary Net Position – Fiduciary Funds – 2025

Notes to Financial Statements – 2025

REQUIRED SUPPLEMENTARY INFORMATION

Schedule of Revenues, Expenditures, and Changes in Fund Balance – Budget and Actual – General Fund – 2025

Schedule of Revenues, Expenditures, and Changes in Fund Balance – Budget and Actual – County Road Fund – 2025

Schedule of Revenues, Expenditures, and Changes in Fund Balance – Budget and Actual – Airport Fund – 2025

Information about infrastructure Assets Reported Using the Modified Approach – 2025

Schedule of Changes in Total OPEB Liability and Related Ratios – LEOFF 1 – 2025

Schedule of Proportionate Share of Net Pension Liability/Asset – PERS 1, PERS 2/3, PSERS 2, LEOFF 1, LEOFF 2 – 2025

Schedule of Employer Contributions – PERS 1, PERS 2/3, PSERS 2, LEOFF 2 – 2025

SUPPLEMENTARY AND OTHER INFORMATION

Schedule of Expenditures of Federal Awards – 2025

Notes to the Schedule of Expenditures of Federal Awards – 2025

KITTITAS COUNTY, WASHINGTON

Management's Discussion and Analysis

Kittitas County's discussion and analysis offers readers of the County's financial statements, for the year ended December 31, 2025, a narrative overview and analysis for the financial activities of the County. We encourage readers to consider the information presented here in conjunction with additional information included in the financial statements and notes to the financial statements.

FINANCIAL HIGHLIGHTS

- The assets and deferred outflows of the County exceeded its liabilities and deferred inflows on December 31, 2025, by \$289 million (net position). The unrestricted net position, which represents the amounts available to meet the County's ongoing obligations to citizens and creditors, was \$62.7 million.
- The County's total net position increased by \$20.5 million. \$8.9 million is related to capital grants and contributions. An additional \$2.2 million is related to a decrease in pension liabilities and deferred inflows, net of increases in related deferred outflows and asset balances. The remaining increase is due to operating revenues exceeding operating expenditures/expenses.
- At the end of the year, the County's governmental funds reported combined fund balances of \$114 million, which represents an increase of \$15.7 million (15.9%) compared to the prior year. \$29.5 million, or 25.9%, of the combined fund balance is available for spending at the County's discretion (unassigned fund balance).
- At the end of 2025, unassigned fund balance for the General Fund was \$29.5 million or 57.2% of total General Fund expenditures plus transfers.

OVERVIEW OF THE FINANCIAL STATEMENTS

The discussion and analysis provided here is intended to serve as an introduction to Kittitas County's basic financial statements. The basic financial statements are comprised of three components:

- 1) Government-Wide Financial Statements
- 2) Fund Financial Statements
- 3) Notes to the Financial Statements

This report also includes supplementary information intended to furnish additional detail to support the basic financial statements.

Government-Wide Financial Statements

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

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

The statement of activities presents information showing how the County'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 related cash flows. Thus, revenues and expenses are reported for some items that will only result in cash flows in future fiscal periods (e.g., uncollected taxes and earned but unused employee leave benefits).

Both of the government-wide financial statements distinguish functions of the 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 the County include general government, law enforcement, jail and probation services, public health, road maintenance, airport and superior and district courts. The business-type activities include solid waste, community development services and water mitigation.

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. The County, like other state and local governments, uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements. All of the funds of the 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 assessing 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 governments near-term financing 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.

The County maintains 42 individual governmental funds. Information is presented separately in the governmental funds balance sheet and in the governmental funds statement of revenues, expenditures, and changes in fund balances for the General Fund, County Road Fund, Airport Fund, and County Capital Projects Fund, which are major funds. Data from the other 38 governmental funds are combined into a single aggregated presentation.

The County adopts an annual appropriated budget for its General Fund and for the major County Road and Airport funds. Budgetary comparison statements have been provided to demonstrate major funds' compliance with the budget.

Proprietary Funds

The 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. The County uses enterprise funds to account for its Solid Waste, Community Development Services, and Water Mitigation operations. Internal service funds are an accounting device used to accumulate and allocate costs internally among the County's various functions. The County uses internal service funds to account for management of equipment rental and replacement, unemployment compensation and computer replacement. Because these services predominantly benefit governmental rather than business-type functions, they have been included within 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 each of the three enterprise funds, all of which are major funds. Conversely, internal service funds are combined into a single, aggregated presentation in the proprietary fund financial statements.

Fiduciary Funds

Fiduciary funds are used to account for resources held for the benefit of parties outside of the government. Fiduciary funds are not reported in government-wide financial statements because the resources of those funds are not available to support the County's own programs. The accounting used for fiduciary funds is much like that used for proprietary funds.

The County maintains three different types of fiduciary funds. The Private-purpose trust fund is used to report resources held in trust. The Custodial fund reports resources, not in a trust, that are held by the County for other parties outside of the County's reporting entity. A separate custodial fund, the external investment pool fund, accounts for the deposits, withdrawals, and earnings of the local government investment fund, and is separately reported as an external investment pool for local governments.

Notes to the 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 immediately following the basic financial statements in this report.

Other Information

In addition to the basic financial statements and accompanying notes, this report also presents required supplementary information concerning the County's progress in funding its obligations to provide pension and OPEB benefits to its employees, information related to valuation of infrastructure assets using the modified approach, and budget to actual comparison schedules for major governmental funds.

GOVERNMENT-WIDE OVERALL FINANCIAL ANALYSIS

As noted earlier, net position over time may serve as a useful indicator of a government's financial position. The County's assets and deferred outflows of resources exceeded liabilities and deferred inflows of resources by \$289 million at the end of 2025.

Summary of Net Position at December 31,						
	Governmental Activities		Business-type Activities		Total	
	2025	2024	2025	2024	2025	2024
Assets:						
Current	\$ 132,292,092	\$ 113,417,527	\$ 7,840,868	\$ 8,115,795	\$ 140,132,960	\$ 121,533,322
Capital assets	149,375,447	139,018,707	30,892,984	18,257,306	180,268,431	157,276,013
Other	8,653,174	7,921,562	2,494,741	2,049,373	11,147,915	9,970,935
Total assets	290,320,713	260,357,796	41,228,593	28,422,474	331,549,306	288,780,270
Deferred outflows of resources	9,259,769	8,452,088	610,778	440,130	9,870,547	8,892,218
Liabilities:						
Current	11,825,803	8,248,896	1,481,577	1,177,130	13,307,380	9,426,026
Non-current	21,556,348	11,895,403	13,275,785	3,338,821	34,832,133	15,234,224
Total liabilities	33,382,151	20,144,299	14,757,362	4,515,951	48,139,513	24,660,250
Deferred inflows of resources	3,894,713	4,109,838	399,266	373,924	4,293,979	4,483,762
Net position:						
Net investment in capital assets	134,780,133	132,077,337	20,546,550	17,820,589	155,326,683	149,897,926
Restricted	70,539,318	58,164,231	468,685	307,403	71,008,003	58,471,634
Unrestricted	56,984,167	54,314,179	5,667,508	5,844,737	62,651,675	60,158,916
Net position	\$ 262,303,618	\$ 244,555,747	\$ 26,682,743	\$ 23,972,729	\$ 288,986,361	\$ 268,528,476

Capital assets increased \$23 million, or 16.2% due to significant spending on construction in progress, most notably related to the new waste transfer station. Current assets increased \$18.6 million or 15.3% due to a positive change in net fund balance and net position in various funds. Deferred outflows of resources increased by \$1 million, related to a significant increase in pension related deferred outflows.

The largest portion of the County's net position, \$155.3 million (53.7%) reflects its investment in capital assets (e.g., land, buildings, machinery, equipment, vehicles, and infrastructure), net of accumulated depreciation and less any related outstanding debt that was used to acquire those assets. The County uses these capital assets to provide a variety of services to its citizens.

Accordingly, these assets are not available for future spending. Although the County's investment in capital assets is reported net of related debt, it should be noted that the resources used to repay this debt must be provided from other sources, since the capital assets themselves cannot be used to liquidate these liabilities.

An additional portion of the County's net position, \$70 million (24.6%) represents resources that are subject to external restrictions on how they may be used. As of the end of 2025, the County's unrestricted net position was \$62.7 million (21.7%).

The County's overall net position increased by \$20.5 million from 2024 to 2025. The reasons for this overall increase are discussed in the following sections for governmental activities and business-type activities.

	Summary of Changes in Net Position					
	Governmental Activities		Business-type Activities		Total	
	2025	2024	2025	2024	2025	2024
Revenues:						
Program:						
Charges for services	\$ 11,938,316	\$ 9,397,117	\$ 10,915,416	\$ 10,444,954	\$ 22,853,732	\$ 19,842,071
Operating grants and contributions	13,339,300	20,649,354	620,758	290,243	13,960,058	20,939,597
Capital grants and contributions	6,872,622	14,156,341	1,994,018	-	8,866,640	14,156,341
General:						
Property taxes	21,255,716	20,912,536	-	-	21,255,716	20,912,536
Sales taxes	28,835,072	23,849,224	-	-	28,835,072	23,849,224
Other taxes	5,452,306	5,246,279	-	-	5,452,306	5,246,279
Investment earnings	8,977,095	7,731,713	661,998	582,460	9,639,093	8,314,173
Other revenues	1,349,430	1,840,254	187,914	87,984	1,537,344	1,928,238
Total revenues	98,019,857	103,782,818	14,380,104	11,405,641	112,399,961	115,188,459
Program Expenses:						
General government	18,760,911	15,868,239	-	-	18,760,911	15,868,239
Economic environment	4,139,278	2,608,653	-	-	4,139,278	2,608,653
Judicial	4,508,025	4,132,898	-	-	4,508,025	4,132,898
Physical environment	66,789	146,269	-	-	66,789	146,269
Culture and recreation	3,136,127	3,107,492	-	-	3,136,127	3,107,492
Public safety	25,848,191	19,458,037	-	-	25,848,191	19,458,037
Health and human services	8,721,545	7,188,278	-	-	8,721,545	7,188,278
Transportation	14,667,770	15,376,214	-	-	14,667,770	15,376,214
Interest	191,592	201,190	-	-	191,592	201,190
Garbage and solid waste	-	-	8,232,516	8,677,573	8,232,516	8,677,573
Community development services	-	-	3,411,886	2,767,967	3,411,886	2,767,967
Water mitigation	-	-	257,447	279,513	257,447	279,513
Total expenses	80,040,227	68,087,270	11,901,849	11,725,053	91,942,076	79,812,323
Revenues over (under) expenses	17,979,630	35,695,548	2,478,255	(319,412)	20,457,885	35,376,136
Transfers	(231,759)	(545,000)	231,759	545,000	-	-
Changes in net position	17,747,871	35,150,548	2,710,014	225,588	20,457,885	35,376,136
Beginning net position	244,555,747	210,496,061	23,972,729	23,858,946	268,528,476	234,355,007
Restatements	-	(1,090,862)	-	(111,805)	-	(1,202,667)
Beginning net position - restated	244,555,747	209,405,199	23,972,729	23,747,141	268,528,476	233,152,340
Ending net position	\$ 262,303,618	\$ 244,555,747	\$ 26,682,743	\$ 23,972,729	\$ 288,986,361	\$ 268,528,476

Governmental activities

During 2025, net position for governmental activities increased by \$17.5 million. The increase was due partially to \$6.9 million of capital grants received. Another significant portion of the

increase in net position can be explained by a decrease of \$2.2 million in pension related liabilities and deferred inflows, offset by an increase in pension related assets and deferred outflows (reduction to pension expense and increase in net position in 2025).

Revenues decreased by \$5.8 million, mainly due to a decrease in operating and capital grants received in 2025 compared to 2024.

Sales taxes are the County's largest governmental revenue source, representing \$28.8 million or 29.4.0% of governmental revenues, followed by property taxes (\$21.3 million or 21.7%).

Program expenses increased by \$12 million from 2024 to 2025. The largest increases were in Public Safety (\$6.4 million) and General Government (\$2.9 million).

Business-type activities

During 2025, net position for business-type activities increased \$2.7 million or 11.3% from 2024. This reflects operating and capital grant revenue of \$2.3 million plus consistent operating income/loss compared to the prior year.

FINANCIAL ANALYSIS OF GOVERNMENTAL FUNDS

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

The focus of the 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 financing requirements. In particular, unassigned fund balance may serve as a useful measure of a government's net resources available for discretionary use as they represent the portion of fund balance which has not yet been limited to use for a particular purpose by either an external party, the County itself, or a group or individual that has been delegated authority to assign resources for use for particular purposes by the County's Board.

At December 31, 2025, the County's governmental funds reported combined fund balances of \$114 million, which represents an increase of \$15.7 million (15.9%) over December 31, 2024. Of this amount, \$29.5 million (25.9%) constitutes unassigned fund balance, which is available for spending at the County's discretion. The remainder of the fund balance is either nonspendable, restricted, committed, or assigned to indicate that it is (1) not in spendable form, \$1.9 million; (2) restricted for particular purposes, \$66.8 million; (3) committed for particular purposes, \$254 thousand; or (4) assigned for particular purposes, \$15.7 million.

Analysis of Individual Funds

The General Fund is the chief operating fund of the County. At the end of 2025, unassigned fund balance of the General Fund was \$29.5 million, or 57.2% of expenditures plus transfers out. Total fund balance decreased \$6.1 million or 16%. This is primarily due to transfers out of \$4.8 million for major capital projects.

The County Road fund had an increase in fund balance of \$2.5 million in 2025, compared to an increase of \$1.6 million in 2024. This reflects significant decreases in capital outlay (\$3.2 million) and operating expenses (\$1 million), offset by a smaller (\$2.8 million) decrease in intergovernmental revenues.

The Airport fund reported an increase in fund balance of \$746 thousand or 44.7% over 2024. This is due to an increase in rental revenue and a decrease in capital operating and capital expenditures.

The County Capital Projects Fund was created in 2024 to account for various general capital projects. Capital outlay totaling \$9.8 million was incurred by the fund in 2025. The following three projects constitute the majority of the outlay in 2025:

The new County Transfer Station represents \$4.6 million, or 47%, of the County Capital Projects Fund's total capital outlay. Construction is currently in its peak phase, with 2025 serving as the midpoint of major building activity. Total project costs are projected to reach \$21.9 million by completion, and the facility is expected to open to the public in 2026.

Another major capital improvement project underway is the replacement of approximately one-third of the Event Center grandstand seating. In 2025, capital outlay for this project totaled \$2.3 million, representing 23% of the County Capital Projects Fund's capital outlay. The total project cost is estimated at \$14.7 million, with completion and reopening to the public anticipated in 2026.

The third major Capital Improvement Project currently underway is a substantial renovation of the County Correctional Facility. \$2 million was spent in 2025 toward the project's total estimated cost of \$3 million. This project accounts for an additional 20% of the Fund's capital outlay.

FINANCIAL ANALYSIS OF PROPRIETARY FUNDS

The County's proprietary funds provide the same type of information found in the business-type activities portion of the government-wide financial statements, but in more detail.

Unrestricted net position at the end of 2025 was \$2.7 million (17.1%) in the Solid Waste Fund, \$1.3 million (72.2%) in the Community Development Services Fund, and \$1.7 million (18.6%) in the Water Mitigation Fund.

The Solid Waste and Water Mitigation Funds reported positive operating income in 2025, while Community Development Services reported an operating loss of \$2 million, partially offset by grant revenue of \$620 thousand.

GENERAL FUND BUDGETARY HIGHLIGHTS

Original budget compared to final budget

County Commissioners allow for regular, periodic amendments to the adopted budget so as to accommodate unforeseen resourcing impacts with minimal disruption to operations. These amendments are discussed and informally authorized in advance of formal amendments, which are done via resolution and public hearing. The General Fund budget was amended two times in 2025.

The largest expense amendments an adjustment for the impact of union negotiations. Negotiations were not completed by the time necessary for budget adoption and the result was a General Fund budget amendment of \$1.7 million in June.

Final budget compared to actual results

The final budget reflected a decrease in fund balance of \$8.6 million, however the actual decrease was \$6.1 million, for a positive variance of \$2.6 million. Actual revenues exceeded budgeted revenues by \$1.9 million. The most significant positive variance was in intergovernmental revenue (\$1.3 million).

Actual expenditures totaled \$42.9 million, compared to a final budget of \$46.2 million, for a favorable variance of \$3.3 million. The most notable positive variances were in general government (\$2.6 million) and public safety (\$651 thousand).

CAPITAL ASSET AND DEBT ADMINISTRATION

Capital Assets

The County's investment in capital assets for its governmental and business-type activities as of December 31, 2025, amounts to \$180.3 million (net of accumulated depreciation). This investment in capital assets includes land, buildings, system improvements, machinery and equipment, infrastructure, and construction in progress. Capital assets increased by \$23 million (14.6%) in 2025, reflecting increases in construction in progress, and regular depreciation expense adjustments.

	Governmental Activities		Business-Type Activities		Total	
	2025	2024	2025	2024	2025	2024
Land	13,803,176	13,803,176	3,109,128	3,109,128	16,912,304	16,912,304
Gravel roads	5,455,025	5,455,025	-	-	5,455,025	5,455,025
Easements & right of ways	6,998,434	6,953,828	-	-	6,998,434	6,953,828
Intangible assets	2,422,654	1,738,810	7,373,308	7,118,594	9,795,962	8,857,404
Construction in progress	26,151,755	12,068,714	18,244,384	6,147,682	44,396,139	18,216,396
Buildings & improvements	21,344,797	22,924,668	236,109	265,457	21,580,906	23,190,125
Improvements other than buildings	2,306,847	2,543,320	851,776	921,553	3,158,623	3,464,873
Machinery and equipment	7,073,701	6,544,717	877,242	486,078	7,950,943	7,030,795
Right-to-use leased assets	2,146,633	2,432,895	201,037	208,814	2,347,670	2,641,709
Infrastructure	61,672,425	64,553,554	-	-	61,672,425	64,553,554
Total	149,375,447	139,018,707	30,892,984	18,257,306	180,268,431	157,276,013

Construction in Progress is the largest area of growth, with major additions including \$16.1 million for the Lower County Transfer Station and \$2.3 million for the Grandstand Improvement Project.

Long-Term Debt

At the end of 2025, the County had total bonded debt outstanding of \$12 million, of which the entire amount is backed by the full faith and credit of the County. This reflects an addition of \$8.1 million for Grandstand Improvements. In 2025, the County drew \$14.7 million on Public Works Trust Fund loans for replacement of the waste transfer station. The remaining debt is comprised of leases and SBITA payable.

	Governmental Activities		Business-type Activities		Total	
	2025	2024	2025	2024	2025	2024
Bonds payable	11,986,000	4,633,000	-	-	11,986,000	4,633,000
Loans payable	4,561,860	-	10,143,375	228,434	14,705,235	228,434
Leases & SBITA payable	2,134,901	2,308,370	203,059	208,283	2,337,960	2,516,653
Total	18,682,761	6,941,370	10,346,434	436,717	29,029,195	7,378,087

The County has an assigned rating of “AA/Stable” from Standard & Poor’s after a review and report issued on November 29, 2013.

ECONOMIC FACTORS

Kittitas County’s 2025 economy remained diversified, supported by government employment, higher education, tourism, agriculture, construction, and retail activity. Central Washington University continued to serve as a major economic driver, accounting for a significant share of local employment. Tourism and recreation-related industries also remained strong due to the county’s outdoor recreation economy.

Labor market conditions remained relatively stable during much of 2025, with unemployment generally ranging between approximately 3.3% and 5.5%, although seasonal fluctuations and slower year-over-year workforce growth indicated some softening in economic activity.

Agricultural producers continued to face pressure from persistent drought conditions affecting the Yakima Basin region, rising operating costs, water supply concerns, and increased wildfire risk. State drought declarations and reduced snowpack created uncertainty for irrigation-dependent agriculture and related industries.

Additional economic pressures included rising housing and living costs throughout Central Washington, workforce availability challenges, and inflationary impacts on fuel, construction materials, and agricultural inputs. These conditions affected affordability for residents and operating costs for local businesses.

Despite these challenges, continued activity in construction, public infrastructure investment, tourism, and public sector employment helped support overall economic stability within the county during 2025.

REQUEST FOR INFORMATION

This financial report is designed to provide a general overview of Kittitas County’s finances for all those interested in the County’s finances. Any questions concerning any of the information provided in this report or requests for additional financial information should be addressed to the Kittitas County Auditor’s Office, Finance Department or visit our website at <http://www.co.kittitas.wa.us/auditor/default.aspx>

Kittitas County, Washington
Statement of Net Position
December 31, 2025

	Governmental Activities	Business-type Activities	Total
Assets			
Current Assets			
Cash and cash equivalents	\$ 12,617,863	\$ 132,277	\$ 12,750,140
Investments	102,651,955	7,694,150	110,346,105
Receivables (net)	3,892,446	793,910	4,686,356
Taxes Receivable	2,397,988		2,397,988
Due from other governments	6,812,104	222,056	7,034,160
Internal balances	1,057,277	(1,057,277)	-
Inventory	375,047	42,673	417,720
Prepaid items	2,369,200	-	2,369,200
Lease receivables	118,212	13,079	131,291
Total Current Assets	132,292,092	7,840,868	140,132,960
Noncurrent Assets			
Restricted cash and cash equivalents	164,600	82,338	246,938
Restricted investments	554,578	1,708,991	2,263,569
Lease receivables	1,308,427	234,727	1,543,154
Net pension asset	6,625,569	468,685	7,094,254
Capital assets:			
Non-depreciable	54,831,044	28,726,820	83,557,864
Depreciable (net)	94,544,403	2,166,164	96,710,567
Total Noncurrent Assets	158,028,621	33,387,725	191,416,346
Total Assets	290,320,713	41,228,593	331,549,306
Deferred Outflows of Resources			
Deferred outflows - OPEB	49,714	-	49,714
Deferred outflows - pensions	9,210,055	610,778	9,820,833
Total Deferred Outflows of Resources	9,259,769	610,778	9,870,547
Liabilities			
Current Liabilities			
Accounts payable and accrued expenses	7,771,970	849,822	8,621,792
Due to other governments	8,866	388	9,254
Unearned revenue	86,892	-	86,892
Deposits payable	73,145	-	73,145
Compensated absences payable	1,769,587	137,112	1,906,699
Leases payable	420,604	65,214	485,818
SBITA payable	27,339	-	27,339
Landfill closure obligations	-	60,000	60,000
Total OPEB liability	99,428	-	99,428
Bonds and notes payable	1,567,971	369,041	1,937,012
Total Current Liabilities	11,825,803	1,481,577	13,307,380
Long-Term Liabilities (net of current portion):			
Compensated absences payable	2,313,054	183,386	2,496,440
Leases payable	1,714,297	137,845	1,852,142
SBITA payable	-	-	-
Landfill closure obligations	-	3,051,385	3,051,385
Total OPEB liability	1,262,182	-	1,262,182
Net pension liability	1,286,927	128,835	1,415,762
Bonds and notes payable	14,979,889	9,774,334	24,754,223
Total Long-term Liabilities	21,556,348	13,275,785	34,832,133
Total Liabilities	33,382,151	14,757,362	48,139,513
Deferred Inflows of Resources			
Deferred inflows - leases	1,371,059	231,161	1,602,220
Deferred inflows - pensions	2,523,654	168,105	2,691,759
Total Deferred Inflows of Resources	3,894,713	399,266	4,293,979
Net Position			
Net investment in capital assets	134,780,133	20,546,550	155,326,683
Restricted for:			
Debt service	222,869	-	222,869
Capital outlay	16,902,476	-	16,902,476
County roads	13,198,083	-	13,198,083
Flood control	4,270,061	-	4,270,061
Public safety	8,333,716	-	8,333,716
Tourism	9,321,822	-	9,321,822
Public facilities	5,992,653	-	5,992,653
Other purposes	5,672,069	-	5,672,069
Pension asset	6,625,569	468,685	7,094,254
Unrestricted	56,984,167	5,667,508	62,651,675
Total Net Position	\$ 262,303,618	\$ 26,682,743	\$ 288,986,361

See accompanying notes to the basic financial statements

Kititas County, Washington
Statement of Activities
For the Year Ended December 31, 2023

Function/Program	Program Revenues			Net (Expense) Revenue and Changes in Net Position		
	Expenses	Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Governmental Activities	Business-Type Activities
Primary Government						
Governmental Activities						
General government	\$ 18,760,911	\$ 1,763,460	\$ 1,446,593	\$ -	\$ (15,550,858)	\$ -
Economic environment	4,139,278	132,085	-	2,146,134	(1,861,059)	-
Judicial	4,508,025	1,760,328	341,133	-	(2,406,563)	-
Physical environment	66,789	338,408	3,727	235,348	510,694	-
Culture and recreation	3,136,127	885,354	371,348	-	(1,879,425)	-
Public safety	25,848,191	3,999,152	5,057,601	-	(16,791,438)	-
Health and human services	8,721,545	1,268,479	3,974,865	-	(3,478,201)	-
Transportation	14,667,770	1,791,050	2,144,033	4,491,140	(6,241,547)	-
Interest	191,592	-	-	-	(191,592)	-
Total Governmental Activities	80,040,227	11,938,316	13,339,300	6,872,622	(47,889,989)	-
Business-Type Activities:						
Garbage and solid waste	8,232,516	9,061,679	-	970,825	-	1,799,988
Community development services	3,411,886	1,388,536	620,758	-	-	(1,402,592)
Water mitigation	257,447	465,201	-	1,023,193	-	1,230,947
Total Business-Type Activities	11,901,849	10,915,416	620,758	1,994,018	-	1,628,343
Total - Primary Government	91,942,076	22,853,732	13,960,058	8,866,640	(47,889,989)	(46,261,646)
General Revenues						
Property taxes					21,255,716	-
Sales taxes					28,835,072	-
Bureau of Land Management PILT					1,545,284	-
Real estate transfer taxes					3,194,539	-
Other taxes					712,483	-
Investment earnings (losses)					8,977,095	661,998
Gain on disposition of capital assets					-	79,749
Miscellaneous					1,349,430	108,165
Transfers					(231,759)	231,759
Total General Revenues and Transfers					65,637,860	1,081,671
Change in Net Position					17,747,871	2,710,014
Net Position Beginning of Year					244,555,747	23,972,729
Net Position End of Year					\$ 262,303,618	\$ 26,682,743
					\$ 288,986,361	\$ 288,986,361

See accompanying notes to the basic financial statements

Kittitas County, Washington
Balance Sheet
Governmental Funds
December 31, 2025

	General	County Road	Airport	County Capital Projects	Other Governmental Funds	Total Governmental Funds
Assets						
Cash and cash equivalents	\$ 6,032,377	\$ 60,888	\$ 10,353	\$ 2,080,816	\$ 4,038,169	\$ 12,222,603
Investments	21,633,349	11,590,709	1,697,546	7,010,856	54,670,901	96,603,361
Receivables (net)	1,936,339	426,996	22,947	-	1,490,876	3,877,158
Taxes Receivable	2,397,988	-	-	-	-	2,397,988
Due from other governments	1,243,666	1,717,342	104,360	-	3,746,736	6,812,104
Due from other funds	527,574	534,249	4,665	1,000,000	398,007	2,464,495
Prepaid items	131,996	9,161	52	-	1,717,079	1,858,288
Lease receivables	-	-	1,426,639	-	-	1,426,639
Total Assets	\$ 33,903,289	\$ 14,339,345	\$ 3,266,562	\$ 10,091,672	\$ 66,061,768	\$ 127,662,636
Liabilities						
Accounts payable	722,718	640,757	121,978	3,925,385	2,228,356	7,639,194
Due to other governments	1,726	44	6,790	-	196	8,756
Due to other funds	2,989	176,367	7,717	-	1,251,627	1,438,700
Unearned revenue	13,333	-	68,180	-	963	82,476
Deposits payable	31,957	7,896	19,926	-	13,366	73,145
Total Liabilities	772,723	825,064	224,591	3,925,385	3,494,508	9,242,271
Deferred Inflows of Resources						
Deferred inflows - property tax	247,113	307,037	-	-	62,030	616,180
Deferred inflows - municipal court	1,086,844	-	-	-	-	1,086,844
Deferred inflows - leases	-	-	1,371,059	-	-	1,371,059
Deferred inflows - other	39,036	-	-	-	1,268,111	1,307,147
Total Deferred Inflows of Resources	1,372,993	307,037	1,371,059	-	1,330,141	4,381,230
Fund Balances						
Nonspendable	131,996	9,161	52	-	1,717,079	1,858,288
Restricted	2,131,131	13,198,083	-	6,166,287	45,284,110	66,779,611
Committed	-	-	-	-	254,334	254,334
Assigned	-	-	1,670,860	-	13,981,596	15,652,456
Unassigned	29,494,446	-	-	-	-	29,494,446
Total Fund Balances	31,757,573	13,207,244	1,670,912	6,166,287	61,237,119	114,039,135
Total Liabilities, Deferred Inflows of Resources, and Fund Balances	\$ 33,903,289	\$ 14,339,345	\$ 3,266,562	\$ 10,091,672	\$ 66,061,768	\$ 127,662,636

See accompanying notes to the basic financial statements

Kittitas County, Washington
Reconciliation of the Balance Sheet of Governmental Funds to the Statement of Net Position
December 31, 2025

Total Governmental Fund Balances	\$ 114,039,135
Amounts reported for governmental activities in the statement of net position are different because:	
Capital assets used in governmental activities are not current financial resources and therefore are not reported in the funds (exclusive of internal service funds' capital assets).	135,251,355
Other long-term assets are not available to pay for current-period expenditures and therefore are deferred in the funds - property taxes, grants and fines.	3,010,171
Deferred inflows and outflows for pensions reported on the government-wide statement of position but not reported on the governmental fund balance sheet.	6,686,401
Deferred outflows for OPEB reported on the government-wide statement of net position but not reported on the government balance sheet.	49,714
The net pension assets are not available to retire current year expenditures, therefore they are not reported in the funds but are reported in the government-wide statement of net position.	6,625,569
The internal service fund is used by management to charge the costs of the equipment rental to individual funds. The assets and liabilities of the internal service funds are included in governmental activities column on the government-wide statement of net position.	22,055,212
Liabilities not due and payable in the current period and therefore are not reported in the governmental fund balance sheets but are reported on the government-wide statement of net position (excludes internal service funds).	
General obligation bonds and notes payable	\$ (16,547,860)
Other postemployment benefits payable	(1,361,610)
Net pension liability payable	(1,286,927)
Leases & SBITA payable	(2,134,901)
Compensated absences payable	(4,082,641)
	<u>(25,413,939)</u>
Net Position Of Governmental Activities	<u>\$ 262,303,618</u>

See accompanying notes to the basic financial statements

Kititas County, Washington
Statement of Revenues, Expenditures and Changes in Fund Balances
Governmental Funds
For the Year Ended December 31, 2025

	General	County Road	Airport	SLFRF	County Capital Projects	Other Governmental Funds	Total Governmental Funds
Revenues							
Property taxes	\$ 10,441,712	\$ 9,100,441	\$ -	\$ -	\$ -	\$ 1,535,503	\$ 21,077,656
Sales taxes	13,784,407	-	-	-	-	15,050,665	28,835,072
Other taxes	690,007	20,315	-	-	-	3,196,700	3,907,022
Licenses and permits	176,167	217,417	-	-	-	554,137	947,721
Intergovernmental	7,766,215	6,429,131	206,042	-	1,424,777	5,782,434	21,608,599
Charges for services	5,680,176	1,329,511	-	-	-	1,276,806	8,286,493
Fines and forfeitures	1,552,979	-	-	-	-	2,450	1,555,429
Investment earnings	3,569,329	822,056	152,255	-	332,777	3,666,979	8,543,396
Rent and leases	904,826	-	244,122	-	-	8,040	1,156,988
Miscellaneous	659,310	42,838	4,842	-	-	503,087	1,210,077
Total Revenues	45,225,128	17,961,709	607,261	-	1,757,554	31,576,801	97,128,453
Expenditures							
Current:							
General government	15,032,853	1,027,487	-	-	95	1,656,870	17,717,305
Economic environment	70	-	-	-	-	4,158,529	4,158,599
Judicial	3,790,444	-	-	-	-	790,301	4,580,745
Physical environment	146,000	-	-	-	-	-	146,000
Culture and recreation	2,614,170	-	-	-	16,075	22,807	2,653,052
Public safety	19,254,960	-	-	-	100	7,315,527	26,570,587
Health and human services	862,194	-	-	-	-	7,932,958	8,795,152
Transportation	-	11,623,254	299,069	-	-	-	11,922,323
Debt Service:							
Principal retirement	350,933	-	34,215	-	-	698,000	1,083,148
Interest and fiscal charges	89,897	-	5,385	-	-	96,310	191,592
Capital Outlay	742,759	3,634,278	223,894	-	9,743,572	2,224,577	16,569,080
Total Expenditures	42,884,280	16,285,019	562,563	-	9,759,842	24,895,879	94,387,583
Excess (Deficiency) of Revenues Over (Under) Expenditures	2,340,848	1,676,690	44,698	-	(8,002,288)	6,680,922	2,740,870
Other Financing Sources (Uses)							
Transfers in	-	798,347	701,400	-	11,295,705	3,631,835	16,427,287
Transfers (out)	(8,706,835)	-	-	-	-	(7,720,452)	(16,427,287)
Leases (as lessee) & SBITA	211,679	-	-	-	-	-	211,679
Bonds and loans issued	-	-	-	-	4,561,860	8,051,000	12,612,860
Proceeds from disposition of capital assets	88,976	-	-	-	-	8,350	97,326
Total Other Financing Sources (Uses)	(8,406,180)	798,347	701,400	-	15,857,565	3,970,733	12,921,865
Net Change in Fund Balances	(6,065,332)	2,475,037	746,098	-	7,855,277	10,651,655	15,662,735
Fund Balances Beginning of Year, as previously presented	37,822,905	10,732,207	-	637,016	(1,688,990)	50,873,262	98,376,400
Accounting Changes and Error Corrections	-	-	924,814	(637,016)	-	(287,798)	-
Fund Balances Beginning of Year, as adjusted	37,822,905	10,732,207	924,814	-	(1,688,990)	50,585,464	98,376,400
Fund Balances End of Year	\$ 31,757,573	\$ 13,207,244	\$ 1,670,912	\$ -	\$ 6,166,287	\$ 61,237,119	\$ 114,039,135

See accompanying notes to the basic financial statements

Kittitas County, Washington
Reconciliation of the Statement of Revenues, Expenditures and Changes
in Fund Balances of Governmental Funds to the Statement of Activities
For the Year Ended December 31, 2025

Net Changes In Fund Balances - Total Governmental Funds		\$ 15,662,735									
Amounts reported for governmental activities in the statement of activities are different because:											
Governmental funds report capital outlays as expenditures on the governmental fund type operating statement. However, in the government-wide statement of activities, the cost of those assets is allocated over their estimated useful lives as depreciation expense. This is the amount by which capitalized capital outlay exceeded depreciation expense in the current period.											
	<table> <tr> <td>Depreciation expense</td><td style="text-align: right;">\$ (6,618,869)</td><td></td></tr> <tr> <td>Capital outlay</td><td style="text-align: right;">16,107,079</td><td></td></tr> <tr> <td>Capital contributions</td><td style="text-align: right;"><u>-</u></td><td style="text-align: right;">9,488,210</td></tr> </table>	Depreciation expense	\$ (6,618,869)		Capital outlay	16,107,079		Capital contributions	<u>-</u>	9,488,210	
Depreciation expense	\$ (6,618,869)										
Capital outlay	16,107,079										
Capital contributions	<u>-</u>	9,488,210									
The book value of capital assets sold are reported on the government-wide statement of activities but not reported in the governmental fund's operating statement.		(184)									
Revenues in the government-wide statement of activities that do not provide current financial resources are not reported as revenues in the funds.											
	<table> <tr> <td>Property taxes, fines and grants:</td><td></td><td></td></tr> <tr> <td>Deferred as of 12/31/25</td><td style="text-align: right;">\$ 3,010,171</td><td></td></tr> <tr> <td>Deferred as of 12/31/24</td><td style="text-align: right;"><u>(2,701,573)</u></td><td style="text-align: right;">308,598</td></tr> </table>	Property taxes, fines and grants:			Deferred as of 12/31/25	\$ 3,010,171		Deferred as of 12/31/24	<u>(2,701,573)</u>	308,598	
Property taxes, fines and grants:											
Deferred as of 12/31/25	\$ 3,010,171										
Deferred as of 12/31/24	<u>(2,701,573)</u>	308,598									
The internal service fund is used by management to charge the costs of maintenance services to individual funds are not reported in the government-wide statement of activities. Governmental fund expenditures and related internal service fund revenues are eliminated.		1,433,417									
Repayment of long-term debt principal is an expenditure in the governmental funds, but the repayment reduces long-term liabilities in the government-wide statement of net position.		698,000									
Other postemployment expenses are reported in the government-wide statement of activities, but do not require the use of current financial resources and therefore are not reported as expenditures in governmental funds.		663,939									
Pension expenses are reported in the government-wide statement of activities, but do not require the use of current financial resources and therefore are not reported as expenditures in governmental funds.		2,206,815									
Leases & SBITA are reported in the government-wide statement of activities, but do not require the use of current financial resources and therefore are not reported as expenditures in governmental funds.		385,148									
Proceeds from leases & SBITA are reported as other financing sources in governmental funds, but the proceeds increase long-term liabilities in the government-wide statement of net position.		(211,679)									
Proceeds from issuance of debt are reported as other financing sources in governmental funds, but the proceeds increase long-term liabilities in the government-wide statement of net position.		(12,612,860)									
Compensated absences are reported in the government-wide statement of activities, but do not require the use of current financial resources and therefore are not reported as expenditures in governmental funds.											
	<table> <tr> <td>Liability as of 12/31/25</td><td style="text-align: right;">\$ (4,082,641)</td><td></td></tr> <tr> <td>Liability as of 12/31/24</td><td style="text-align: right;"><u>3,808,373</u></td><td style="text-align: right;"><u>(274,268)</u></td></tr> </table>	Liability as of 12/31/25	\$ (4,082,641)		Liability as of 12/31/24	<u>3,808,373</u>	<u>(274,268)</u>				
Liability as of 12/31/25	\$ (4,082,641)										
Liability as of 12/31/24	<u>3,808,373</u>	<u>(274,268)</u>									
Change In Net Position of Governmental Activities		<u>\$ 17,747,871</u>									

See accompanying notes to the basic financial statements

Kittitas County, Washington
Statement of Net Position
Proprietary Funds
December 31, 2025

	Business-type Activities - Enterprise Funds				Governmental Activities - Internal Service Funds
	Solid Waste	Community Development Services	Water Mitigation	Total	
Assets					
Current Assets:					
Cash and cash equivalents	\$ 126,930	\$ (7,230)	\$ 12,577	\$ 132,277	\$ 559,860
Investments	4,751,880	1,310,056	1,632,214	7,694,150	6,603,172
Receivables (net)	785,106	4,011	4,793	793,910	15,288
Lease receivables	5,144	-	7,935	13,079	-
Due from other funds	-	-	-	-	150,393
Inventories	-	-	42,673	42,673	375,047
Due from other governments	83,245	130,603	8,208	222,056	-
Prepaid items	-	-	-	-	510,912
Total Current Assets	5,752,305	1,437,440	1,708,400	8,898,145	8,214,672
Noncurrent Assets:					
Restricted cash and cash equivalents	82,338	-	-	82,338	-
Restricted investments	1,708,991	-	-	1,708,991	-
Lease receivables	198,615	-	36,112	234,727	-
Net pension asset	169,963	298,722	-	468,685	-
Capital assets:					
Nondepreciable	21,353,512	-	7,373,308	28,726,820	4,089,437
Depreciable, net	1,975,255	190,909	-	2,166,164	10,034,655
Total Noncurrent Assets	25,488,674	489,631	7,409,420	33,387,725	14,124,092
TOTAL ASSETS	31,240,979	1,927,071	9,117,820	42,285,870	22,338,764
Deferred Outflows of Resources					
Deferred outflows - pensions	221,491	389,287	-	610,778	-
TOTAL DEFERRED OUTFLOWS OF RESOURCES	221,491	389,287	-	610,778	-
Liabilities					
Current Liabilities:					
Accounts payable and accrued expenses	693,635	142,837	13,350	849,822	132,776
Due to other funds	1,018,324	34,984	3,969	1,057,277	118,911
Due to other governments	388	-	-	388	110
Unearned revenue	-	-	-	-	4,416
Compensated absences	50,351	86,761	-	137,112	-
Leases payable	62,687	2,527	-	65,214	-
SBITA payable	-	-	-	-	27,339
Landfill closure obligations	60,000	-	-	60,000	-
Bonds, notes, loans payable	369,041	-	-	369,041	-
Total Current Liabilities	2,254,426	267,109	17,319	2,538,854	283,552
Long-Term Liabilities: (net of current portion)					
Compensated absences payable	70,514	112,872	-	183,386	-
Leases payable	135,911	1,934	-	137,845	-
SBITA payable	-	-	-	-	-
Landfill closure obligations	3,051,385	-	-	3,051,385	-
Loans payable	9,774,334	-	-	9,774,334	-
Net pension liability	46,721	82,114	-	128,835	-
Total Long-term Liabilities	13,078,865	196,920	-	13,275,785	-
TOTAL LIABILITIES	15,333,291	464,029	17,319	15,814,639	283,552
Deferred Inflows of Resources					
Deferred inflows of resources - leases	189,370	-	41,791	231,161	-
Deferred inflows - pensions	60,961	107,144	-	168,105	-
TOTAL DEFERRED INFLOWS OF RESOURCES	250,331	107,144	41,791	399,266	-
Net Position					
Net investment in capital assets	12,986,794	186,448	7,373,308	20,546,550	14,096,753
Restricted for pension assets	169,963	298,722	-	468,685	-
Unrestricted	2,722,091	1,260,015	1,685,402	5,667,508	7,958,459
TOTAL NET POSITION	\$ 15,878,848	\$ 1,745,185	\$ 9,058,710	26,682,743	\$ 22,055,212

See accompanying notes to the basic financial statements

Kittitas County, Washington
Statement of Revenues, Expenses and Changes in Fund Net Position
Proprietary Funds
For the Year Ended December 31, 2025

	Business-type Activities - Enterprise Funds				Governmental Activities - Internal Service Funds
	Solid Waste	Community Development Services	Water Mitigation	Total	
Operating Revenues					
Garbage and solid waste	\$ 9,061,679	\$ -	\$ -	\$ 9,061,679	\$ -
Licenses and permits		1,388,536		1,388,536	-
Water sales and services			465,201	465,201	-
Other services	-	-	-	-	9,810,702
Total Operating Revenues	9,061,679	1,388,536	465,201	10,915,416	9,810,702
Operating Expenses					
Operations and maintenance	7,969,910	3,359,045	257,447	11,586,402	3,511,682
Insurance and claims	-	-	-	-	4,676,464
Depreciation	232,503	52,841	-	285,344	1,165,997
Total Operating Expenses	8,202,413	3,411,886	257,447	11,871,746	9,354,143
Operating Income	859,266	(2,023,350)	207,754	(956,330)	456,559
Non-Operating Revenues (Expenses)					
Investment interest	432,905	115,090	114,003	661,998	433,697
Interest expense	(30,103)	-	-	(30,103)	(1,913)
Other nonoperating revenue	620,825	620,758	-	1,241,583	500
Gain (loss) on disposition of capital assets	79,749	-	-	79,749	(244,259)
Miscellaneous revenue	108,165	-	-	108,165	-
Total Non-Operating Revenues (Expenses)	1,211,541	735,848	114,003	2,061,392	188,025
Income (Loss) Before Contributions and Transfers	2,070,807	(1,287,502)	321,757	1,105,062	644,584
Contributions	350,000	-	1,023,193	1,373,193	1,020,592
Transfers In	-	231,759	-	231,759	4,454
Transfers Out	-	-	-	-	(236,213)
Change in Net Position	2,420,807	(1,055,743)	1,344,950	2,710,014	1,433,417
Net Position Beginning of Year	13,458,041	2,800,928	7,713,760	23,972,729	20,621,795
Net Position End of Year	\$ 15,878,848	\$ 1,745,185	\$ 9,058,710	\$ 26,682,743	\$ 22,055,212

See accompanying notes to the basic financial statements

Kittitas County, Washington
Statement of Cash Flows
Proprietary Funds
For the Year Ended December 31, 2025

	Business-type Activities - Enterprise Funds				Governmental Activities - Internal Service Funds
	Solid Waste	Community Development Services	Water Mitigation	Total	
Cash Flows from Operating Activities					
Cash received from customers	\$ 8,861,677	\$ 1,275,206	\$ 497,675	\$ 10,634,558	\$ 10,830,750
Cash payments to employees for services	(1,334,210)	(2,364,919)	(131,683)	(3,830,812)	(630,525)
Cash payments for goods and services	(5,517,540)	(1,086,884)	(141,140)	(6,745,564)	(7,710,632)
Net Cash Provided by (Used in) Operating Activities	2,009,927	(2,176,597)	224,852	58,182	2,489,593
Cash Flows from Non-Capital Financing Activities					
Receipts from non-capital grants	-	620,758	-	620,758	-
Cash received from (paid to) other funds	-	231,759	314	232,073	(231,759)
Net Cash Flows from Non-Capital and Related Financing Activities	-	852,517	314	852,831	(231,759)
Cash Flows from Capital and Related Financing Activities					
Capital contributions	350,000	-	-	350,000	-
Cash receipts from capital grants	620,825	-	-	620,825	-
Cash receipts from the disposal of assets	79,749	-	-	79,749	91,075
Proceeds from loans	10,135,454	-	-	10,135,454	-
Principal paid on bonds & leases	(276,753)	(2,468)	-	(279,221)	(19,431)
Interest paid on bonds & leases	(30,103)	-	-	(30,103)	-
Payments for capital acquisitions	(11,360,564)	(231,759)	(1,275,215)	(12,867,538)	(1,304,596)
Net Cash Provided by (Used in) Capital and Related Financing Activities	(481,392)	(234,227)	(1,275,215)	(1,990,834)	(1,232,952)
Cash Flows from Investing Activities					
Purchase of investment securities	(1,666,627)	-	(2,286)	(1,668,913)	(1,719,132)
Proceeds from sale and maturities of investment securities	-	1,445,478	-	1,445,478	18,578
Investment earnings	126,234	52,907	36,528	215,669	158,867
Net Cash Provided by (Used in) Investing Activities	(1,540,393)	1,498,385	34,242	(7,766)	(1,541,687)
Net Increase (Decrease) in Cash and Cash Equivalents	(11,858)	(59,922)	(1,015,807)	(1,087,587)	(516,805)
Cash and Cash Equivalents Beginning of Year	221,126	52,692	5,191	279,009	1,076,665
Cash and Cash Equivalents End of Year	\$ 209,268	\$ (7,230)	\$ (1,010,616)	\$ (808,578)	\$ 559,860

(continued)

Kittitas County, Washington
Statement of Cash Flows
Proprietary Funds
For the Year Ended December 31, 2025

(continued)

	Business-type Activities - Enterprise Funds				Governmental Activities - Internal Service Funds
	Solid Waste	Community Development Services	Water Mitigation	Total	
Reconciliation of Operating Income (Loss) to Net Cash Provided by (Used in) Operating Activities					
Operating Income (Loss)	\$ 859,266	\$ (2,023,350)	\$ 207,754	\$ (956,330)	\$ 456,559
Adjustments:					
Depreciation	232,503	52,841	-	285,344	1,165,997
Miscellaneous revenue	108,165	-	-	108,165	500
(Increase) Decrease in Assets:					
Accounts receivable	(299,734)	(113,330)	32,766	(380,298)	1,019,490
Lease receivables and related inflows	(8,433)	-	(292)	(8,725)	-
Inventories and prepaid items	1,954	4,703	4,036	10,693	(135,800)
Increase (Decrease) in Liabilities:					
Accounts payable	1,261,860	86,947	(19,412)	1,329,395	48,286
Compensated absences payable	(30,216)	10,047	-	(20,169)	(65,439)
Pension related balances	(115,438)	(194,455)	-	(309,893)	-
Net Cash Provided by (Used in) Operating Activities	<u>\$ 2,009,927</u>	<u>\$ (2,176,597)</u>	<u>\$ 224,852</u>	<u>\$ 58,182</u>	<u>\$ 2,489,593</u>
Schedule of Non-Cash Capital and Related Financing Activities					
Capital assets acquired through lease & SBITA financing	(53,484)	-	-	(53,484)	(46,770)
Fair value of investments increased (decreased) by	306,671	62,183	77,475	446,329	274,830
Total Non-Cash Activities	<u>\$ 253,187</u>	<u>\$ 62,183</u>	<u>\$ 77,475</u>	<u>\$ 392,845</u>	<u>\$ 228,060</u>

See accompanying notes to the basic financial statements

Kittitas County, Washington
Statement of Fiduciary Net Position
Fiduciary Funds
December 31, 2025

	Private-Purpose Trust Funds	Custodial Funds	
		External Investment Pool	Other Custodial Funds
Assets			
Cash and cash equivalents	\$ 5,594		\$ 5,079,426
Investments	25,286	53,657,519	
Receivables	23		2,999,059
Total Assets	30,903	\$ 53,657,519	8,078,485
Liabilities			
Accounts payable and other accrued expenses	20,733	-	5,726,093
Total Liabilities	20,733	-	5,726,093
Net Position			
Restricted for other governments	10,170	53,657,519	2,352,392
Total Net Position	\$ 10,170	\$ 53,657,519	\$ 2,352,392

See accompanying notes to the basic financial statements

Kittitas County, Washington
Statement of Changes in Fiduciary Net Position
Fiduciary Funds
For the Year Ended December 31, 2025

		Custodial Funds	
	Private-Purpose Trust Funds	External Investment Pool	Other Custodial Funds
Additions:			
Investment earnings	\$ 260	\$ 1,594,051	\$ -
Property tax collections for other governments	-	-	92,305,355
Other taxes and fees collected for other governments	-	-	14,415,980
Contributions by pool participants	-	49,484,390	-
School apportionment collected for other governments	-	-	109,332,872
Agency deposits	71,684	-	20,640,334
Total Additions	71,944	51,078,441	236,694,541
Deductions:			
Deductions by pool participants	-	34,846,947	-
Agency disbursements	71,684	-	252,153,996
Total Deductions	71,684	34,846,947	252,153,996
Change in Net Position	260	16,231,494	(15,459,455)
Net Position Beginning of Year	9,910	37,426,025	17,811,847
Net Position End of Year	\$ 10,170	\$ 53,657,519	\$ 2,352,392

See accompanying notes to the basic financial statements

KITTITAS COUNTY, WASHINGTON
Notes to the Financial Statements
December 31, 2025

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Kittitas County was dedicated by the State of Washington as a public entity on November 28, 1883, and operates under the laws of the State of Washington applicable to a County with a commissioner form of government.

Kittitas County is a general-purpose government and provides public safety, road improvement, parks and recreation, judicial administration, health and social services, airport and general administration services. In addition, the County owns a solid waste disposal system.

A. REPORTING ENTITY

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

The accompanying financial statements present all funds and departments for which the County is considered to be financially accountable. Pursuant to the laws of the State of Washington, the County Treasurer is the ex-officio treasurer of all special purpose districts within the County. Funds received and disbursed to such special districts are reported as Custodial (Fiduciary) activities in the accompanying financial statements. There are no other relationships with organizations of such a nature and significance that exclusion would render the County financial statements incomplete or misleading.

B. JOINT VENTURES AND JOINT OPERATIONS

The accompanying financial statements include the financial positions and results of operations which are controlled by or dependent on the County (except that the operations of and equity in joint ventures are not included in the statements as explained in note 13). Control by the County was determined based on budget adoption and resource allocation criteria. Dependence on the County was determined by the County's obligation to redeem the organization's debts, to finance the organization's deficits and the extent to which subsidies from the County constitute a major portion of the organizations' total non-grant resources.

C. GOVERNMENT-WIDE AND FUND FINANCIAL STATEMENTS

The government-wide financial statements (i.e., the statement of net position and the statement of changes in net position) report information on all of the non-fiduciary activities of Kittitas County. For the most part, the effect of interfund activity has been removed from these statements. 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.

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. Expenses reported for functional activities include allocated indirect expenses. As a general rule the effect of the interfund activity has been eliminated for the government-wide financial statements. 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.

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.

D. MEASUREMENT FOCUS, BASIS OF ACCOUNTING AND FINANCIAL STATEMENT PRESENTATION

The government-wide financial statements are reported using the economic resources measurement focus and the accrual basis of accounting, as are 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 collected. 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 to be available when they are collectible within the current period or soon enough thereafter to pay liabilities of the current period. For this purpose, Kittitas County considers revenues to be available if they are recognized within 60 days of the end of the current fiscal period.

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. Per RCW 36.40.20 all appropriations shall lapse at the end of the fiscal year: PROVIDED, That the appropriation accounts may remain open for a period of thirty days, and may, at the auditor's discretion, remain open for a period not to exceed sixty days thereafter for the payment of claims incurred against such appropriations prior to the close of the fiscal year. After such period has expired all appropriations shall become null and void and any claim presented thereafter against any such appropriation shall be provided for in the next ensuing budget: PROVIDED that this shall not prevent payments upon uncompleted improvements in progress at the close of the fiscal year.

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 to be susceptible to accrual as revenue of the current period. All other revenue items are considered to be measurable and available only when cash is received by Kittitas County.

Proprietary funds distinguish operating revenues and expenses from non-operating 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 Solid Waste fund is generated from refuse. Operating expenses for enterprise funds and internal service 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.

The County reports the following major government funds:

- The General Fund is the County's operating fund. It accounts for all financial resources of the general government, except those required to be accounted for in another fund.
- The County Road Fund is funded primarily by portions of property and sales taxes dedicated to maintenance and operations of county roads.
- The Airport Fund is used to track revenues and expenditures related to airport operations.
- The County Capital Projects Fund is used to track various capital projects.

The County reports the following major enterprise funds:

- The Solid Waste Fund is used to account for charges for waste collection services and related transfer station and landfill operations.
- The Community Development Services Fund is funded by charges for building, planning and code enforcement services.
- The Water Mitigation Fund is funded by charges for utility services.

Additionally, the County reports the following fund types:

- Special revenue funds account for the proceeds of specific revenue sources to finance specific activities as required by law or administrative regulations.
- Debt service funds account for the accumulation of resources and the payment of general long-term debt principal and interest from governmental resources.
- Capital project funds account for the design and construction of infrastructure and other governmental facilities.

- Internal service funds account for the County's equipment rental and revolving fund, unemployment and dental insurance and computer replacement.
- Fiduciary funds are used to account assets held by the county in a trustee capacity or as an agent on behalf of other governments, special districts, private organizations or individuals. Fiduciary funds include private purpose trust funds and custodial funds. Private purpose trust funds include the Jerry Williams Library and Reecer Creek Water Rights funds. Custodial funds include the External Investment Pool and Other Custodial Funds held for other governments.

E. BUDGETARY INFORMATION

1. SCOPE OF BUDGET

Annual appropriated budgets are adopted for the General and Special Revenue Funds as per RCW 36.29.024 and RCW 84.56.020, except for the Treasurer Investment Revolving and Treasurer M&O fund which is not required to be budgeted. These budgets are prepared in accordance with generally accepted accounting principles.

Annual appropriated budgets are adopted at the level of each fund and the budget constitutes the legal authority for expenditures at that level. Subsidiary revenue and expenditure ledgers are used to compare the budgeted amounts with actual revenues and expenditures. As a management control device, the subsidiary ledgers monitor expenditures for individual functions and activities by object class. Appropriations for all funds lapse at year-end.

2. AMENDING THE BUDGET

The County Auditor is authorized to transfer budget amounts between object classes within departments. However, any revisions that alter the total budget 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 County Commissioners.

When the County determines that it is in the best interest of the County to increase or decrease the appropriations for a particular fund/department it may do so by resolution approved by a simple 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 for the General Fund and major special revenue funds. 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.

F. ASSETS, LIABILITIES, FUND BALANCE, NET POSITION

1. CASH AND EQUIVALENTS

Cash includes cash on hand and demand deposits. The county pools internal and external cash and investments into one pool for investment purposes with the County Treasurer, except as otherwise requested or necessary, in order to facilitate the management of cash.

The County considers all highly liquid investments (including restricted assets) with a maturity of three months or less when purchased to be cash equivalents.

2. INVESTMENTS

It is the County's policy to invest all temporary cash surpluses. Interest on County investment balances is credited to the general fund. All securities are measured at fair value.

3. RECEIVABLES

Taxes receivable consists of property taxes and related interest and penalties (See Note 3, Property Tax). Special assessments are recorded when levied. Special assessments receivable consists of current and delinquent assessments and related interest and penalties.

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.

Accrued interest receivable consists of amounts earned on investments, notes, and contracts at the end of the year.

4. AMOUNTS DUE TO/FROM OTHER FUNDS, INTERFUND LOANS/ AND ADVANCES RECEIVABLE

Activity between funds that are representative of lending/borrowing arrangements outstanding at the end of the fiscal year are referred to as "interfund loans receivable/payable." 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 Interfund Balances and Transfers Note No. 12.

5. INVENTORIES

Inventories in governmental funds consist of expendable supplies held for consumption. The cost is recorded as 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 average cost method, which approximates the market value. Items that are inventoried are Pits, Central Stores, Mechanical Parts, Fuel Depot and Sign Inventory. Inventories in proprietary funds are valued by the average method (which approximates the market value).

6. CAPITAL ASSETS

Capital assets, which includes property, plant, equipment, and infrastructure assets, (e.g., roads, bridges, sidewalks, and similar items), are reported in the applicable governmental or business-type 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 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. Kittitas County has elected to use the modified approach to account for the infrastructure account; Gravel Roads, which eliminates the need to report depreciation expense.

Property, plant, and equipment of the primary government are depreciated using the straight-line method over the following estimated useful lives:

Assets	Years
Buildings & Improvements	5-60
Improvements other than Buildings	5-50
Machinery & Equipment	3-20
Roads, Guardrails & Traffic Signals	20
Bridges	51

7. PENSIONS

For purpose 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 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.

For purposes of calculating the restricted net position related to the net pension asset, the County includes the net pension asset.

8. OTHER POST-EMPLOYMENT BENEFITS (OPEB)

Lifetime full medical coverage is provided to uniformed Police and Fire personnel who became members of the Law Enforcement Officers and Fire Fighters (LEOFF) retirement system prior to October 1, 1977. A liability for the accumulated unfunded actuarially required contributions is reported in the Statement of Net Position. Actual medical costs are reported as expenditures in the general fund in the year they are incurred.

9. COMPENSATED ABSENCES

Compensated absences are absences for which employees will be paid, such as vacation, sick and compensatory time leave. All vacation, sick and compensatory time which is subject to payment upon termination is accrued when incurred in the government-wide, proprietary, and fiduciary fund financial statements. Additionally, the reported liability includes an estimate for sick leave likely to be used in future periods.

Vacation pay, which may be accumulated up to 30 days is payable upon resignation, retirement or death; sick leave may accumulate up to a maximum of 1056 - 1120 hours; twenty-five percent of outstanding sick leave is payable upon retirement, lay-off or death, depending on which bargaining unit the employee belongs. The following is a schedule of those bargaining units:

Washington State Council of County & City Employees	
Local 792CH - Courthouse Employees	
Vacation - accumulated to a total of 30 working days	
Sick - accumulated to a total of 140 working days	
Local 792 - County Road Employees	
Vacation - accumulated to a total of 30 working days	
Sick - accumulated to a total of 140 working days	
Local 2658 - Appraisers	
Vacation - accumulated to a total of 30 working days	
Sick - accumulated to a total of 140 working days	
Teamsters	
Local 760 - Sheriff Deputies & Correction Officers	
Vacation - accumulated to a total of 30 working days	
Sick - accumulated to a total of 132 working days	
Local 760 - Misdemeanant Probation	
Vacation - accumulated to a total of 30 working days	
Sick - accumulated to a total of 140 working days	
Non-Union Personnel Policies	
Vacation - accumulated to a total of 30 working days	
Sick - accumulated to a total of 140 working days	

11. LONG-TERM DEBT

Liabilities for long-term debt are recorded in the government-wide statement of net position and the proprietary funds balance sheet. Bonds payable are reported net of applicable bond premium or discount.

Bond issuance costs are expended at the time of issuance. Bond premiums and discounts are deferred and amortized over the life of the bonds. Bond proceeds are reported as other financing sources in the governmental funds.

12. DEFERRED OUTFLOWS/INFLOWS OF RESOURCES

Deferred outflow of resources is the consumption of net position that is applicable to a future reporting period. A deferred outflow of resources involved no consumption of resources that results in either a net decrease in assets or a net increase in liabilities. It also represents access to present service capability that is under the government's control. Deferred outflows of resources presented are related to outstanding pension and other post-employment benefit related amounts.

Deferred inflow of resources is the acquisition of net position that is applicable to a future reporting period. A deferred inflow of resources involved no acquisition of resources resulting in either a net increase in assets or a net decrease in liabilities. It represents a present obligation to sacrifice resources that the government has little or no discretion to avoid. Deferred inflows of resources presented are related to outstanding pension amounts, property taxes and other receivables.

13. NET POSITION AND FUND BALANCE

Net Position is segregated into three categories on the government-wide statement of net position: 1) net investment in capital assets; 2) restricted; and 3) unrestricted. The flow assumption of the County is to use restricted assets before unrestricted assets.

Fund balances presented in the governmental fund financial statements represent the difference between assets and liabilities reported in the governmental fund. Fund balance is classified into the following categories:

- Non-spendable – items that cannot be spent due to form: inventories, prepaid amounts or amounts that must be maintained intact legally.
- Restricted – amounts constrained for specific purposes imposed by external parties, such as those resulting from federal and state legislation, grant awards, bond covenants, and inter-local service agreements.
- Committed – fund balance constrained by ordinance or resolution is adopted by the Board of Commissioners and requires the same action to remove the constraint.
- Assigned – constraints that are neither restricted nor committed are considered assigned. Assignments are adopted formally or informally.
- Unassigned – any remaining fund balance in the general fund not classified as non-spendable, restricted, committed or assigned is considered unassigned. Negative fund balance in any other governmental fund is also unassigned.

The flow assumption for fund balance is to use restricted fund balance first, followed by committed, assigned and unassigned.

14. LEASES & SUBSCRIPTION BASED INFORMATION TECHNOLOGY ARRANGEMENTS (SBITA)

Lessee & SBITA

The County is a lessee for noncancelable leases. The County recognizes lease and SBITA liabilities and intangible right-to-use lease assets in the government-wide and proprietary fund financial statements. The County recognizes lease and SBITA liabilities with an initial, individual value of \$25,000 or more.

At the commencement of a lease or SBITA, the County initially measures the lease liability at the present value of payments expected to be made during the lease term. Subsequently, the lease or SBITA liability is reduced by the principal portion of payments made. The lease or SBITA asset is initially measured as the initial amount of the lease or SBITA liability, adjusted for lease payments made at or before the lease commencement date, plus certain initial direct costs. Subsequently, the lease or SBITA asset is amortized using the straight-line basis over its useful life.

Governmental funds recognize a capital outlay and other financing source at the commencement of a new lease or SBITA. Lease or SBITA payments in governmental funds are reported as debt service principal and debt service interest expenditures.

Key estimates and judgements include how the County determines the discount rate it uses to discount expected lease or SBITA payments to present value, lease term, and lease payments.

- The County uses the interest rate charged by the lessor as the discount rate. When the interest rate charged by the lessor is not provided the County generally uses its incremental borrowing rate as the discount rate for leases.
- The lease or SBITA term includes the noncancelable period. Payments included in the measurement of the lease or SBITA liability are composed of fixed payments and purchase option price that the County is reasonably certain to exercise.

The County monitors changes in circumstances that would require a remeasurement of its leases or SBITAs and will remeasure the lease or SBITA asset and liability if certain changes occur that are expected to significantly affect the amount of the lease or SBITA liability.

Lessor

The County is a lessor for noncancelable leases. The County recognizes lease receivables and related deferred inflows of resources in the government-wide and fund financial statements.

At the commencement of a lease the County initially measures the lease receivable at the present value of payments expected to be received during the lease term. Subsequently the lease receivable is reduced by the principal portion of lease payments received. The deferred inflow of resources is initially measured as the initial amount of the lease receivable, adjusted for lease payments received at or before the lease commencement date. Subsequently, the deferred inflow of resources is recognized as revenue over the life of the lease term using the straight-line basis.

Key estimates and judgements include how the County determines the discount rate it uses to discount the expected lease payments to present value, lease term and lease payments.

- The County uses its estimated incremental borrowing rate as the discount rate for leases.
- The lease term includes the noncancelable period of the lease. Lease receipts included in the measurement of the lease liability are composed of fixed payments from the lessee.

The County monitors changes in circumstances that would require a remeasurement of its leases, and will remeasure the lease receivables and deferred inflows of resources if certain changes occur that are expected to significantly affect the amount of the lease receivable.

NOTE 2 - DEPOSITS AND INVESTMENTS

A. DEPOSITS

Custodial credit risk for deposits is the risk that, in the event of a failure of a depository financial institution, the County would not be able to recover deposits or will not be able to recover collateral securities that are in possession of an outside party. The county has a formal investment policy that addresses this risk. All deposits held at December 31, 2025, and throughout the year were insured or collateralized with securities held by the County Treasurer or by their agent in the County Treasurer's name.

The Public Deposit Protection Commission of the State of Washington (PDPC) covers all deposits not covered by the Federal Depositary Insurance Corporation (FDIC). The PDPC is a statutory authority established under RCW 39.58. It constitutes a multiple financial institution collateral pool that insures public deposits. In such a pool, a group of financial institutions, holding public funds, pledge collateral to a common pool. The PDPC provides protection by maintaining strict standards as to the amount of public deposits financial institutions can accept, by monitoring the financial condition of all public depositories, and by optimizing collateralization requirements. In the event of a bank failure, claims for the County's deposits would be satisfied by the FDIC or from the sale of collateral held in the PDPC pool. No amount was exposed as uninsured or uncollateralized.

B. INVESTMENTS

Through the office of the County Treasurer, Kittitas County collects taxes, licenses, fees, and other revenues. It collects not only for the County but also for special purpose districts located within the County. In its custodial role, the Treasurer has the authority to deposit any public funds available for investment and to secure those funds by appropriate collateral.

Cash is deposited and invested on behalf of the County and local districts per its debt and investment policies. These investments are governed by State statute and county investment policy. All investment instruments are those allowed by statute, including U.S. Treasury Notes, Federal Agencies, bankers' acceptances, short-term commercial paper, municipal bonds, money market accounts, and the State Treasurer's Local Government Investment Pool (LGIP).

Investments are subject to the following risks:

Interest Rate Risk

Interest rate risk is the risk the county may face should interest rate variances affect the fair value of investments. The county has a formal policy that addresses interest rate risk.

Maturity Report as of 12/31/2025		Investment Maturities Par (in years)		
Investment Type	Fair Value	Less than 1	1 to 5.5	6 to 10
WA State LGIP	\$ 7,651,968	\$ 7,651,968	\$ -	\$ -
Corporate Notes	\$ 42,593,462	\$ 12,932,617	\$ 30,652,993	\$ -
Federal Agency Securities	\$ 62,882,201	\$ 9,274,866	\$ 53,512,740	\$ -
Treasury Coupon Securities	\$ 30,499,716	\$ 10,491,781	\$ 20,008,182	\$ -
SUPRA National	\$ 8,360,975	\$ 1,981,356	\$ 6,383,910	\$ -
Municipal Bonds	\$ 21,956,125	\$ 3,135,572	\$ 17,854,461	\$ -
Total Portfolio	\$ 173,944,447	\$ 45,468,160	\$ 128,412,287	
Grand Total Portfolio	\$ 173,944,447	\$ 45,468,160	\$ 128,412,287	

In addition to the interest rate risk disclosed above, the county includes investments with fair value potentially highly sensitive to interest rate changes, such as bonds. However, fixed income securities and interest rates are inversely correlated; therefore, as interest rates rise, prices of these securities tend to fall. Through its investment policy, the County manages its exposure to the risk that the market value of securities in the portfolio will fall due to changes in market interest rates by structuring the investment portfolio so that securities mature to meet cash requirements for ongoing operations, thereby avoiding the need to sell securities on the open market prior to maturity, and by investing operating funds primarily in shorter-term securities.

Credit Risk

Credit risk is the risk that an issuer or other counterparty to an investment will not fulfill its obligations. The County's investment policy minimizes its credit risk by limiting investments to selected types of securities and pre-qualifying the financial institutions, broker/dealers, and intermediaries with which the County will do business. The credentials of these business partners are reviewed at least annually. Presented below is the minimum rating required by the state statute and the actual rating, as of December 31, 2025, for each type of investment in which the County participates:

Credit Ratings as of 12/31/2025			
Investment Type	Fair Value	Required Min Rating (S&P/Moody's)	Year End Rating (S&P/Moody's)
WA State LGIP	\$ 7,651,968	NR	NR
Corporate Notes	\$ 42,593,462	A-/A4	A+/A1 or Better
Federal Agency Securities	\$ 62,882,201	NA	AA+/Aaa
Treasury Coupon Securities	\$ 30,499,716	NA	AA+/Aaa
SUPRA National	\$ 8,360,975	A-/A3	AA+/Aaa
Municipal Bonds	\$ 21,956,125	A-/A3	AA/Aa2 or better
TOTAL	\$ 173,944,447		

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 has a formal policy for concentration of credit risk which requires diversification of the portfolio and limits the percentage of the total portfolio which may belong to federal and municipal bonds, repurchase agreements, bankers' acceptances, corporate notes, Supranationals, and registered warrants. The portfolio may consist of up to 100% in Treasury and Federal Agencies, Certificates of Deposit, Savings or Time accounts, and/or the Washington State Local Government Investment Pool (LGIP). The investment policy which was in effect as of December 31, 2021 sets forth maximum concentration guidelines whereby holdings of Treasury and Federal Agencies, Certificates of Deposit that meet state requirements, the Washington State Local Government Investment Pool, and Savings and Time Accounts may comprise up to 100% of the investment portfolio; repurchase agreements up to 40%, Bankers' Acceptances (A1 or P1) up to 15%; Bonds of any state of the United States or of any local Government in the United States up to 20%; Corporate notes up to 10%; Supranationals up to 5%; and Registered Warrants up to 5%.

Below is a list of investments held by the County as of December 31, 2025, and the type of investment. The County continues to work towards diversifying its portfolio and ensuring it best conforms to standard best practices as well as state and federal requirements.

Investment by Type - 12/31/2025	Market Value	Percentage	% allowed	Difference
WA State LGIP	\$ 7,651,968	4.40%	100%	95.6009%
Corporate Notes	\$ 42,593,462	24.49%	25%	0.5132%
Federal Agency Securities	\$ 62,882,201	36%	100%	63.8493%
Treasury Coupon Securities	\$ 30,499,716	17.53%	100%	82.4658%
SUPRA National	\$ 8,360,975	4.81%	15%	10.1933%
Municipal Bonds	\$ 21,956,125	12.62%	35%	22.3775%
Total Debt Securities	\$ 173,944,447	100.00%		

Investments in the Local Government Investment Pool (LGIP)

The County is a voluntary participant in the Local Government Investment Pool (LGIP), an external investment pool operated by the Washington State Treasurer. The pool is not rated and not registered with the SEC. Rather, oversight is provided by the State Finance Committee in accordance with RCW 43.250. Investments in the LGIP are reported at amortized cost, which is the same as the value of the pool per share. The LGIP does not impose any restrictions on participant withdrawals.

The Office of the State Treasurer prepares a stand-alone financial report for the pool. A copy of the report is available from the Office of the State Treasurer, PO Box 40200, Olympia, Washington 98504-0200 or online at www.tre.wa.gov.

Investments in Kittitas County Investment Pool (KCIP)

The County operates and is a participant in the Kittitas County Investment Pool (KCIP), an external investment pool. The pool was initiated October 1, 2018. The county reports its investment in the KCIP at the fair value amount, which is the same as the value of the Pool per share. The responsibility for managing the pool resides with the County Treasurer. The County Treasurer, by law, is the Treasurer of most local governments and districts within the County, including schools, fire, and library districts. These districts do not have a legal option to have their cash handled by anyone other than the County Treasurer. The Pool is established per RCW 36.29 which authorizes the County Treasurer to invest the funds of participants. The County Treasurer, the County Auditor and the Chairman of the Board of County Commissioners, as the statutory County Finance Committee, perform oversight of the pool's performance. The county's investment policy is established by the County Finance Committee consisting of the County Treasurer, County Auditor, and County Commissioner Chairperson.

The county external investment pool is not registered with the Security Exchange Committee (SEC) and does not have a credit rating. It had a weighted average maturity of 788 days or 2.160 years as of December 31, 2025, an effective rate of return of 3.820%, and an overall yield to maturity rate (at a 360-day equivalent) of 3.789%. The interest on these investments is allocated between all participating funds, including the County General Fund, based on their percentage of participation, except where prohibited by statute or bond covenant.

The County does not currently contract with an investment advisor, instead relying on the Treasurer to manage the portfolio. The Treasurer works with several brokers who do business with the County to provide at least quarterly review of the portfolio and assist with the portfolio strategy on a regular basis.

There are no legally binding guarantees for the KCIP. Authorized investments for the KCIP are the same as investments held outside of the pool. These are defined in statute. All funds deposited in the KCIP are available to the participant at full face value without regard to current market values of the investment pool. Earnings distributions, including any realized transactions in the pool, are allocated and distributed monthly, calculated on the average daily balance of the participant's cash balances.

Participation in the KCIP by districts and agencies is voluntary, with a signed Investment Service Agreement submitted to the Treasurer. The County and districts can take advantage of higher yielding investment opportunities by combining purchasing power while maintaining the County's objectives of safety, liquidity, and yield. Most of the Agreements were signed in September 2018, and the County now considers that pooling officially began effective October 1, 2018, for those districts which had submitted a completed Agreement by that date. Other districts are added in the month following completion of an Agreement.

Money from districts which have not directed the County Treasurer by written or electronic request to place individual investments, as well as County departments that cannot invest their own money, is invested by the Treasurer as surplus cash.

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.

At December 31, 2025, the County had the following investments measured at fair value:

Investments by Fair Value Level as of December 31, 2025	Level 1-Quoted Prices in Active Markets for Identical Assets	Level 2-Significant Other Observable Inputs	Level 3-Significant Unobservable Inputs	Total
Corporate Notes	\$ -	\$ 42,593,462.05	\$ -	\$ 42,593,462.05
Federal Agency Securities	\$ -	\$ 62,882,200.80	\$ -	\$ 62,882,200.80
Treasury Coupon Securities	\$ 30,499,716.27	\$ -	\$ -	\$ 30,499,716.27
SUPRA National	\$ -	\$ 8,360,975.10	\$ -	\$ 8,360,975.10
Municipal Bonds	\$ -	\$ 21,956,124.90	\$ -	\$ 21,956,124.90
	\$ 30,499,716.27	\$ 135,792,762.85	\$ -	\$ 166,292,479.12

C. Summary of Deposit and Investment Balances

Reconciliation of County deposits and investment balances as of December 31, 2025, is as follows:

	Government-Wide	Fiduciary Funds	Total
Deposits			
Cash and Cash Equivalents	\$ 12,750,140	\$ 5,085,020	\$ 17,835,160
Restricted Cash and Cash Equivalents	246,938	-	246,938
Total Deposits	\$ 12,997,078	\$ 5,085,020	\$ 18,082,098
Investments			
Investments	110,346,105	53,682,805	164,028,910
Restricted Investments	2,263,569	-	2,263,569
Total Investments	\$ 112,609,674	\$ 53,682,805	\$ 166,292,479
Total Deposits and Investments	\$ 125,606,752	\$ 58,767,825	\$ 184,374,577

NOTE 3 - PROPERTY TAXES

The County Treasurer acts as an agent to collect property taxes levied in the County for all taxing authorities. Collections are distributed after the end of each month.

Property Tax Calendar	
January 1	Taxes are levied and become 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% of market value
October 31	Second installment is due

Property taxes are recorded as a receivable when levied, offset by deferred inflows of resources. During the year, property tax revenues are recognized when taxes are levied. At year-end, property tax revenues are recognized for collections expected to occur within 60 days. The balance of taxes receivable includes related interest and penalties. No allowance for uncollectible taxes is established because delinquent taxes are considered fully collectible.

The County may levy up to \$1.80 per \$1,000 of assessed valuation for general governmental services, subject to two limitations:

- A. Washington State Law RCW's 84.55.010 and 84.55.0101 limits the growth of regular property taxes to 1 percent or less per year, plus adjustments for new construction. If the assessed valuation increases due to revaluation, the levy rate will be decreased.
- B. The Washington State Constitution limits the total regular property taxes to 1 percent of assessed valuation or \$10 per \$1,000 of value. If the taxes of all districts exceed this amount, each is proportionately reduced until the total is at or below the 1 percent limit.

2025 property tax levies are shown in the table below. The General Fund and Flood Control levies were based on assessed valuation of \$15,797,244,990 and the Road levy was based on assessed valuation of \$11,582,101,458.

Fund	Levy	Amount
General Fund	.657743	\$10,390,527
Community Services	.024371	384,995
Veterans Relief	.010967	173,248
Total General Fund Levy	.693081	\$10,948,770
Road Levy	.792824	9,182,568
Flood Control Regular Levy	.063230	998,860
GRAND TOTAL	1.549135	\$21,130,198

The State of Washington administers a multi-unit urban housing exemption tax abatement program, authorized by RCW 84.14.020 and a habitat and water quality improvements tax abatement program authorized by RCW 84.36.255. Under these programs, abated taxes are shifted to other taxpayers. For the year ended December 31, 2025, \$17,155 was abated under the multi-unit urban housing exemption tax abatement program.

NOTE 4 – CAPITAL ASSETS

A. CAPITAL ASSETS

Capital asset activity for the year ended December 31, 2025, is shown by asset type in the following tables.

Governmental Activities: (including Internal Service funds):	Beginning Balance 1/1/2025	Increases	Decreases	Ending Balance 12/31/2025
Nondepreciable capital assets:				
Land	\$ 13,803,176	\$ -	\$ -	\$ 13,803,176
Gravel roads	5,455,025	-	-	5,455,025
Easements & right of ways	6,953,828	44,985	(379)	6,998,434
Intangible assets	1,738,810	1,020,592	(336,748)	2,422,654
Construction in progress	12,068,714	14,882,122	(799,081)	26,151,755
Total nondepreciable capital assets	40,019,553	15,947,699	(1,136,208)	54,831,044
Depreciable capital assets				
Buildings & improvements	48,300,249	78,210	-	48,378,459
Improvements other than buildings	5,150,511	7,139	-	5,157,650
Machinery and equipment	20,223,966	2,481,069	(1,168,601)	21,536,434
Right-to-use lease & SBITA assets	3,007,479	258,449	(99,618)	3,166,310
Infrastructure	195,222,344	752,874	(6,318)	195,968,900
Total depreciable capital assets	271,904,549	3,577,741	(1,274,537)	274,207,753
Total capital assets	311,924,102	19,525,440	(2,410,745)	329,038,797
Less accumulated depreciation & amortization for:				
Buildings & improvements	(25,375,581)	(1,658,081)	-	(27,033,662)
Improvements other than buildings	(2,607,191)	(243,612)	-	(2,850,803)
Machinery and equipment	(13,679,249)	(1,720,143)	936,659	(14,462,733)
Right-to-use lease & SBITA assets	(574,584)	(544,711)	99,618	(1,019,677)
Infrastructure	(130,668,790)	(3,634,003)	6,318	(134,296,475)
Total accumulated depreciation	(172,905,395)	(7,800,550)	1,042,595	(179,663,350)
Governmental activities capital assets, net	\$ 139,018,707	\$ 11,724,890	\$ (1,368,150)	\$ 149,375,447

Business-Type Activities:	Beginning Balance 1/1/2025	Increases	Decreases	Ending Balance 12/31/2025
Nondepreciable capital assets:				
Land	\$ 3,109,128	\$ -	\$ -	\$ 3,109,128
Intangible assets	7,118,594	1,280,214	(1,025,500)	7,373,308
Construction in progress	6,147,682	12,096,702	-	18,244,384
Total nondepreciable capital assets	16,375,404	13,376,916	(1,025,500)	28,726,820
Depreciable capital assets				
Buildings & improvements	1,389,479	-	-	1,389,479
Improvements other than buildings	5,640,564	-	-	5,640,564
Machinery and equipment	2,297,862	516,123	(202,618)	2,611,367
Right-to-use lease & SBITA assets	295,726	53,483	-	349,209
Total depreciable capital assets	9,623,631	569,606	(202,618)	9,990,619
Total capital assets	25,999,035	13,946,522	(1,228,118)	38,717,439
Less accumulated depreciation & amortization for:				
Buildings & improvements	(1,124,022)	(29,348)	-	(1,153,370)
Improvements other than buildings	(4,719,011)	(69,777)	-	(4,788,788)
Machinery and equipment	(1,811,784)	(124,959)	202,618	(1,734,125)
Right-to-use lease & SBITA assets	(86,912)	(61,260)	-	(148,172)
Total accumulated depreciation	(7,741,729)	(285,344)	202,618	(7,824,455)
Business-type activities capital assets, net	\$ 18,257,306	\$ 13,661,178	\$ (1,025,500)	\$ 30,892,984

B. DEPRECIATION EXPENSE

Depreciation expense was charged as follows:

Governmental Activities:

General Government	\$ 1,465,718
Judicial Services	35,715
Public Safety	702,968
Physical Environment	10,066
Transportation	4,968,621
Health & Human Services	91,951
Culture & Recreation	525,511
Total	<u>\$ 7,800,550</u>

Business-Type Activities

Solid Waste & Garbage	\$ 232,503
Community Development Services	52,841
Total	<u>\$ 285,344</u>

NOTE 5 – PENSION PLANS

The following table represents the aggregate pension amounts for all plans for the year 2025:

Aggregate Pension Amounts – All Plans	
Pension liabilities	(1,415,762)
Pension assets	7,094,254
Deferred outflows of resources	9,820,833
Deferred inflows of resources	(2,691,759)
Pension expense/expenditures	521

State Sponsored Pension Plans

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

The Department of Retirement Systems (DRS), a department within the primary government of the State of Washington, issues a publicly available annual comprehensive financial report (ACFR) that includes financial statements and required supplementary information for each plan. The DRS ACFR 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 local governments; and higher education employees not participating in higher education retirement programs.

PERS is composed of and reported as three separate plans for accounting purposes: Plan 1, Plan 2/3, and Plan 3. Plan 1 accounts for the defined benefits of Plan 1 members. Plan 2/3 accounts for the defined benefits of Plan 2 members and the defined benefit portion of benefits for Plan 3 members. Plan 3 accounts for the defined contribution portion of benefits for Plan 3 members. Although employees can be a member of only Plan 2 or Plan 3, the defined benefits of Plan 2 and Plan 3 are accounted for in the same pension trust fund. All assets of Plan 2/3 may legally be used to pay the defined benefits of any Plan 2 or Plan 3 members or beneficiaries.

PERS Plan 1 provides retirement, disability and death benefits. Retirement benefits are determined as two percent of the member's average final compensation (AFC) times the member's years of service. The AFC is the average of the member's 24 highest consecutive service months. Members are eligible for retirement from active status at any age with at least 30 years of service, at age 55 with at least 25 years of service, or at age 60 with at least five years of service. PERS Plan 1 retirement benefits are actuarially reduced if a survivor benefit is chosen. Members retiring from active status prior to the age of 65 may also receive actuarially reduced benefits. Other benefits include an optional cost-of-living adjustment (COLA). 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.

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. 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 retirement benefits are actuarially reduced if a survivor benefit is chosen. Other PERS Plan 2/3 benefits include a COLA based on the CPI, capped at 3% annually. 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. Members are eligible to withdraw their defined contributions upon separation. Members have multiple withdrawal options, including purchase of an annuity. PERS Plan 3 members are immediately vested in the defined contribution portion of their plan.

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, adopted by the Pension Funding Council and is subject to change by the legislature. For part of the year, the **PERS Plan 2/3** employer rate included a component to address the PERS Plan 1 Unfunded Actuarial Accrued Liability (UAAL).

As established by Chapter 41.34 RCW, Plan 3 defined contribution rates are set at a minimum of 5% and a maximum of 15%. PERS Plan 3 members choose their contribution rate from six options when joining membership and can change rates only when changing employers. Employers do not contribute to defined contribution benefits.

The PERS Plans defined benefit required contribution rates (expressed as a percentage of covered payroll) for the fiscal year were as follows:

Employer Contribution Rates				
Timeframe	Contribution Rate	PERS 1 UAAL	Admin Fee	Total Employer
January - June	6.36%	2.55%	.20%	9.11%
July - December	5.38%	0%	.20%	5.58%

Employee Contribution Rates	
Plan	Employee Contribution Rate
PERS 1	6.00%
PERS 2	6.36% January – June and 5.38% July - December
PERS 3	Varies: 5% - 15%

The County's actual PERS plan contributions were \$348,740 to PERS Plan 1 and \$1,405,450 to PERS Plan 2/3 for the year ended December 31, 2025.

Public Safety Employees' Retirement System (PSERS)

PSERS Plan 2 was created by the 2004 Legislature and became effective July 1, 2006.

PSERS membership includes certain public employees whose jobs contain a high degree of physical or psychological risk to their own personal safety. In addition to meeting strict statutory work requirements, membership is further restricted to specific employers including:

- Washington State Counties,
- Washington State Cities (except for Seattle, Spokane and Tacoma),
- Correctional entities formed by PSERS employers under the Interlocal Cooperation Act,
- A limited number of state agencies

PSERS Plan 2 provides retirement, disability, and death benefits. Retirement benefits are determined as two percent of the AFC times the member's years of service. The AFC is based on the member's 60 highest creditable months of service. Members are eligible for retirement at the age of 65 with five years 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. Benefits are actuarially reduced for each year that the members 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. Retirement before age 60 is considered an early retirement. PSERS members who retire before 60 receive reduced benefits. If retirement is at age 53 or older with at least 20 years of service, a 3% per year reduction for each year between the age at retirement and age 60 applies. PSERS Plan 2 retirement benefits are actuarially reduced if a survivor benefit is chosen. Other benefits include a COLA, capped at 3% annually. 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 rates are adopted by the Pension Funding Council and are subject to change by the Legislature. The Plan 2 employer rates include components to address the PERS Plan 1 unfunded actuarial accrued liability.

The PSERS Plan 2 required contribution rates (expressed as a percentage of current-year covered payroll) for 2025 were as follows:

Employer Contribution Rates				
Timeframe	Contribution Rate	PERS 1 UAAL	Admin Fee	Total Employer
January - June	6.76%	2.55%	.20%	9.51%

July - December	6.91%	0%	.20%	7.11%
-----------------	-------	----	------	-------

The County's actual plan contributions were \$218,623 to PSERS Plan 2 for the year ended December 31, 2025.

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

LEOFF was established in 1970 and its retirement benefit provisions are contained in Chapter 41.26 RCW. LEOFF membership includes all of the state's full-time, fully compensated, local law enforcement commissioned officers, fire fighters and, as of July 24, 2005, emergency medical technicians.

LEOFF is a cost-sharing multiple-employer retirement system composed of two separate pension plans for both membership and accounting purposes. Both LEOFF plans are 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 a COLA. LEOFF 1 members were vested after the completion of five years of eligible service. The plan was closed to new entrants on September 30, 1977.

Contributions

Starting on July 1, 2000, **LEOFF Plan 1** employers and employees contribute zero percent, as long as the plan remains fully funded. The LEOFF Plan 1 had no required employer or employee contributions for the fiscal year. Employers paid only the administrative expense of 0.20 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 the monthly average of the member's 60 consecutive highest-paid service credit 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 50-52, the reduction is 3% 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 a COLA (based on the CPI), capped at 3% annually. 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 rates are adopted by the LEOFF Plan 2 Retirement Board and are subject to change by the Legislature.

Effective July 1, 2017, when a LEOFF employer charges a fee or recovers costs for services rendered by a LEOFF 2 member to a non-LEOFF employer, the LEOFF employer must cover both the employer and state contributions on the LEOFF 2 basic salary earned for those services. The state contribution rate (expressed as a percentage of covered payroll) was 3.41%.

The LEOFF Plan 2 required contribution rate (expressed as a percentage of covered payroll) for the fiscal year was 5.12% plus a .20% admin fee, for a total of 5.32%.

The County's actual contributions to the plan were \$258,594 for the year ended December 31, 2025.

The Legislature, by means of a special funding arrangement, appropriates money from the state General Fund to supplement the current service liability of Plan 2 in accordance with the recommendations of the Office of the State Actuary 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, 2025, the state contributed \$106,578,576 to LEOFF Plan 2. The amount recognized by the county as its proportionate share of this amount is \$148,608.

Actuarial Assumptions

The total pension liability (TPL) for each of the DRS plans was determined using the most recent actuarial valuation completed as of June 30, 2024 with the results rolled forward to June 30, 2025. The actuarial assumptions used in the valuation were based on the results of the Office of the State Actuary's (OSA) *2013-2018 Demographic Experience Study* and the *2023 Economic Experience Study*.

Additional assumptions for subsequent events and law changes are current as of the 2024 actuarial valuation report.

- **Inflation:** 2.75% total economic inflation; 3.25% salary inflation
- **Salary increases:** In addition to the base 3.25% salary inflation assumption, salaries are also expected to grow by promotions and longevity.
- **Investment rate of return:** 7.00%

Mortality rates were developed using the Society of Actuaries' Pub. H-2010 mortality rates, which vary by member status (e.g. active, retiree or survivor), as the base table. The OSA applied age offsets for each system, as appropriate, to better tailor the mortality rates to the demographics of each plan. OSA applied the long-term MP-2017 generational improvement scale, also developed by the Society of Actuaries, to project mortality rates for every year after the 2010 base table. Mortality rates are applied on a generational basis; meaning, each member is assumed to receive additional mortality improvements in each future year throughout his or her lifetime.

Change in Assumptions and Methods: OSA improved their modeling of benefits paid to retirees and beneficiaries in their month of death to better match current administrations.

Long-Term Expected Rate of Return

OSA selected a 7% long-term expected rate of return on pension plan investments. In selecting this assumption, OSA reviewed the historical experience data, considered the historical conditions that produced past annual investment returns, and considered Capital Market Assumptions (CMAs) and simulated expected investment returns provided by the Washington State Investment Board (WSIB). The WSIB uses the CMA's and their target asset allocation to simulate future investment returns at various future times.

Estimated Rates of Return by Asset Class

The table below summarizes the 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, 2025. The inflation component used to create the table is 2.5% and represents the WSIB's most recent long-term estimate of broad economic inflation.

Asset Class	Target Allocation	% Long-Term Expected Real Rate of Return Arithmetic
Fixed Income	19%	2.1%
Tangible Assets	8%	4.5%
Real Estate	18%	4.8%
Global Equity	30%	5.6%
Private Equity	25%	8.6%
	100%	

Discount Rate

The discount rate used to measure the total pension liability for all DRS plans was 7.0 percent. To determine that rate, an asset sufficiency test was completed to test whether each pension plan's fiduciary net position was sufficient to make all projected future benefit payments for current plan members. Based on OSA's 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 7.0 percent was used to determine the total liability.

Sensitivity of the Net Pension Liability/(Asset)

The table below presents the county proportionate share of the net pension liability calculated using the discount rate of 7%, 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%) or 1-percentage point higher (8%) than the current rate.

	1% Decrease (6%)	Current Discount Rate (7%)	1% Increase (8%)
PERS 1	\$2,388,959	\$1,415,762	\$562,244
PERS 2/3	8,357,813	(5,150,387)	(16,244,391)
PSERS 2	834,442	(92,626)	(826,139)
LEOFF 1	(184,105)	(205,765)	(224,653)
LEOFF 2	1,237,542	(1,645,475)	(4,003,697)

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, 2025, the County reported its proportionate share of the net pension liabilities and assets as follows:

	Liability	Asset
PERS 1	\$1,415,762	-
PERS 2/3	-	5,150,387
PSERS 2	-	92,626
LEOFF 1	-	205,765
LEOFF 2	-	1,645,475
TOTAL	\$1,415,762	\$7,094,254

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

	LEOFF 1 Asset	LEOFF 2 Asset
Employer's proportionate share	205,765	1,645,475
State's proportionate share of the net pension asset associated with the employer	1,391,788	1,056,110
TOTAL	1,597,552	2,701,585

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

	Proportionate Share 6/30/25	Proportionate Share 6/30/24	Change in Proportion
PERS 1	.120082%	.114404%	.005678%
PERS 2/3	.134962%	.127739%	.007223%
PSERS 2	.244571%	.279404%	(.034833%)
LEOFF 1	.006494%	.008234%	(.001740%)
LEOFF 2	.084927%	.088775%	(.003448%)

Employer contribution transmittals received and processed by the DRS for the fiscal year ended June 30, 2025, 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 2024. Historical data was obtained from a 2011 study by the Office of the State Actuary (OSA). 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.

In fiscal year 2025, the state of Washington contributed 39 percent of LEOFF 2 employer contributions pursuant to [RCW 41.26.725](#) and all other employers contributed the remaining 61 percent of employer contributions.

Pension Expense

For the year ended December 31, 2025, the county recognized pension expense as follows:

	Pension Expense
PERS 1	(21,329)
PERS 2/3	(291,087)
PSERS 2	140,859
LEOFF 1	23,470
LEOFF 2	148,608
TOTAL	521

Deferred Outflows of Resources and Deferred Inflows of Resources

At December 31, 2025, the county reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

PERS 1	Deferred Outflows	Deferred Inflows
Differences between expected and actual experience	--	--
Net difference between projected and actual investment earnings on pension plan investments	--	97,329
Changes of assumptions	--	--
Changes in proportion and differences between contributions and proportionate share of contributions	--	--
Contributions subsequent to the measurement date	2,315	--
Total	2,315	97,329

PERS 2/3	Deferred Outflows	Deferred Inflows
Differences between expected and actual experience	3,765,656	--
Net difference between projected and actual investment earnings on pension plan investments	--	1,159,828
Changes of assumptions	1,990,431	142,222
Changes in proportion and differences between contributions and proportionate share of contributions	300,552	447,930
Contributions subsequent to measurement date	652,888	--
Total	6,709,526	1,749,980

PSERS 2	Deferred Outflows	Deferred Inflows
Differences between expected and actual experience	362,191	52,578
Net difference between projected and actual investment earnings on pension plan investments	--	70,750
Changes of assumptions	95,364	32,803

Changes in proportion and differences between contributions and proportionate share of contributions	96,642	23,447
Contributions subsequent to measurement date	112,054	--
Total	660,250	179,578

LEOFF 1	Deferred Outflows	Deferred Inflows
Differences between expected and actual experience	--	--
Net difference between projected and actual investment earnings on pension plan investments	--	3,920
Changes of assumptions	--	--
Changes in proportion and differences between contributions and proportionate share of contributions	--	--
Contributions subsequent to measurement date	--	--
Total	--	3,920

LEOFF 2	Deferred Outflows	Deferred Inflows
Differences between expected and actual experience	1,432,439	7,449
Net difference between projected and actual investment earnings on pension plan investments	--	234,315
Changes of assumptions	583,287	100,047
Changes in proportion and differences between contributions and proportionate share of contributions	297,007	319,142
Contributions subsequent to measurement date	130,010	--
Total	2,442,743	660,953

Deferred outflows of resources related to pensions resulting from the county contributions subsequent to the measurement date will be recognized as a reduction of the net pension liability in the year ended December 31, 2026. 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
2026	92,872
2027	(67,656)
2028	(70,259)
2029	(52,286)
2030	--
Thereafter	--

Year Ended December 31:	PERS 2/3
2026	1,808,096
2027	705,966
2028	682,797
2029	232,265
2030	630,910
Thereafter	246,626

Year Ended December 31:	PSERS 2
-------------------------	----------------

2026	64,893
2027	21,071
2028	21,719
2029	29,486
2030	53,003
Thereafter	184,447

Year Ended December 31:	LEOFF 1
2026	3,912
2027	(2,753)
2028	(2,910)
2029	(2,169)
2030	--
Thereafter	--

Year Ended December 31:	LEOFF 2
2026	359,996
2027	121,852
2028	135,944
2029	173,484
2030	256,822
Thereafter	603,681

NOTE 6 - RISK MANAGEMENT

Kittitas County is a participating member of the Washington Counties Risk Pool (WCRP), a public entity risk pool organized under Chapter 48.62 RCW. Chapter 48.62 RCW authorizes governmental entities to jointly purchase insurance, self-insure, and contract for risk management services. The Pool operates pursuant to Chapter 39.34 RCW, the Interlocal Cooperation Act.

WCRP was formed in August 1988 when Washington counties entered into an interlocal governmental agreement to pool self-insured losses and jointly purchase insurance and administrative services. As of December 31, 2025, the Pool consisted of 24 participating counties.

Liability Coverage and Risk Sharing

The Pool provides liability coverage for general liability, public officials' liability, law enforcement professional liability, employment practices liability, and automobile liability. Allocated loss adjustment expenses (ALAE) are included with losses for purposes of Pool retention, excess insurance, and deductibles. Member deductibles range from \$10,000 to \$500,000 per occurrence. For losses occurring in 2025, Kittitas County selected a per-occurrence deductible of \$25,000.

Members make annual contributions to fund the Pool. To limit exposure to large losses, the Pool purchases reinsurance and excess insurance coverage. Because the Pool is a cooperative program, participating members share joint liability. During the 2024–25 fiscal year, some member counties jointly purchased optional excess liability coverage above the pooled limits; Kittitas County did participate in the optional coverage.

Claims Administration

Claims are submitted directly to the Pool and administered by Pool staff, who are responsible for coverage determinations, establishing reserves, and investigating claims. The Pool does not utilize third-party administrators for claims adjustment or loss prevention services.

Property, Cyber, and Crime Coverage

During the 2024–25 fiscal year, Kittitas County also participated in the Washington Counties Property Program (WCPP), which provides property coverage for scheduled buildings and contents, vehicles, mobile/contractor equipment, and electronic data processing and communications equipment. Coverage includes All Other Perils limits of \$200 million per occurrence, with separate flood and earthquake limits of \$200 million per occurrence, each subject to annual aggregate limits of \$200 million.

Each participating County is responsible for its selected deductible.

Kittitas County also participated in group-purchased cyber coverage obtained from a highly rated commercial insurer, which provides limits of \$2,000,000 per claim and \$5,000,000 in the aggregate. For fiscal year 2024-25, the Pool's self-insured retention for cyber claims was \$500,000 and Kittitas County did not have a deductible.

Beginning in the 2024-25 fiscal year, Kittitas County also participated in a group-purchased crime insurance policy providing limits of \$2,000,000, subject to a county deductible of \$25,000.

Governance

The Pool is governed by a Board of Directors consisting of one designated representative from each participating member. An Executive Committee elected from the Board is delegated authority to approve disbursements, monitor financial condition, approve certain claim settlements, and authorize litigation on behalf of the Pool.

Contingent Liabilities

Operating deficits, if any, are financed through reassessments of the membership applicable to the fiscal year in which the deficit occurs, based on each member's proportionate share of original deposit assessments. As of December 31, 2025, the Pool had no reassessments receivable related to the fiscal year ended September 30, 2025; accordingly, no contingent liabilities existed that would require disclosure by member counties as of that date.

NOTE 7 –NET POSITION

Net investment in capital assets is calculated as follows:

	Governmental Activities	Business- type Activities
Net investment in capital assets:		
Net capital assets	149,375,447	30,892,984
Less: capital related debt	(16,547,860)	(10,143,375)
Plus: unspent bond proceeds	8,051,000	-
Less: capital related accounts payable	(3,936,214)	-
Less: leases payable	(2,134,901)	(203,059)
Less: SBITA payable	(27,339)	-
Net investment in capital assets	<u>\$ 134,780,133</u>	<u>\$ 20,546,550</u>

Restricted net position includes the following components:

Restricted net position:	Governmental Activities	Business- type Activities
Debt service	222,869	-
Capital outlay	16,902,476	-
County roads	13,198,083	-
Flood control	4,270,061	-
Public safety	8,333,716	-
Tourism	9,321,822	-
Public facilities	5,992,653	-
Other purposes	5,672,069	-
Pension asset	6,625,569	468,685
Total restricted net position	<u>\$ 70,539,318</u>	<u>\$ 468,685</u>

NOTE 8 - LONG-TERM DEBT

A. LONG TERM DEBT

During 2010, the County issued bonds in the amount of \$11,185,000. The Bonds are being issued for the purpose of construction of repairs and expansion of the County Jail, acquisition of a building for court facilities, remodel of a building on the County fairgrounds, refunding of an advanced basis the County's Limited Tax General Obligation Bonds, 2001, paying the costs of issuance of the Bonds, and other legal purposes of the County. The federal arbitrage regulations apply to the 2010 GO & Refund Bonds debt.

The 2010 Bonds were subject to redemption, at the option of the County, prior to their stated maturity, on any date on or after June 1, 2020. On January 21, 2020, resolution 2020-010 was passed for the redemption of the 2010 bonds on June 1, 2020. The Board determined there would be debt service savings by refunding the 2010 Bonds through the issuance of a new limited tax general obligation refunding bond. Therefore, the County issued bonds in the amount of \$6,643,000.

The Limited Tax General Obligation and Refunding Bonds currently outstanding are as follows:

Purpose	Maturity Range	Interest Rate	Original Amount	Amount of Installment
Limited Tax General Obligation and Refunding Bonds, 2020	10 years June 2020-2030	1.910%	\$6,643,000	\$616,000

During 2016, the County issued bonds in the amount of \$1,511,000. The Bonds are being issued for the purpose of purchasing the Mobile Home Park (Taxable). The federal arbitrage regulations apply to the 2016 General Obligation Bond Series 2016C debt.

The Limited Tax General Obligation Bonds currently outstanding are as follows:

Purpose	Maturity Range	Interest Rate	Original Amount	Amount of Installment
Limited Tax General Obligation Bond Series 2016C (Mobile Home Park)	16 years Dec 2016-2032	1.660%- 2.890%	\$1,511,000	\$98,000

During 2025, the County issued bonds in the amount of \$8,051,000. The bonds were issued for a County owned Grandstand Partial Replacement project. The federal arbitrage regulations apply to the 2025 General Obligation Bond debt.

Purpose	Maturity Range	Interest Rate	Original Amount	Amount of Installment
Limited Tax General Obligation Bond 2025 (Grandstand)	10 years Dec 2025-2035	3.600%	\$8,051,000	\$688,000

During 2025, the County drew \$14,705,235 from a state Public Works Trust Fund loan for construction of a new waste transfer station. This is broken into two twenty-year loans at rates of 1.38% and 1.39%.

The bond debt service requirements to maturity for the general obligation bonds and notes payable are as follows:

Year	Governmental Activities		
	Principal	Interest	Total
2026	1,567,971	411,919	1,979,890
2027	1,688,867	381,359	2,070,227
2028	1,733,348	347,646	2,080,994
2029	1,767,348	302,844	2,070,192
2030	1,811,348	256,923	2,068,270
2031 - 2035	5,854,738	731,964	6,586,703
2036 - 2040	1,261,738	112,558	1,374,297
2041 - 2044	862,501	26,909	889,410
Total	<u>\$16,547,860</u>	<u>\$ 2,572,123</u>	<u>\$ 19,119,983</u>

Year	Business-Type Activities		
	Principal	Interest	Total
2026	369,041	93,321	462,361
2027	562,255	114,118	676,373
2028	561,099	128,048	689,147
2029	561,099	120,249	681,348
2030	561,099	112,449	673,549
2031 - 2035	2,805,497	445,257	3,250,755
2036 - 2040	2,805,497	250,275	3,055,773
2041 - 2044	1,917,786	59,833	1,977,619
Total	<u>\$10,143,375</u>	<u>\$ 1,323,551</u>	<u>\$ 11,466,926</u>

NOTE 9 – LEASES & SUBSCRIPTION BASED INFORMATION TECHNOLOGY ARRANGEMENTS (SBITA)

A. LESSEE & SBITA

The County leases land, copiers and real property under non-cancelable agreements which qualify for reporting. These agreements have terms ranging from 60 months to 10 years, with varying expiration dates. The County has two reportable SBITA assets.

Lease and SBITA assets for the year ended December 31, 2025, are summarized as follows:

Description	Governmental Activities			
	Beginning	Increases	Decreases	Ending
Equipment	-	64,795	-	64,795
Copiers & Postage Machine	63,080	55,608	-	118,688
Office Space	1,553,020	-	-	1,553,020
Vehicles	1,087,045	91,276	-	1,178,321
SBITA	304,334	46,770	(99,618)	251,486
Total	3,007,479	258,449	(99,618)	3,166,310
Accumulated depreciation	(574,584)	(544,711)	99,618	(1,019,677)
Total	<u>\$ 2,432,895</u>	<u>\$ (286,262)</u>	<u>\$ -</u>	<u>\$ 2,146,633</u>

Description	Business-Type Activities			
	Beginning	Increases	Decreases	Ending
Land	184,514	-	-	184,514
Vehicles	99,650	53,483	-	153,133
Copiers	11,562	-	-	11,562
Total	295,726	53,483	-	349,209
Accumulated depreciation	(86,912)	(61,260)	-	(148,172)
Total	<u>\$ 208,814</u>	<u>\$ (7,777)</u>	<u>\$ -</u>	<u>\$ 201,037</u>

As of December 31, 2025, the principal and interest requirements to maturity on leases are as follows:

Year	Governmental Activities		
	Principal	Interest	Total
2026	420,604	78,916	499,520
2027	402,386	62,563	464,949
2028	421,049	45,524	466,573
2029	247,310	30,412	277,722
2030	174,209	22,718	196,927
2031-2033	469,341	26,189	495,530
Total	<u>\$ 2,134,901</u>	<u>\$ 266,320</u>	<u>\$ 2,401,221</u>

Year	Business-Type Activities		
	Principal	Interest	Total
2026	65,214	4,365	69,579
2027	67,232	1,784	69,016
2028	48,776	502	49,278
2029	16,089	66	16,155
2030	5,749	-	5,749
Total	<u>\$ 203,060</u>	<u>\$ 6,717</u>	<u>\$ 209,777</u>

There is on remaining payment due on a governmental SBITA - \$27,339 in principal and \$1,118 in principal, due in 2026.

B. LESSOR

The County is the lessor in numerous airport and other real property space leases, under non-cancellable agreements of varying lengths and termination dates. In 2025, the County received \$116,651 in principal and \$43,406 in interest on governmental leases and \$12,672 in principal and \$6,799 in interest on business-type leases.

As of December 31, 2025, future lease receivable principal and interest payments are as follows:

Year	Governmental Activities		
	Principal	Interest	Total
2026	118,212	38,599	156,811
2027	60,360	34,233	94,593
2028	43,248	32,400	75,648
2029	44,807	30,841	75,648
2030	46,440	29,208	75,648
2031-2035	225,251	120,833	346,084
2036-2040	198,749	88,848	287,597
2041-2045	160,219	62,061	222,280
2046-2050	148,315	41,645	189,961
2051-2055	138,513	19,388	157,900
2056-2060	83,621	10,159	93,780
2061-2065	88,269	5,511	93,780
2066-2070	70,635	1,167	71,803
Total	<u>\$ 1,426,639</u>	<u>\$ 514,893</u>	<u>\$ 1,941,532</u>

Year	Business-Type Activities		
	Principal	Interest	Total
2026	13,079	6,446	19,526
2027	12,034	6,086	18,119
2028	7,988	5,800	13,787
2029	8,305	5,544	13,850
2030	8,635	5,280	13,915
2031-2035	48,561	22,080	70,640
2036-2040	51,047	14,120	65,167
2041-2045	51,020	6,543	57,563
2046-2050	15,000	2,109	17,110
2051-2055	19,818	999	20,817
2056-2058	12,320	169	12,489
Total	<u>\$ 247,806</u>	<u>\$ 75,176</u>	<u>\$ 322,982</u>

NOTE 10 – CHANGES IN LONG-TERM LIABILITIES

Changes in long-term liabilities are shown in the table below.

	Outstanding 1/1/2025	Additions	Reductions	Outstanding 12/31/2025	Amounts Due in One Year
Governmental Activities					
Bonds payable	4,633,000	8,051,000	698,000	11,986,000	1,402,000
Loans payable	-	4,561,860	-	4,561,860	165,971
Leases	2,308,370	211,680	385,150	2,134,901	420,604
SBITA	-	46,769	19,430	27,339	27,339
Compensated absences	3,808,373	274,268	-	4,082,641	1,769,587
Net pension liability	1,884,381	-	597,454	1,286,927	-
Total OPEB liability	2,033,411	-	671,801	1,361,610	99,428
Total Governmental Activities	<u>\$ 14,667,535</u>	<u>\$ 13,145,577</u>	<u>\$ 2,371,835</u>	<u>\$ 25,441,278</u>	<u>\$ 3,884,930</u>
Business-Type Activities					
Loans payable	228,434	10,143,375	228,434	10,143,375	369,041
Leases	208,283	53,483	58,707	203,059	65,214
Compensated absences	340,667	-	20,169	320,498	137,112
Net pension liability	148,393	-	19,558	128,835	-
Landfill closure liability	2,659,474	451,911	-	3,111,385	60,000
Total Business-Type Activities	<u>\$ 3,585,251</u>	<u>\$ 10,648,769</u>	<u>\$ 326,868</u>	<u>\$ 13,907,152</u>	<u>\$ 631,367</u>

Internal service funds predominantly serve governmental funds. Accordingly, long-term liabilities for them are included as part of the above totals for governmental activities. Kittitas County's internal service funds did not have any short- or long-term liabilities. Also, for governmental activities, claims and judgments and compensated absences are generally liquidated by the general fund.

Asset Retirement Obligations

The County has identified certain assets which may have external retirement obligations, including ten pit/quarry properties and two x-ray machines. The remaining estimated useful life and retirement costs cannot be reasonably estimated at this time.

NOTE 11 – CONTINGENCIES AND LITIGATIONS

Kittitas County has recorded in its financial statements all material liabilities, including an estimate for situations which are not yet resolved but where, based on available information, management believes it is probable that Kittitas

County will have to make payment. In the opinion of management, the County's insurance policies and/or self-insurance reserves are adequate to pay all known or pending claims.

As discussed in Note 8, Long-Term Debt, the County is contingently liable for repayment of refunded debt.

Amounts received or receivables from grantor agencies are subject to audit and adjustment by grantor agencies, principally the federal government. Any disallowed claims, including amounts already collected, may constitute a liability of the applicable Funds. The amount, if any, of expenditures which may be disallowed by the grantor cannot be determined at this time although the County expects such amounts, if any, to be immaterial.

As of December 31, 2025, Kittitas County was named as a defendant in thirteen legal actions, and has five additional unresolved claims for damages. As is regular and customary, some of these pending items have been resolved, and other new claims have arisen since January 1, 2026. Any/all of the remaining unresolved litigation and/or claims that are characterized as "reasonably possible" by the Prosecuting Attorney's office are expected to at this time to be immaterial to the 2025 financial statements.

NOTE 12 – INTERFUND BALANCES AND TRANSFERS

A. INTERFUND BALANCES

Interfund balances at December 31, 2024 included billings for items such as postage, scan/phone, building rents, copies, central services, computer hardware/software, advertising, and shared copier leases. The balances are as follows:

DUE TO	DUE FROM								
	General Fund	County Road	Airport	Other Governmental Funds	Solid Waste Fund	Community Development Services Fund	Water Mitigation Fund	Internal Service Funds	Total
General Fund	\$ -	\$ 73,530	\$ 2,137	\$ 387,744	\$ 18,324	\$ 34,984	\$ 1,690	\$ 9,165	\$ 527,574
County Road Fund	-	-	3,881	418,857	-	-	1,765	109,746	534,249
Airport	2,333	-	-	2,332	-	-	-	-	4,665
Capital Projects	-	-	-	-	1,000,000	-	-	-	1,000,000
Other Governmental Funds	656	-	-	397,351	-	-	-	-	398,007
Internal Service Funds	-	102,837	1,699	45,343	-	-	514	-	150,393
Total	\$ 2,989	\$ 176,367	\$ 7,717	\$ 1,251,627	\$ 1,018,324	\$ 34,984	\$ 3,969	\$ 118,911	\$ 2,614,888

B. INTERFUND TRANSFERS

Interfund transfers processed during 2025 are as follows:

TRANSFERS OUT	TRANSFERS IN					
	Airport	County Road	Capital Projects	Other Governmental Funds	Community Development Services	Internal Service Funds
General Fund	\$ 315,000	\$ -	\$ 4,760,000	\$ 3,631,835	-	\$ -
Other Governmental Funds	386,400	798,347	6,535,705	-	-	-
Internal Service Funds	-	-	-	-	231,759	4,454
Total	\$ 701,400	\$ 798,347	\$ 11,295,705	\$ 3,631,835	\$ 231,759	\$ 4,454

NOTE 13 - JOINT VENTURES

A. City of Ellensburg

Kittitas County and the City of Ellensburg entered into a cooperative service enterprise to purchase and operate the facility known as the City/County Community Center effective July 19, 1987. The \$62,500 in initial costs of the facility were split \$15,625 to the County and \$46,875 to the City.

The City is responsible for operations and maintenance of the facility. The operating costs are allocated between the City and County based upon the percent of non-city resident users. Complete financial information can be obtained from the City of Ellensburg, 501 N. Anderson Street, Ellensburg, WA 98926.

The City accounts for the operations of the facility in the Recreation Department of the General Fund. The 2025 operations are as follows:

	BUDGET	ACTUAL
Kittitas County	\$ 49,000	\$ 81,966
City of Ellensburg	165,088	124,978
Tour Fees	5,000	10,040
Other Revenues	26,360	29,700
Total Support	\$ 245,448	\$ 246,683

B. Snoqualmie Pass Utility District

The E. R. & R. Fund and the Snoqualmie Pass Utility District constructed a joint shop at Hyak in 2014. Both parties own ½ of the building and have joint responsibility for the small common entrance area. An Interlocal Agreement has been drafted to materialize the relationship between the Public Works ER&R fund and Snoqualmie PUD. Snoqualmie PUD handles shared expenses including insurance and utilities, billing the Public Works ER&R fund annually. The ER&R Fund collects quarterly payments for a reserve fund to cover Roofing (45 year warranty), Siding (20 year warranty), Driveway & Parking Lot Maintenance, Mechanical and Heating Unit, and Garage doors with openers. At the end of 2025 the fund total held by Public Works ER&R for the Hyak joint shop reserve was \$60,187.

C. Related Parties

The Board of County Commissioners has the appointment authority of the several governing boards. The Board has no responsibility or influence in each of their financial transactions. Those boards include Housing Authority of Kittitas County, Television Improvement District, and the Water Conservancy Board.

D. Public Private Partnership

The County contracts with Waste Management of Washington for operation of two County-owned transfer stations. This agreement took effect in 2020 and expires in 2025, with a five-year renewal option. The County pays Waste Management for providing services at a fixed rate per ton. Waste Management does not provide payments to the County under this agreement. As such, there is no receivable balance recognized on the financial statements.

NOTE 14 – OTHER POSTEMPLOYMENT BENEFIT (OPEB) PLANS

The following table represents the aggregate OPEB amounts for all plans subject to the requirements for GASB Statement 75 for the year 2025:

Aggregate OPEB Amounts-LEOFF 1	
OPEB liabilities	\$1,361,610
OPEB assets	-
Deferred outflows of resources	\$49,714
Deferred inflows of resources	-
OPEB expenses/expenditures	\$671,801

A. PLAN DESCRIPTION

As required by RCW 41.26, the County provides lifetime medical care for LEOFF 1 retirees. The County provides medical insurance and reimbursements for all necessary hospital, medical and nursing care expenses not payable by workers compensation, social security, insurance provided by another employer, other pension plan, or any other

similar source. The County provides supplemental medical insurance for retirees. Under authorization of the LEOFF Disability Board, direct payment is made for other retiree medical expenses not covered by standard medical benefit provisions.

At December 31, 2025, the following employees were covered by the benefit terms:

Inactive employees or beneficiaries currently receiving benefits	3
Inactive employees entitled to but not yet receiving benefits	0
Active employees	0
Total	3

In 2025, expenditures of \$27,611 for medical premiums and billings were recognized for post-employment health benefits in the General Fund. The program is funded “pay as you go” and there is no qualifying trust.

B. ASSUMPTIONS AND OTHER INPUTS

The County’s net OPEB liability was calculated using the alternative measurement method in accordance with the parameters of GASB 75 for employers in plans with fewer than one hundred total plan members utilizing the interactive tool developed by the Office of the State Actuary (OSA) for use by local governments. The following assumptions were used to measure the total OPEB liability, using a measurement and actuarial valuation date of June 30, 2025:

Discount Rate	
Beginning of Measurement Year	3.93%
End of Measurement Year	5.20%
Healthcare Trend Rates	
Medical Costs	Approximately 4.5%, varies by year
Long-Term Care	4.75%
Medicare Part B Premiums	Approximately 5.0%, varies by year
Mortality Rates (assume 100% male population)	
Base Mortality Table	PubS.H-2010 (Public Safety) Blended 50%/50% healthy/disabled
Age Setback	-1 year Healthy / 0 years Disabled
Mortality Improvements	MP-2017 Long-Term Rates
Project Period	Generational
Medical Participation Rate	100%

The following presents the total OPEB liability calculated using the current healthcare cost trend rate as well as what the OPEB liability would be if it were calculated using a rate that is 1-percentage point lower or 1-percentage point higher than the current rate.

	1% Decrease	Current Healthcare Cost Trend Rate	1% Increase
Total OPEB Liability	\$1,264,854	\$1,361,610	\$1,469,581

The following presents the total OPEB liability calculated using the current discount rate as well as what the OPEB liability would be if it were calculated using a discount rate that is 1-percentage point lower or 1-percentage point higher than the current rate.

	1% Decrease	Current Discount Rate	1% Increase
Total OPEB Liability	\$1,476,175	\$1,361,610	\$1,261,017

C. CHANGES IN THE TOTAL OPEB LIABILITY

A schedule of changes in the total OPEB liability is presented below. The reported liability is based on a measurement date of June 30, 2025.

LEOFF 1	
Total OPEB Liability at 01/01/2025	\$2,033,411
Interest	77,446
Changes of experience data and assumptions	(662,467)
Benefit payments	(126,780)
Total OPEB Liability at 12/31/2025	\$1,361,610

At December 31, 2025, the County's reported deferred outflows of resources related to OPEB from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Payments subsequent to the measurement date	\$49,714	\$0
TOTAL	\$49,714	\$0

NOTE 15 – CLOSURE AND POST-CLOSURE CARE COSTS

Kittitas County owns and operates a single landfill site, the Ryegrass Landfill, which was established in 1980 on a 640-acre parcel. The site consists of two separate landfills: the Municipal Solid Waste Landfill ("Ryegrass MSW"), and the Limited Purpose / Construction Debris Landfill ("LPL/CDL").

A. CLOSURE AND POST-CLOSURE COSTS: RYEGRASS MSW

Ryegrass MSW was closed to new/additional solid waste material in 1998 following an "Agreed Order" from the Washington Department of Ecology ("DOE"). The original order stipulated placement of final cover material on the site, and ongoing maintenance and monitoring for thirty years, through 2028. Management acknowledges the possibility of ongoing revision to the post-closure end-date, based on changes to the underlying legal and regulatory environment, and apprises BOCC of such changes and resourcing requirements ongoing.

The DOE awarded a remedial action grant to assist with 75% of the costs of closure, which concluded in 2000. To ensure adequate resources for post-closure costs, the BOCC established a set-aside of solid waste fee revenues via resolution in 2000. The resolution stipulates a \$1.55 per ton fee to be reserved for Ryegrass MSW post-closure costs, which generated \$68,278 in 2025. The balance of the Ryegrass MSW post-closure reserve is \$1,201,739 as of year-end 2025. Post-closure costs incurred during 2025 were \$41,814.

B. CLOSURE AND POST-CLOSURE COSTS: LPL / CDL

The LPL/CDL continues to accept material. This landfill is at 75% of capacity as of the end of 2025 and will reach its capacity by the end of 2028 based on management estimates. The current permit stipulates twenty years of maintenance and monitoring following closure.

In 2005 the BOCC established via resolution a separate LPL/CDL post-closure reserve, initially funded with \$200,000 from the Ryegrass MSW post-closure reserve. The resolution also stipulated an ongoing fee of \$2.44 per ton for construction debris to be added to this reserve account, which generated \$14,059 in 2025. The balance of the LPL/CDL post-closure reserve is \$499,554 as of year-end 2025.

The LPL/CDL closure and post-closure liability is \$2,931,385 as of year-end 2025 and reflects 25% capacity remaining on an estimated combined closure and post-closure cost of \$3.9MM, per 2025 analysis conducted by Parametrix.

Management has submitted a revised closure plan to the Washington Departments of Health and Ecology. The plan stipulates a partial "phase 1" closure in 2026, final closure in 2028, and monitoring for thirty years thereafter.

NOTE 16 – OTHER DISCLOSURES

A. NEW ACCOUNTING STANDARDS

In 2025, the County implemented Governmental Accounting Standards Board (GASB) Statement 102, *Certain Risk Disclosures*. State and local governments may be vulnerable to a variety of risks. Although existing authoritative guidance requires governments to disclose information about their exposure to some risks, information about other risks that are prevalent among state and local government is not routinely disclosed because it is not explicitly required. The objective of this Statement is to provide users of government financial statements with information about risks related to a government's vulnerabilities due to certain concentrations or constraints that is essential to their analyses for making decisions or assessing accountability.

B. ADJUSTMENTS AND RESTATEMENTS OF BEGINNING BALANCES

In 2025, the Board Directed Reserve fund, which was previously reported as a major fund, is now reported as nonmajor fund, and the Airport fund, which was previously reported as a non-major fund is now reported as a major fund. The effect of the change within the financial reporting entity is summarized below.

	Net position/fund balance 12/31/2024 as previously reported	Adjustment - Major Funds	Net position/fund balance 12/31/2024 as restated/adjusted
Governmental funds			
Major funds:			
General Fund	37,822,905	-	37,822,905
County Road	10,732,207	-	10,732,207
Airport	-	924,814	924,814
Board Directed Reserves	637,016	(637,016)	-
County Capital Projects	(1,688,990)	-	(1,688,990)
Nonmajor funds	50,873,262	(287,798)	50,585,464
Total Governmental funds	98,376,400	-	98,376,400

C. SUBSEQUENT EVENTS

Following the close of 2025, the County continued construction of the new Lower County Transfer Station. The facility is anticipated to open to the public in mid-2026, with construction expected to be fully completed at that time.

Construction activity on the Event Center Grandstands renovation project accelerated at the beginning of 2026 following the County's successful procurement of a loan exceeding \$8 million for the project. Completion is anticipated prior to the Annual Rodeo scheduled for Labor Day weekend 2026.

Additionally, new legislation regarding public defender caseload limits will require an increase in full-time staffing within the department, which is currently projected to grow by two FTEs in 2026.

Continued growth across County operations is creating challenges not only for financial resources, but also for available physical space. The County Courthouse continues to require significant maintenance and has become an issue that can no longer be deferred. As a result, the Board of County Commissioners (BOCC) has identified courthouse planning and facility needs as a strategic priority for 2026 and beyond. The BOCC intends to evaluate available resources, determine feasible long-term solutions, and begin implementing a sustainable plan to address these ongoing facility challenges.

Kittitas County, Washington
General Fund
Schedule of Revenues, Expenditures and Changes in Fund Balances - Budget and Actual
For the Year Ended December 31, 2025

	Original Budget	Amended Budget	Actual	Variance With Amended Budget
Revenues				
Property taxes	\$ 10,018,830	\$ 10,018,830	\$ 10,441,712	\$ 422,882
Sales taxes	13,175,145	13,175,145	13,784,407	609,262
Other taxes	1,529,887	1,529,887	690,007	(839,880)
Licenses and permits	212,116	212,116	176,167	(35,949)
Intergovernmental revenues	6,445,817	6,460,817	7,766,215	1,305,398
Charges for services	6,624,834	6,624,834	5,680,176	(944,658)
Fines and forfeitures	977,498	977,498	1,552,979	575,481
Investment earnings	2,758,924	2,758,924	3,569,329	810,405
Rents and concessions	1,036,172	1,036,172	904,826	(131,346)
Miscellaneous	579,482	579,482	659,310	79,828
Total Revenues	43,358,705	43,373,705	45,225,128	1,851,423
Expenditures				
Current:				
General government	17,285,702	17,647,636	15,032,853	2,614,783
Economic Environment	74	74	70	4
Judicial	3,790,998	3,897,031	3,790,444	106,587
Physical Environment	146,000	146,000	146,000	-
Culture and recreation	2,530,164	2,646,078	2,614,170	31,908
Public safety	18,334,039	19,906,438	19,254,960	651,478
Health and human services	957,079	957,079	862,194	94,885
Debt service:				
Principal	435,356	435,356	350,933	84,423
Interest	-	-	89,897	(89,897)
Capital Outlay	552,804	584,804	742,759	(157,955)
Total Expenditures	44,032,216	46,220,496	42,884,280	3,336,216
Excess (Deficiency) of Revenues Over (Under) Expenditures	(673,511)	(2,846,791)	2,340,848	5,187,639
Other Financing Sources (Uses)				
Transfers (out)	(5,747,348)	(5,801,954)	(8,706,835)	(2,904,881)
Proceeds from debt (lease & SBITA)			211,679	211,679
Proceeds from disposition of capital assets			88,976	88,976
Net Changes in Fund Balances	(6,420,859)	(8,648,745)	(6,065,332)	2,583,413
Fund Balances Beginning of Year	37,822,905	37,822,905	37,822,905	-
Fund Balances End of Year	\$ 31,402,046	\$ 29,174,160	\$ 31,757,573	\$ 2,583,413

Kittitas County, Washington
County Road Fund
Schedule of Revenues, Expenditures and Changes in Fund Balances - Budget and Actual
For the Year Ended December 31, 2025

	Original Budget	Amended Budget	Actual	Variance With Amended Budget
Revenues				
Property taxes	\$ 9,000,000	\$ 9,000,000	\$ 9,100,441	\$ 100,441
Other taxes	15,482	15,482	20,315	4,833
Licenses and permits	275,908	275,908	217,417	(58,491)
Intergovernmental revenues	7,550,471	7,679,676	6,429,131	(1,250,545)
Charges for services	1,532,956	1,532,956	1,329,511	(203,445)
Investment earnings	158,448	158,448	822,056	663,608
Miscellaneous	36,466	36,466	42,838	6,372
Total Revenues	18,569,731	18,698,936	17,961,709	(737,227)
Expenditures				
Current:				
General government	1,283,264	1,283,264	1,027,487	255,777
Transportation	12,557,703	12,907,603	11,623,254	1,284,349
Capital Outlay	5,247,001	5,247,001	3,634,278	1,612,723
Total Expenditures	19,087,968	19,437,868	16,285,019	3,152,849
Excess (Deficiency) of Revenues Over (Under) Expenditures	(518,237)	(738,932)	1,676,690	2,415,622
Other Financing Sources (Uses)				
Transfers in	500,000	500,000	798,347	298,347
Net Changes in Fund Balances	(18,237)	(238,932)	2,475,037	2,713,969
Fund Balances Beginning of Year	10,732,207	10,732,207	10,732,207	-
Fund Balances End of Year	\$ 10,713,970	\$ 10,493,275	\$ 13,207,244	\$ 2,713,969

Kittitas County, Washington
Airport
Schedule of Revenues, Expenditures and Changes in Fund Balances - Budget and Actual
For the Year Ended December 31, 2025

	Original Budget	Amended Budget	Actual	Variance With Amended Budget
Revenues				
Intergovernmental revenues	\$ 445,600	\$ 445,600	\$ 206,042	\$ (239,558)
Investment earnings	7,497	7,497	152,255	144,758
Rents and concessions	271,519	271,519	244,122	(27,397)
Miscellaneous	5,649	5,649	4,842	(807)
Total Revenues	730,265	730,265	607,261	(123,004)
Expenditures				
Current:				
Transportation	492,556	524,550	299,069	225,481
Debt service:				
Principal	350	350	34,215	(33,865)
Interest	-	-	5,385	(5,385)
Capital Outlay	544,709	554,709	223,894	330,815
Total Expenditures	1,037,615	1,079,609	562,563	517,046
Excess (Deficiency) of Revenues Over (Under) Expenditures	(307,350)	(349,344)	44,698	394,042
Other Financing Sources (Uses)				
Transfers in			701,400	(701,400)
Net Changes in Fund Balances	(307,350)	(349,344)	746,098	1,095,442
Fund Balances Beginning of Year	924,814	924,814	924,814	-
Fund Balances End of Year	\$ 617,464	\$ 575,470	\$ 1,670,912	\$ 1,095,442

KITTITAS COUNTY
Required Supplementary Information
2025 Annual Report
Information about Infrastructure Assets Reported Using the Modified Approach

Asset Management System

Kittitas County maintains an Asset Management System that includes an up-to-date inventory of all gravel roads. This inventory also identifies the condition of gravel roads owned by the County. The County's Public Works Department assesses the condition of gravel roads on an annual basis.

Required Documentation

The Governmental Accounting Standards Board (GASB) Statement #34 requires the County to report infrastructure capital assets. The County has elected to use the "Modified Approach", as defined by GASB Statement #34, for reporting its gravel roads, thereby forgoing depreciation of these assets. Under this alternative method, the County reports certain maintenance and preservation costs and does not report depreciation expenses. In order to utilize the modified approach, the County is required to:

- Maintain an up-to-date asset management system and inventory.
- Perform condition assessments of eligible assets and summarize the results using a measurement scale.
- Estimate the annual cost 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.

Condition Assessment Methods

Kittitas County's Public Works Department had previously used maintenance and financial records to determine the condition level of gravel roads. In 2012, Kittitas County's Public Works Department began a new assessment system (see Attachment A). This rating system is conducted by the Road Log Engineering Technician who fills out rating forms for each gravel road while doing a field assessment. This new rating system is more robust and thorough because each gravel road is physically surveyed and scored by one person, instead of relying on maintenance and financial records provided by various maintenance personnel.

Gravel Roads in Kittitas County

Kittitas County owns and maintains over 80 miles of gravel roads, of which about 20 miles are standard gravel roads (non-primitive) and about 60 miles are primitive gravel roads. The standard gravel roads (non-primitive) are those roads that have an average of 101 or more annual daily vehicles and have road signs and warning signs placed along the roadway in accordance with the Manual on Uniform Traffic Control Devices. Primitive gravel roads have 100 or less annual daily vehicles and no design, signing, or maintenance standards are required other than the requirement that warning signs be placed that apply to primitive roads.

Budgeted and Estimated Costs to Maintain Infrastructure

The County's estimate of spending to preserve and maintain gravel roads at or above the established condition levels is shown in Table A below. This table indicates the estimated budgeted amount and the actual amount spent during the past six fiscal years.

Table A Costs to Maintain Gravel Roads in Kittitas County		
<i>Fiscal Year</i>	<i>Estimated Spending</i>	<i>Actual Spending</i>
2018	\$500,000	\$281,399
2019	\$350,000	\$343,888
2020	\$190,767	\$298,834
2021	\$322,463	\$484,662
2022	\$292,618	\$328,044
2023	\$289,865	\$321,465
2024	\$384,269	\$451,730
2025	\$383,658	\$305,610

Condition Level Description

Kittitas County manages its gravel road network using a priority array program. The gravel road condition rating is a numerical condition scale ranging from 1 (severely deficient) to 5 (excellent condition). The ratings are described as follows:

Table B Gravel Road Condition Rating Description		
<i>Score</i>	<i>Attribute</i>	<i>Description</i>
1	Severely Impaired and load restricted	Impassable for heavy loads and requires load restrictions or road closure until repaired.
2	Poor Condition	Rough ride in places, requires spot grading, spot graveling, shoulder damage repair, or roadside flood damage repair.
3	Fair Condition	Road surface is in fair condition, rough ride in places but does not require grading or graveling.
4	Good Condition	Road surface is not new but in good condition and no maintenance needed.
5	Excellent Condition	New road surface, no maintenance needed.

Established Condition Level

The County has established an acceptable condition level of 3 (Fair Condition) and preserves 80% of its assets (non-primitive gravel roads) at or above this level. The condition of some gravel roads may drop below fair condition due to very limited use of the section of road.

The established condition level has been revised for gravel roads that are classified as primitive roads. Primitive roads do not have an established condition level because they are, by definition, not required to have any design, signing, or maintenance standards or requirements other than the requirement that warning signs be placed as provided in RCW 36.75.300. The condition of primitive roads is assessed and shown in Table E for general information.

Detailed documentation of disclosed assessment levels is kept on file.

Table C Condition Rating of All Gravel Roads in Kittitas County Prior to New Assessment Methodology							
Year	Total Miles	Gravel Road Condition Rating Scores as a Percentage					
		1	2	3	4	5	% Rated 3 +
2008	67.84	0	19.7	45.7	34.6	0	80%
2009	67.84	0	19.7	42.9	37.4	0	80%
2010	67.84	0	0	0	98.4	1.6	100%
2011	67.84	0	10.6	56.9	32.5	0	89%

Table D Condition Rating of Standard Gravel Roads (non-primitive) in Kittitas County							
Year	Total Miles	Gravel Road Condition Rating Scores as a Percentage					
		1	2	3	4	5	% Rated 3 +
2012	22.69	0.09mi 0.44%	0.26mi 1.15%	1.68mi 7.40%	15.03mi 66.24%	5.63mi 24.77%	22.34mi 98.41%
2013	23.16	0mi	0.05mi 0.22%	4.06mi 17.53%	16.06mi 69.34%	2.45mi 10.57%	22.57mi 97.44%
2014	22.52	0mi	0.05 mi 0.22%	1.12mi 4.97%	7.91mi 35.12%	13.44mi 59.68%	22.47mi 99.78%
2015	20.63	0.05 mi 1 %	0mi	0.07 mi 1%	3.85 mi 18%	16.54mi 80%	20.46mi 99%
2016	20.04	0mi	0mi	1.01mi 5.039%	10.92mi 54.491%	8.11mi 40.469%	20.04mi 100%
2017	20.11	0.22mi 1.09%	0.08mi 0.4%	4.43mi 22.03%	5.28mi 26.26%	10.10mi 50.22%	19.81mi* 98.51%
2018	19.09	0mi	0.15mi 0.79%	1.22mi 6.39%	10.69mi 56.00%	7.03mi 36.83%	18.94mi 99.21%
2019	20.26	0mi	0.08mi 0.4%	5.57mi 27.49%	9.80mi 48.37%	4.81mi 23.74%	20.18mi 99.6%
2020	20.26	0mi	0.08mi 0.4%	3.21 15.84%	16.66 82.23%	0.31 1.53%	20.18mi 99.6%
2021	20.53	0mi	0.25mi 1.2%	0.59mi 2.8%	16.77mi 81.69%	2.92mi 14.22%	20.28mi 98.78%
2022	19.36	0mi	0.08mi .41%	4.18mi 21.59%	12.75mi 65.86%	2.35mi 12.14%	19.28 99.59%
2023	19.36	0mi	0.24mi 1.24%	7.00mi 36.15%	9.29mi 47.99%	2.83mi 14.62%	19.12mi 98.76%
2024	19.36	0.08mi 0.41%	0.07mi 0.36%	0.32mi 1.65%	13.32mi 68.80%	5.57mi 28.77%	19.21mi 99.23%
2025	19.23	0mi	0.08mi 0.42%	2.59mi 13.47%	13.62mi 70.82%	2.94mi 15.29%	19.15mi 100%

*Corrected value from previous report

Table E
Condition Rating of
Primitive Gravel Roads in Kittitas County

Year	Total Miles	Primitive Gravel Road Condition Rating Scores as a Percentage					
		1	2	3	4	5	% Rated 3 +
2012	44.13	2.87mi 6.50%	15.02mi 34.03%	8.82mi 19.99%	11.56mi 26.20%	5.86mi 13.28%	26.24mi 59.47%
2013	42.76	1.81mi 4.25%	17.57mi 41.29%	13.29mi 31.22%	9.27mi 21.79%	0.62mi 1.45%	23.18mi 54.46%
2014	43.40*	0.87mi 2.01%	13.5mi 31.25%	3.47mi 8.26%	12.42mi 28.75%	12.84mi 29.72%	28.83mi 66.74%
2015	43.40	0.87mi 2%	13.5mi 31%	1.49mi 3%	11.47mi 26%	16.07mi 38%	29.03mi 67%
2016	43.40	0mi	20.64mi 47.55%	3.06mi 7.05%	4.15mi 9.56%	15.55mi 35.82%	26.91mi 62%
2017	43.20*	0mi	19.48mi 45.09%	5.41mi 12.52%	9.17mi 21.23%	9.14mi 21.16%	23.72mi* 54.91%
2018	45.45	0mi	26.08mi 58.97%	3.91mi 8.60%	9.28mi 20.42%	5.46mi 12.01%	18.65mi 41.03%
2019	43.29	18.59mi 42.94%	1.67mi 3.85%	8.06mi 18.61%	13.51mi 31.2%	1.46mi 3.37%	23.03mi 53.19%
2020	60.59	21.37mi 35.26%	0.10mi 0.1%	27.55mi 45.47%	10.75mi 17.74%	0.82mi 1.43%	39.12mi 64.56%
2021	60.67	21.37mi 35.22%	0.10mi 0.16%	23.65mi 38.98%	15.01mi 24.74%	0.54mi 0.89%	39.2mi 64.61%
2022	60.89	20.41mi 33.52%	2.72mi 4.47%	25.91mi 42.55%	9.41mi 15.45%	2.44mi 4.01%	37.76mi 62.01%
2023	60.89	18.67mi 30.66%	0.78mi 1.28%	13.68mi 22.47%	26.02mi 42.73%	1.74mi 2.86%	41.44mi 68.06%
2024	61.835	18.36mi 29.69%	4.40mi 7.12%	22.80mi 36.87%	11.53mi 18.65%	4.745mi 7.67%	39.075mi 63.19%
2025	60.035	20.31mi 33.83%	0.10mi 1.66%	20.88mi 34.78%	16.34mi 4.01%	2.41mi 4.01%	39.63mi 62.16%

*Corrected value from previous report

**Attachment A
Gravel Road Condition Rating Form**

**Kittitas County
Department of Public Works 3/23/2026
Gravel Road Rating Worksheet**

Road Name: _____ Road No. _____

From: _____ to _____

ADT _____ FFC _____ Posted Speed Limit _____ Scorer _____

Check the following:

CROWN

DRAINAGE

GRAVEL LAYER

SURFACE DEFORMATION

SURFACE DEFECTS

ROUTES :

US Mail Route ?

School Bus Route?

CONNECTOR

MAINTENANCE COSTS

5 Excellent	No distress. Dust controlled. Excellent surface condition and ride.	New construction or total reconstruction. Excellent drainage. Little or no maintenance needed.
4 Good	Dust under dry conditions. Moderate loose aggregate. Slight wash boarding.	Recently re-graded. Good crown & drainage. Adequate gravel for traffic. Routine grading & dust control may be needed.
3 Fair	Good crown(3"-6"). Adequate ditches on more than 50% of road. Gravel layer mostly adequate/ additional may be needed to correct wash boarding or potholes/ ruts. Some culvert cleaning needed. Moderate wash boarding (1"-2" deep) over 10%-25%. Moderate dust. None or slight rutting. Occasional small potholes. Some loose aggregate.	Shows traffic effects. Re-grading (re-working) needed to maintain. Needs some ditch improvement and culvert maintenance. Some areas may need additional gravel
2 Poor	Little or no roadway crown (less than 3"). Adequate ditches on less than 50% of road. Portions of ditches may be filled / overgrown / eroded. 25% with little or no aggregate. Culverts partially full of debris. Moderate to severe wash boarding (over 3" deep) over 25% of area. Moderate rutting (1" – 3") over 10%-25% . Severe loose aggregate.	Travel at slow speeds (less than 25mph) required. Needs additional new aggregate. Major ditch construction and culvert maintenance also required.
1 Failed	No roadway crown or roadway is bowl shaped with extensive ponding. Little if any ditching. Filled or damaged culverts. Severe rutting (over 3" deep), over 25% of the area. Severe potholes (over 4" deep), no aggregate.	Travel is difficult and road may be closed at times. Needs complete rebuilding and/ or new culverts.

TOTAL PROJECT RATING _____ DATE _____

Kittitas County
 Schedule of Changes in Total OPEB Liability and Related Ratios
 LEOFF 1

For the year ended June 30, 2025

	2018	2019	2020	2021	2022	2023
Total OPEB liability - beginning						
Interest	3,179,140	3,058,708	3,473,105	3,588,724	3,292,395	2,733,516
Changes of assumptions	111,355	116,296	118,822	77,181	69,434	94,384
Benefit payments	(93,264)	406,431	154,516	(179,684)	(471,760)	(678,403)
	(138,523)	(108,330)	(157,719)	(193,826)	(156,553)	(135,804)
Total OPEB liability - ending	<u>3,058,708</u>	<u>3,473,105</u>	<u>3,588,724</u>	<u>3,292,395</u>	<u>2,733,516</u>	<u>2,013,693</u>
Covered-employee payroll	-	-	-	-	-	-
Total OPEB liability as a % of covered payroll	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%

Notes to Schedule:

* Until a full 10-year trend is compiled, only information for those years available is presented.
 No assets are accumulated in a trust that meets the criteria in paragraph 4 of GASB 75.

REQUIRED SUPPLEMENTARY INFORMATION - State Sponsored Plans

KITTITAS COUNTY, WASHINGTON

Schedule of Proportionate Share of the Net Pension Liability/Asset - PERS 1, PERS 2/3, PSERS 2, LEOFF 1, LEOFF 2
As of June 30, 2025

	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025
PERS 1										
Employer's proportion of the net pension liability (asset)	0.106396%	0.112327%	0.111934%	0.111655%	0.113985%	0.122697%	0.125500%	0.114286%	0.114404%	0.120082%
Employer's proportionate share of the net pension liability (asset)	5,713,966	5,330,004	4,999,010	4,293,531	4,022,556	1,498,417	3,495,773	2,608,843	2,032,774	1,415,762
Covered payroll	12,751,139	13,743,477	14,230,577	15,107,518	16,629,062	18,110,192	19,508,420	20,255,522	22,640,902	25,806,793
Employer's proportionate share of the net pension liability (asset) as a percentage of covered employee payroll	44.81%	38.78%	35.15%	28.42%	24.19%	8.27%	17.92%	12.88%	8.98%	5.49%
Plan fiduciary net position as a percentage of the total pension liability	57.03%	61.24%	63.22%	67.12%	68.64%	88.74%	76.56%	80.16%	84.05%	89.07%
PERS 2 & 3										
Employer's proportion of the net pension liability (asset)	0.111397%	0.118686%	0.118055%	0.118637%	0.121014%	0.130241%	0.135216%	0.126511%	0.127739%	0.134962%
Employer's proportionate share of the net pension liability (asset)	5,608,751	4,123,771	2,015,684	1,152,369	1,547,700	(12,974,099)	(5,014,865)	(5,185,285)	(4,211,009)	(5,150,387)
Covered payroll	10,975,818	11,826,723	12,244,306	12,970,955	14,308,629	15,585,602	16,766,461	17,661,475	19,946,865	22,779,463
Employer's proportionate share of the net pension liability (asset) as a percentage of covered employee payroll	51.10%	34.87%	16.46%	8.88%	10.82%	-83.24%	-29.91%	-29.36%	-21.11%	-22.61%
Plan fiduciary net position as a percentage of the total pension liability	85.82%	90.97%	95.77%	97.77%	97.22%	120.29%	106.73%	107.02%	105.17%	105.53%
PSERS 2										
Employer's proportion of the net pension liability (asset)	0.3162730%	0.401565%	0.390713%	0.363890%	0.291763%	0.303583%	0.346416%	0.346416%	0.279404%	0.244571%
Employer's proportionate share of the net pension liability (asset)	154,153	78,679	4,841	(47,320)	(40,147)	(697,449)	(247,687)	(333,379)	(119,146)	(93,626)
Covered payroll	1,288,743	1,441,466	1,547,780	1,686,004	1,822,418	2,057,767	2,345,406	2,413,697	2,590,995	2,917,537
Employer's proportionate share of the net pension liability (asset) as a percentage of covered employee payroll	11.96%	5.46%	0.31%	-2.81%	-2.20%	-33.89%	-10.56%	-13.81%	-4.60%	-3.17%
Plan fiduciary net position as a percentage of the total pension liability	90.41%	96.26%	99.79%	101.85%	101.86%	123.67%	105.96%	107.90%	102.61%	101.95%
LEOFF 1										
Employer's proportion of the net pension liability (asset)	0.009641%	0.009552%	0.008598%	0.008500%	0.008840%	0.008968%	0.009488%	0.009536%	0.008234%	0.006494%
Employer's proportionate share of the net pension liability (asset)	(93,330)	(144,225)	(156,697)	(170,377)	(166,944)	(307,204)	(272,174)	(283,031)	(234,166)	(205,765)
State's proportionate share of the net pension liability (asset) associated with the employer	(671,866)	(980,269)	(1,055,836)	(1,156,484)	(1,129,205)	(2,077,923)	(1,840,978)	(1,914,415)	(1,583,893)	(1,391,789)
TOTAL	(771,196)	(1,125,194)	(1,211,933)	(1,326,199)	(1,296,149)	(2,385,127)	(2,113,152)	(2,197,446)	(1,818,059)	(1,597,554)
Covered payroll	-	-	-	-	-	-	-	-	-	-
Employer's proportionate share of the net pension liability (asset) as a percentage of covered employee payroll	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
Plan fiduciary net position as a percentage of the total pension liability	123.74%	135.96%	144.42%	148.78%	146.88%	187.45%	169.62%	175.99%	168.48%	178.02%
LEOFF 2										
Employer's proportion of the net pension liability (asset)	0.078567%	0.078824%	0.083794%	0.79493%	0.074422%	0.087953%	0.081526%	0.084652%	0.088775%	0.084927%
Employer's proportionate share of the net pension liability (asset)	(456,969)	(1,093,822)	(1,701,201)	(1,841,609)	(1,518,100)	(5,108,674)	(2,215,630)	(2,030,701)	(1,662,529)	(1,645,475)
State's proportionate share of the net pension liability (asset) associated with the employer	(297,911)	(709,542)	(1,101,495)	(1,206,007)	(970,710)	(3,295,653)	(1,435,237)	(1,296,785)	(1,078,893)	(1,056,110)
TOTAL	(754,880)	(1,803,364)	(2,802,696)	(3,047,616)	(2,488,810)	(8,404,327)	(3,650,867)	(3,327,486)	(2,741,422)	(2,701,585)
Covered payroll	2,364,248	2,487,299	2,687,908	2,742,218	2,848,298	3,302,098	3,254,865	3,765,913	4,027,168	4,565,666
Employer's proportionate share of the net pension liability (asset) as a percentage of covered employee payroll	-19.33%	-43.98%	-63.29%	-67.16%	-53.30%	-154.71%	-68.07%	-53.92%	-41.28%	-36.04%
Plan fiduciary net position as a percentage of the total pension liability	106.04%	113.36%	118.50%	119.43%	115.83%	142.00%	116.09%	113.17%	109.27%	108.79%

REQUIRED SUPPLEMENTARY INFORMATION - State Sponsored Plans

KITTITAS COUNTY, WASHINGTON

Schedule of Employer Contributions - PERS 1, PERS 2/3, PSERS 2, LEOFF 2 As of December 31, 2024

	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025
PERS 1										
Statutorily or contractually required contributions	638,541	718,780	778,452	806,157	885,130	855,962	755,447	728,442	666,226	348,740
Contributions in relation to the statutorily or contractually required contributions	(638,541)	(718,780)	(778,452)	(806,157)	(885,130)	(855,962)	(755,447)	(728,442)	(666,226)	(348,740)
Contribution deficiency (excess)	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
Covered payroll	12,751,139	14,048,798	14,688,420	15,582,618	17,639,940	18,791,843	19,660,161	21,353,827	24,064,067	27,269,078
Contributions as a percentage of covered employee payroll	5.01%	5.12%	5.30%	5.17%	5.02%	4.55%	3.84%	3.41%	2.77%	1.28%
PERS 2 & 3										
Statutorily or contractually required contributions	683,790	831,911	945,949	1,026,501	1,199,547	1,170,347	1,081,386	1,194,115	1,353,709	1,405,450
Contributions in relation to the statutorily or contractually required contributions	(683,790)	(831,911)	(945,949)	(1,026,501)	(1,199,547)	(1,170,347)	(1,081,386)	(1,194,115)	(1,353,709)	(1,405,450)
Contribution deficiency (excess)	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
Covered payroll	10,975,818	12,132,058	12,647,276	13,430,653	15,153,072	16,133,932	17,002,883	18,773,554	21,284,897	23,972,079
Contributions as a percentage of covered employee payroll	6.23%	6.86%	7.50%	7.64%	7.92%	7.25%	6.36%	6.36%	6.36%	5.86%
PSERS 2										
Statutorily or contractually required contributions	84,928	98,035	112,323	119,202	143,664	151,235	156,202	164,497	180,268	218,623
Contributions in relation to the statutorily or contractually required contributions	(84,928)	(98,035)	(112,323)	(119,202)	(143,665)	(151,235)	(156,202)	(164,497)	(180,268)	(218,623)
Contribution deficiency (excess)	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
Covered payroll	1,288,743	1,470,961	1,638,087	1,678,150	1,995,175	2,193,143	2,390,911	2,475,823	2,674,606	3,198,081
Contributions as a percentage of covered employee payroll	6.59%	6.66%	6.86%	7.10%	7.20%	6.90%	6.53%	6.64%	6.74%	6.84%
LEOFF 2										
Statutorily or contractually required contributions	119,395	140,709	143,682	144,507	167,524	170,181	178,027	209,975	218,671	258,594
Contributions in relation to the statutorily or contractually required contributions	(119,395)	(140,709)	(143,682)	(144,507)	(167,524)	(170,181)	(178,027)	(209,975)	(218,671)	(258,594)
Contribution deficiency (excess)	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
Covered payroll	2,364,248	2,666,191	2,671,628	2,697,044	3,162,848	3,221,921	3,463,732	3,912,012	4,159,619	4,962,956
Contributions as a percentage of covered employee payroll	5.05%	5.28%	5.38%	5.36%	5.30%	5.28%	5.14%	5.37%	5.26%	5.21%

Kittitas County
Schedule of Expenditures of Federal Awards
For the Year Ended December 31, 2025

Federal Agency (Pass-Through Agency)	Federal Program	ALN Number	Other Award Number	Expenditures			Passed through to Subrecipients	Note
				From Pass- Through Awards	From Direct Awards	Total		
SNAP Cluster								
FOOD AND NUTRITION SERVICE, AGRICULTURE, DEPARTMENT OF (via Washington Department of Health)	State Administrative Matching Grants for the Supplemental Nutrition Assistance Program	10.561	CLH32055PH	26,265	-	26,265	-	1,2
			Total SNAP Cluster:	26,265	-	26,265	-	
Schools and Roads Cluster								
FOREST SERVICE, AGRICULTURE, DEPARTMENT OF (via Washington State Treasurer)	Schools and Roads - Grants to States	10.665	Formula Grant	47,905	-	47,905	-	1,7
			Total Schools and Roads Cluster:	47,905	-	47,905	-	
ASSISTANT SECRETARY FOR COMMUNITY PLANNING AND DEVELOPMENT, HOUSING AND URBAN DEVELOPMENT, DEPARTMENT OF (via Washington State Dept of Commerce)	Community Development Block Grants/State's program and Non-Entitlement Grants in Hawaii	14.228	22-62210-008 Amend B	36,855	-	36,855	36,190	1
ASSISTANT SECRETARY FOR COMMUNITY PLANNING AND DEVELOPMENT, HOUSING AND URBAN DEVELOPMENT, DEPARTMENT OF (via Washington State Dept of Commerce)	Community Development Block Grants/State's program and Non-Entitlement Grants in Hawaii	14.228	23-62210-007	52,675	-	52,675	52,675	1

The accompanying notes are an integral part of this schedule.

Kittitas County
Schedule of Expenditures of Federal Awards
For the Year Ended December 31, 2025

Federal Agency (Pass-Through Agency)	Federal Program	ALN Number	Other Award Number	Expenditures			Passed through to Subrecipients	Note
				From Pass- Through Awards	From Direct Awards	Total		
ASSISTANT SECRETARY FOR COMMUNITY PLANNING AND DEVELOPMENT, HOUSING AND URBAN DEVELOPMENT, DEPARTMENT OF (via Washington State Dept of Commerce)	Community Development Block Grants/State's program and Non-Entitlement Grants in Hawaii	14.228	21-62210-030	22,500	-	22,500	22,500	1
		Total ALN 14.228:			-	112,030	111,365	
OFFICE OF JUSTICE PROGRAMS, JUSTICE, DEPARTMENT OF (via Seattle PD)	Missing Children's Assistance	16.543	WA ICAC FY2025	15,000	-	15,000	-	1
		16.588	F24-31103-077	16,542	-	16,542	-	1
OFFICE ON VIOLENCE AGAINST WOMEN, JUSTICE, DEPARTMENT OF (via Comprehensive Healthcare ASPEN)	Violence Against Women Formula Grants	16.607	FY2024 BVP	-	18,802	18,802	-	1
		16.745	15PBJA-22-GG -03058-MENT	-	219,965	219,965	-	1
OFFICE OF JUSTICE PROGRAMS, JUSTICE, DEPARTMENT OF	Criminal and Juvenile Justice and Mental Health Collaboration Program	16.838	15PBJA-23-GG -02353-COAP	-	322,384	322,384	-	1

The accompanying notes are an integral part of this schedule.

Kittitas County
Schedule of Expenditures of Federal Awards
For the Year Ended December 31, 2025

Federal Agency (Pass-Through Agency)	Federal Program	ALN Number	Other Award Number	Expenditures			Passed through to Subrecipients	Note
				From Pass- Through Awards	From Direct Awards	Total		
OFFICE OF JUSTICE PROGRAMS, JUSTICE, DEPARTMENT OF	Comprehensive Opioid, Stimulant, and other Substances Use Program	16.838	2020-AR-BX- 0148	-	15,748	15,748	-	1
			Total ALN 16.838:	-	338,132	338,132	-	
FEDERAL AVIATION ADMINISTRATION, TRANSPORTATION, DEPARTMENT OF	Airport Improvement Program, Infrastructure Investment and Jobs Act Programs, and COVID-19 Airports Programs	20.106	3-53-0026-021- 2023	-	19,408	19,408	-	1
FEDERAL AVIATION ADMINISTRATION, TRANSPORTATION, DEPARTMENT OF	Airport Improvement Program, Infrastructure Investment and Jobs Act Programs, and COVID-19 Airports Programs	20.106	3-53-0026-019- 2022	-	10,948	10,948	-	1
FEDERAL AVIATION ADMINISTRATION, TRANSPORTATION, DEPARTMENT OF	Airport Improvement Program, Infrastructure Investment and Jobs Act Programs, and COVID-19 Airports Programs	20.106	3-53-0026-020- 2023	-	91,936	91,936	-	1
FEDERAL AVIATION ADMINISTRATION, TRANSPORTATION, DEPARTMENT OF	Airport Improvement Program, Infrastructure Investment and Jobs Act Programs, and COVID-19 Airports Programs	20.106	3-53-0026-024- 2025	-	35,558	35,558	-	1
			Total ALN 20.106:	-	157,850	157,850	-	

The accompanying notes are an integral part of this schedule.

Kittitas County
Schedule of Expenditures of Federal Awards
For the Year Ended December 31, 2025

Federal Agency (Pass-Through Agency)	Federal Program	ALN Number	Other Award Number	Expenditures			Passed through to Subrecipients	Note
				From Pass- Through Awards	From Direct Awards	Total		
FEDERAL HIGHWAY ADMINISTRATION, TRANSPORTATION, DEPARTMENT OF (via Washington Department of Transportation)	Highway Planning and Construction	20.205	HSIP-000(678) LA-10787	71,739	-	71,739	-	1
FEDERAL HIGHWAY ADMINISTRATION, TRANSPORTATION, DEPARTMENT OF (via Washington Department of Transportation)	Highway Planning and Construction	20.205	HSIP-000S (679) LA-10789	1,352,881	-	1,352,881	-	1
FEDERAL HIGHWAY ADMINISTRATION, TRANSPORTATION, DEPARTMENT OF (via Washington Department of Transportation)	Highway Planning and Construction	20.205	STBGR-19CN (004) LA-11023	1,775,101	-	1,775,101	-	1
FEDERAL HIGHWAY ADMINISTRATION, TRANSPORTATION, DEPARTMENT OF (via WA Department of Transportation)	Highway Planning and Construction	20.205	BROS-2019- (032) LA-10466	38,020	-	38,020	-	1,3
Total ALN 20.205:				3,237,741	-	3,237,741	-	
FEDERAL HIGHWAY ADMINISTRATION, TRANSPORTATION, DEPARTMENT OF (via Washington Department of Transportation)	Federal Lands Access Program	20.224	FLAP-2019 (031) LA-10327	59,706	-	59,706	-	1

Highway Safety Cluster

The accompanying notes are an integral part of this schedule.

Kittitas County
Schedule of Expenditures of Federal Awards
For the Year Ended December 31, 2025

Federal Agency (Pass-Through Agency)	Federal Program	ALN Number	Other Award Number	Expenditures			Note
				From Pass- Through Awards	From Direct Awards	Total	
NATIONAL HIGHWAY TRAFFIC SAFETY ADMINISTRATION, TRANSPORTATION, DEPARTMENT OF (via WA TRAFFIC SAFETY COMMISSION (WTSC))	State and Community Highway Safety	20.600	2025-HVE-5424 -Region 12	28,879	-	28,879	1
NATIONAL HIGHWAY TRAFFIC SAFETY ADMINISTRATION, TRANSPORTATION, DEPARTMENT OF (via WA TRAFFIC SAFETY COMMISSION (WTSC))	National Priority Safety Programs	20.616	2026-HVE-5424 -Region 12	3,710	-	3,710	1
Total Highway Safety Cluster:				32,589	-	32,589	
OFFICE OF THE SECRETARY, TRANSPORTATION, DEPARTMENT OF	Safe Streets and Roads for All	20.939	693JJ32340337	-	229,477	229,477	1
DEPARTMENTAL OFFICES, TREASURY, DEPARTMENT OF THE	COVID 19 - CORONAVIRUS STATE AND LOCAL FISCAL RECOVERY FUNDS	21.027	SLFRF	-	43,421	43,421	1,6
DEPARTMENTAL OFFICES, TREASURY, DEPARTMENT OF THE (via WA STATE DEPT OF COMMERCE)	COVID 19 - Coronavirus Capital Projects Fund	21.029	PBC22-96104- 001	93,933	-	93,933	1,4
DEPARTMENTAL OFFICES, TREASURY, DEPARTMENT OF THE	COVID 19 - Local Assistance and Tribal Consistency Fund	21.032	LATCF	-	148,063	148,063	1

The accompanying notes are an integral part of this schedule.

Kittitas County
Schedule of Expenditures of Federal Awards
For the Year Ended December 31, 2025

Federal Agency (Pass-Through Agency)	Federal Program	ALN Number	Other Award Number	Expenditures			Passed through to Subrecipients	Note
				From Pass- Through Awards	From Direct Awards	Total		
ENERGY, DEPARTMENT OF, ENERGY, DEPARTMENT OF (via Washington State Dept of Commerce)	Energy Efficiency and Conservation Block Grant Program (EECBG)	81.128	F24-51701-008	110,000	-	110,000	-	1
ELECTION ASSISTANCE COMMISSION, ELECTION ASSISTANCE COMMISSION (via Washington Office Secretary of State)	HAVA Election Security Grants	90.404	IG-6938	8,067	-	8,067	-	1
CENTERS FOR DISEASE CONTROL AND PREVENTION, HEALTH AND HUMAN SERVICES, DEPARTMENT OF (via WA Department of Health)	Public Health Emergency Preparedness	93.069	CLH32055	35,895	-	35,895	-	1,2
CENTERS FOR DISEASE CONTROL AND PREVENTION, HEALTH AND HUMAN SERVICES, DEPARTMENT OF (via WA Department of Health)	COVID 19 - Immunization Cooperative Agreements	93.268	CLH32055	17,009	-	17,009	-	1,2
CENTERS FOR DISEASE CONTROL AND PREVENTION, HEALTH AND HUMAN SERVICES, DEPARTMENT OF (via WA Department of Health)	Immunization Cooperative Agreements	93.268	CLH32055	1,684	-	1,684	-	1,2
Total ALN 93.268:				18,693	-	18,693	-	

The accompanying notes are an integral part of this schedule.

Kittitas County
Schedule of Expenditures of Federal Awards
For the Year Ended December 31, 2025

Federal Agency (Pass-Through Agency)	Federal Program	ALN Number	Other Award Number	Expenditures			Passed through to Subrecipients	Note
				From Pass- Through Awards	From Direct Awards	Total		
CENTERS FOR DISEASE CONTROL AND PREVENTION, HEALTH AND HUMAN SERVICES, DEPARTMENT OF (via WA Department of Health)	COVID 19 - Epidemiology and Laboratory Capacity for Infectious Diseases (ELC)	93.323	CLH32055	25,035	-	25,035	-	1,2
	Epidemiology and Laboratory Capacity for Infectious Diseases (ELC)	93.323	CLH32055	1,986	-	1,986	-	1,2
Total ALN 93.323:				27,021	-	27,021	-	
CENTERS FOR DISEASE CONTROL AND PREVENTION, HEALTH AND HUMAN SERVICES, DEPARTMENT OF (via WA Department of Health)	COVID 19 - Public Health Emergency Response: Cooperative Agreement for Emergency Response: Public Health Crisis Response	93.354	CLH32055	56,000	-	56,000	-	1,2
FOOD AND DRUG ADMINISTRATION, HEALTH AND HUMAN SERVICES, DEPARTMENT OF (via WA Department of Health)	Flexible Funding Model - Infrastructure Development and Maintenance for State Manufactured Food Regulatory Programs	93.367	CLH32055	12,043	-	12,043	-	1,2
CENTERS FOR DISEASE CONTROL AND PREVENTION, HEALTH AND HUMAN SERVICES, DEPARTMENT OF (via Washington Health Care Authority)	Activities to Support State, Tribal, Local and Territorial (STLT) Health Department Response to Public Health or Healthcare Crises	93.391	K7461	8,969	-	8,969	-	1,2

The accompanying notes are an integral part of this schedule.

Kittitas County
Schedule of Expenditures of Federal Awards
For the Year Ended December 31, 2025

Federal Agency (Pass-Through Agency)	Federal Program	ALN Number	Other Award Number	Expenditures			Passed through to Subrecipients	Note
				From Pass- Through Awards	From Direct Awards	Total		
ADMINISTRATION FOR CHILDREN AND FAMILIES, HEALTH AND HUMAN SERVICES, DEPARTMENT OF (via State of Washington Depart of Social and Human Services)	Child Support Services	93.563	2110-80579	19,300	-	19,300	-	1
Medicaid Cluster								
CENTERS FOR MEDICARE AND MEDICAID SERVICES, HEALTH AND HUMAN SERVICES, DEPARTMENT OF (via Washington Health Care Authority)	Grants to States for Medicaid	93.778	K4649	50,950	-	50,950	-	1,2,5
Total Medicaid Cluster:				50,950	-	50,950	-	
HEALTH RESOURCES AND SERVICES ADMINISTRATION, HEALTH AND HUMAN SERVICES, DEPARTMENT OF (via Kittitas County Health Network)	Rural Health Care Services Outreach, Rural Health Network Development and Small Health Care Provider Quality Improvement	93.912	GA133517	60,750	-	60,750	-	1,2
HEALTH RESOURCES AND SERVICES ADMINISTRATION, HEALTH AND HUMAN SERVICES, DEPARTMENT OF (via WA Department of Health)	Maternal and Child Health Services Block Grant to the States	93.994	CLH32055	42,413	-	42,413	-	1,2
U.S. COAST GUARD, HOMELAND SECURITY, DEPARTMENT OF (via WA STATE PARKS)	Boating Safety Financial Assistance	97.012	MLE 325-508	21,576	-	21,576	-	1

The accompanying notes are an integral part of this schedule.

Kittitas County
Schedule of Expenditures of Federal Awards
For the Year Ended December 31, 2025

Federal Agency (Pass-Through Agency)	Federal Program	ALN Number	Other Award Number	Expenditures			Passed through to Subrecipients	Note
				From Pass- Through Awards	From Direct Awards	Total		
FEDERAL EMERGENCY MANAGEMENT AGENCY, HOMELAND SECURITY, DEPARTMENT OF (via WA STATE MILITARY DEPT)	Emergency Management Performance Grants	97.042	23 EMPG E23- 363	1,200	-	1,200	-	1
FEDERAL EMERGENCY MANAGEMENT AGENCY, HOMELAND SECURITY, DEPARTMENT OF (via WA STATE MILITARY DEPT)	Emergency Management Performance Grants	97.042	E25-236	25,085	-	25,085	-	1
Total ALN 97.042:				26,285	-	26,285	-	
FEDERAL EMERGENCY MANAGEMENT AGENCY, HOMELAND SECURITY, DEPARTMENT OF (via WA STATE MILITARY DEPT)	Homeland Security Grant Program	97.067	E23-116	9,141	-	9,141	-	1
FEDERAL EMERGENCY MANAGEMENT AGENCY, HOMELAND SECURITY, DEPARTMENT OF (via WA STATE MILITARY DEPT)	Homeland Security Grant Program	97.067	E24-135	83,163	-	83,163	-	1
FEDERAL EMERGENCY MANAGEMENT AGENCY, HOMELAND SECURITY, DEPARTMENT OF (via WA STATE MILITARY DEPT)	Homeland Security Grant Program	97.067	E25-224	2,256	-	2,256	-	1
Total ALN 97.067:				94,560	-	94,560	-	

The accompanying notes are an integral part of this schedule.

Kittitas County
Schedule of Expenditures of Federal Awards
For the Year Ended December 31, 2025

Federal Agency (Pass-Through Agency)	Federal Program	ALN Number	Other Award Number	Expenditures			Passed through to Subrecipients	Note
				From Pass- Through Awards	From Direct Awards	Total		
FEDERAL EMERGENCY MANAGEMENT AGENCY, HOMELAND SECURITY, DEPARTMENT OF (via WA STATE MILITARY DEPT)	State and Local Cybersecurity Grant Program Tribal Cybersecurity Grant Program	97.137	23 SLCGP E25- 313	94,242	-	94,242	-	1
Total Federal Awards Expended:				4,328,475	1,155,710	5,484,185	111,365	

The accompanying notes are an integral part of this schedule.

KITTITAS COUNTY

Notes to the Schedule of Expenditures of Federal Awards For the Year Ended December 31, 2025

Note 1 - Basis of Accounting

BARS GAAP

This Schedule is prepared on the same basis of accounting as the county's financial statements and in accordance with the requirements contained in Uniform Guidance

Note 2 - Federal Indirect Cost Rate

The county has not elected to use the 10-percent/15-percent de minimis indirect cost rate allowed under the Uniform Guidance

County: The amount expended includes an indirect cost recovery using an approved indirect cost rate of 13.0 percent

Public Health: The amount expended includes an indirect cost recovery using an approved indirect cost rate of 9.9 percent in addition to the county's 13.0 percent

Note 3 - Prior Period Expenses

Amounts listed are from a prior period. Grant closed in 2024 but received additional reimbursement \$38,020 in 2025

Note 4 – Prior Period Expenses

A portion of this amount is from a prior period. \$79,138.28 is for 2024 expenses. \$14,794.67 is for 2025 expenses

Note 5 – Prior Period Expenses

A portion of this amount is from a prior period. \$10,085.90 is for prior period 2024 expenses

Note 6 – Prior Period Expenses

SLFRF amount prepaid through part of 2025. \$43,420.93 Final amount to report for SLFRF

Note 7 – Federal Non-Grant Revenues

Title I – Schools and Roads – Payments to be used for benefit of public schools
And public roads in the county in which the national forest is situated

ABOUT THE STATE AUDITOR'S OFFICE

The State Auditor's Office is established in the Washington State Constitution and is part of the executive branch of state government. The State Auditor is elected by the people of Washington and serves four-year terms.

We work with state agencies, local governments and the public to achieve our vision of increasing trust in government by helping governments work better and deliver higher value.

In fulfilling our mission to provide citizens with independent and transparent examinations of how state and local governments use public funds, we hold ourselves to those same standards by continually improving our audit quality and operational efficiency, and by developing highly engaged and committed employees.

As an agency, the State Auditor's Office has the independence necessary to objectively perform audits, attestation engagements and investigations. Our work is designed to comply with professional standards as well as to satisfy the requirements of federal, state and local laws. The Office also has an extensive quality control program and undergoes regular external peer review to ensure our work meets the highest possible standards of accuracy, objectivity and clarity.

Our audits look at financial information and compliance with federal, state and local laws for all local governments, including schools, and all state agencies, including institutions of higher education. In addition, we conduct performance audits and cybersecurity audits of state agencies and local governments, as well as state whistleblower, fraud and citizen hotline investigations.

The results of our work are available to everyone through the more than 2,000 reports we publish each year on our website, www.sao.wa.gov. Additionally, we share regular news and other information via an email subscription service and social media channels.

We take our role as partners in accountability seriously. The Office provides training and technical assistance to governments both directly and through partnerships with other governmental support organizations.

Stay connected at sao.wa.gov

- [Find your audit team](#)
- [Request public records](#)
- Search BARS Manuals ([GAAP](#) and [cash](#)), and find [reporting templates](#)
- Learn about our [training workshops](#) and [on-demand videos](#)
- Discover [which governments serve you](#) — enter an address on our map
- Explore public financial data with the [Financial Intelligence Tool](#)

Other ways to stay in touch

- Main telephone:
(564) 999-0950
- Toll-free Citizen Hotline:
(866) 902-3900
- Email:
webmaster@sao.wa.gov