City of Poulsbo, Washington

Annual Comprehensive Financial Report

Draft

For the fiscal year ended December 31, 2024



CITY OF POULSBO

WASHINGTON

ANNUAL COMPREHENSIVE FINANCIAL REPORT

Draft

For the fiscal year ended

December 31, 2024

Assistant City Administrator
Deborah Booher

PREPARED BY

THE CITY FINANCE TEAM:

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Richard Neyhart

Accounting Technician

Sandi Ryen

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Jon Jennings

Accounting Clerk

Joe Martin

Accounting Clerk

Maria Quennet

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Cover Photo captured from Oyster Plant Park and provided by Jon Jennings, featuring Liberty Bay Marina with the Olympic Mountains in the background.

For comments or questions, contact
City of Poulsbo, Finance Department
360.394.9881

City of Poulsbo

To be determined, 2025

Mayor Erickson,
The Poulsbo City Council, and
Citizens of the City of Poulsbo, Washington:

I am pleased to provide the Annual Comprehensive Financial Report (ACFR) of the City of Poulsbo for the fiscal year ended December 31, 2024. This report is published yearly as the official annual financial report and complies with state law (RCW 43.09.230) requiring annual reports for Washington municipal governments to be certified and filed with the State Auditor's Office in a timely fashion.

As management for the City, we are responsible for both the accuracy of the data and the comprehensiveness and fairness of the presentation, including all related disclosures. The City operates under a system of accounting internal controls that are concerned with the safeguarding of assets and the reliability of financial records. The definition of accounting control assumes reasonable, but not absolute, assurance that the objectives expressed in it will be accomplished by the system. The concept of reasonable assurance recognizes the cost of internal control should not exceed the benefits expected to be derived.

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Cities and counties of the State of Washington use the Budgeting, Accounting and Reporting System (BARS) developed and prescribed by the Office of the State Auditor. State law provides for an annual independent audit to be conducted by the Office of the State Auditor. The Independent Auditor's Report on the Audit of the Financial Statements is found at the beginning of the Financial Section of this report. The City of Poulsbo has received the opinion that the financial statements present fairly in all material respects in accordance with accounting principles generally accepted by the United States of America.

As a recipient of federal, state, and county financial assistance, the City is required to undergo an annual federal mandated "Single Audit" designed to meet the special needs of federal grantor agencies, if the proceeds exceed $750,000 per annum. The standards governing Single Audit engagements require the independent auditor to report not only on the fair presentation of the financial statements, but also the audited government's internal controls and compliance with legal requirements, with special emphasis on internal controls and legal requirements involving the administration of federal awards.

Generally Accepted Accounting Principles (GAAP) requires management to provide a narrative introduction, overview, and analysis to accompany the basic financial statements in the form of *Management's Discussion and Analysis (MD&A).* This letter of transmittal is designed to complement the MD&A and should be read in conjunction with it. The City of Poulsbo's MD&A can be found immediately following the independent auditor's report.

Profile of the Government

The City of Poulsbo is located in Kitsap County, west of Seattle, on the ancestral lands of the indigenous Suquamish People, for whom this place was known as Tcu Tcu Lats, or the "Land of the Vine Maples". Originally

settled by Norwegian immigrants in the late 1800's on Liberty Bay, a fjord of Puget Sound, Poulsbo continues to maintain its Scandinavian legacy through its architecture, celebrations, and hospitality. Holding to its Scandinavian heritage has earned the City the nickname "Little Norway" and visits from two Norwegian Kings. The City of Poulsbo has a strong Mayor form of government, organized under the Optional Municipal Code as provided in State law. The Optional Municipal code confers a limited form of "home rule" to those municipalities organized under this provision. The City Council is the policy-making branch and is responsible for, among other things, passing ordinances, exercising legislative and quasi-judicial functions, and adopting the budget. The independently elected mayor is the executive officer of the City, but in 2023 the City Council passed a Resolution of Intent to implement a City Administrator Position in anticipation of the Mayor's position being reduced to part-time after the 2025 election. In late 2024, a City Administrator was appointed by the Mayor to manage the City's daily business, supervise all departments and offices, and carry out council's policies by directing the work of city staff. The seven members of the City Council and Mayor serve four-year staggered terms, with four council positions up for election one year and then two years later, the Mayor and the remaining three council positions appear on the ballot.

To provide a full range of services to its citizens, the City of Poulsbo is divided into departments, financial management, and control systems. Services provided include police protection, maintenance of water and sewer services, garbage disposal and recycling, street maintenance, construction and repair of facilities and assets, municipal court, land use administration, and general administration. The City designs and maintains many parks and green spaces, coordinates recreation activities, fosters neighborhood livability, and works to preserve the City's environmental quality and historic legacy. Additional information may be found in the Notes to the Financial Statements; thus, readers are encouraged to review this Annual Comprehensive Financial Report in its entirety.

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The Poulsbo City Council is responsible for adopting the biennial budget. Budgets are managed by bottom line and adopted at fund level. Requests for budget amendments are first reviewed by the City Administrator, Mayor, and Finance Director, then are put before the City Council for approval as they result in a bottom-line adjustment to revenues and/or expenditures. Appropriations beyond budgeted amounts require council approval in accordance with RCW 35A.33.120 and to be compliant with the City's Financial Management Policy they require a super majority of council approval. Quarterly the budget ordinance is updated and approved by the City Council recognizing the amendments approved throughout the quarter.

Local Economy

Poulsbo has evolved from a small town with fishing and farming as its chief industries into a city that has marketed itself as a very attractive place for people to live, work, and visit.

Poulsbo's economy is largely influenced by the presence of significant Naval bases, its geographic location for a workforce commuting to Seattle and other large cities, as well as an entrance point for access to the Olympic Peninsula. Serving as North Kitsap's commercial and employment center, Poulsbo has been able to maintain a conservative growth of economy. Economic development continues to diversify consistently with the City's long-range plan. The City encompasses over 3,459 acres, and for economic analysis and contrasting purposes is divided into four geographical areas:

- Central — Downtown Poulsbo – the Historic area and waterfront
- West Side — Junction Area – Viking Avenue Corridor
- East Side — State Highway 305 and Lincoln Hill
- Northwest Corner — College Market Place

Centrally located in the heart of Poulsbo, the downtown area has preserved its history, which includes the restoration of many of the original buildings. Graced with a photogenic waterfront parkway and boardwalk, the area invites tourists to shop and spend an afternoon or weekend. Poulsbo's waterfront is active year-round and is a favorite destination for day excursions and vacationing boaters. Poulsbo continues to be known as a destination dining locale, with various options for City residents and visiting tourists to enjoy. A growing number of breweries and tasting rooms are also located in Poulsbo, situated between downtown and the Viking Avenue Corridor. Along with commerce, City Hall is also located in the heart of historic downtown. With all City Departments except for Public Works and Parks and Recreation under one roof, this centralized location provides a one-stop shop for City residents.

Multifamily housing in the form of apartments are the newest building additions downtown. The Sophie Apartments located on Jensen Way were completed in 2023, and the Eliason Square Apartments between Front Street & 3rd Avenue were being built throughout 2024 and will begin accepting applications from tenants in the following year. Northeast of downtown on Lincoln Rd, the City and its partners broke ground on an 8-unit affordable housing project for seniors known as Nordic Cottages.

On the west side of the City, the Viking Avenue Corridor is a five-lane highway including a turn-lane spanning the length of the City limits. The avenue contains sidewalks on both sides designed to maximize pedestrian and bicycle safety. The corridor hosts various businesses and restaurants and provides access to two bustling City parks. The City, with hundreds of volunteers, have worked on the development of the 40-acre Fish Park that boasts trails, boardwalks, viewing platforms, interpretive signs, a small natural amphitheater, and numerous forms of wildlife.

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In early 2024 the City Council approved cannabis retail in two commercial zoning districts with a limit of two businesses in City limits. Shortly after the passage of this allowed use, the city received a business license application for the first cannabis retail location on Viking Avenue, which opened in September 2024.

Fishline, a local food bank and non-profit agency located on Viking Avenue, provides support to citizens in multiple ways including rental and utility assistance. The sole purpose of the facility is to provide for those in need of food and other social services, especially in the north end of the county. In the annual impact presentation to the Poulsbo City Council, Fishline reported over 30,000 visits in 2024 to the market alone, up from 7,000 visits in 2023. In 2024 Fishline opened the market on Saturdays, a service not available at other food banks in the area.

The north end of Viking Avenue is home to the new Public Works Facility. Improvements were completed to house the administrative function of Public Works, and future phases will accommodate the remaining operations. A Kitsap Transit station is located across Viking Way from the Public Works facility, providing options for public transportation, and serving multi-family (apartments/condominiums) and single-family dwellings added along the corridor within recent years. The improvements and continued development support the economic growth of the Viking Avenue Corridor, and the Mayor and City Council continue to work actively with current business owners to encourage economic stability.

State Highway 305 (SR305) runs through the east side of Poulsbo providing access to the Bainbridge Island/Seattle ferry, twelve miles to the south. SR305 includes a peak hour high occupancy vehicle (HOV) lane and is the primary roadway for residents to travel during their morning and afternoon commutes to work and school.

Over a decade in the making, the Oslo Bay Apartments project began clearing land northwest of the intersection of State Highway 305 and Bond Road (SR307) and will consist of 468 multi-family market rate residential units including 244 one-bedroom, 208 two-bedroom, and 16 three-bedroom units on three levels within the thirteen

buildings. The project also includes the construction of private roads, parking lots, pedestrian pathways, utilities, landscaping, and stormwater management systems, and will also develop a public road system from SR305 to Viking Ave NW.

Commercial growth occupies both sides of SR305, serving a growing customer base. Notably, Town & Country Market completed the upgrade of its Poulsbo store, formerly known as Central Market, and features a new fresh prep counter, community kitchen, and market-to-table restaurant. Deemed a destination market, the store boasts local produce, in-store dining, grocery products, extensive wine and beer selections and many quick gourmet meal options. The City also welcomed a new building for Discount Tire on 7th Avenue just off SR305.

In addition to commercial growth, the City continues to expand services to citizens. The Housing Health and Human Services Department operates a Recovery Resource Center on 8th Avenue. The Recovery Resource Center provides services related to addiction recovery, referrals from the Municipal court, and provides resources to individuals seeking recovery related services for family members.

After acquiring Safeway in 2015, Albertsons ended a 30-year occupancy in a shopping complex located on the west side of the highway. The company shifted its focus to serving grocery shoppers at the newer, larger Safeway store on the other side of SR305. Despite nearly a decade of effort and outreach by the Mayor & Council to find tenants to support the local economic plan, the old Albertson's site remains vacant.

Poulsbo is served by the North Kitsap School District. The Lincoln Hill area includes the North Kitsap Senior High School, Poulsbo Middle School, Poulsbo Elementary, and the North Kitsap School District Administrative offices.

College Market Place, in the northwest corner of the City, is the newest and fastest growing area. This is a 215-acre development including commercial buildings, business parks, single and multi-family housing units, as well as a satellite campus of Olympic College. The college continues to enhance their program and partners with Western Washington University offering several 4-year baccalaureate programs. In December of 2023, Olympic College and Virgina Mason Franciscan Health announced a partnership to expand medical education programs and will locate its Nursing and Allied Health Division program at the Poulsbo campus. This program expansion will help fill the growing need for healthcare personnel in Poulsbo and Kitsap County.

Draft

As of today, anchor stores within the College Marketplace development include Wal-Mart, Home Depot, and Petco. In the past five years the City has welcomed the addition of Fairfield Inn & Suites, Animal Emergency & Specialty Center, and Firestone Complete Auto Care. Norland Trails Townhomes & Flats had been the only multifamily apartment options in this area of the City until The Landing At College Marketplace apartments became available to rent in early 2024.

The City of Poulsbo continues to promote smart growth with new businesses coming into the area and providing local employment, while still maintaining a "small but sophisticated" atmosphere. Poulsbo is a very fortunate community where leaders have been conservative in spending. Excess funds have been banked in reserves to help stabilize revenues and support one-time specific expenses. Government, citizens, and developers working together can successfully accomplish the goal of keeping Poulsbo the premier place to live, work, and play on the Kitsap Peninsula.

Cash Management

Careful financial control of the City's daily operations is an important part of Poulsbo's overall fiscal management program. Achieving adequate cash management and investment control requires sound financial planning to ensure sufficient revenues are available to meet the current expenditures.

The City continues to operate under their Financial Management Policy, requiring the fund balance be in excess of twelve percent of the operating revenues and cash and investment balances to be in excess of two months of

operating expenses. This is consistent with the Government Finance Officers Association's (GFOA) recommended practices. These items are reviewed quarterly with Council Members to assure compliance or bring focus to an area which may not be meeting the minimum levels. All cash and investment balances were compliant with the City's Cash Management Policy in 2024.

Once steps are taken to ensure the City maintains a protected cash position in its daily operations, it is an advantage to the City to prudently invest idle funds. The City contracts with an investment advisor to support managing the City's portfolio and provide recommendations to provide the City with investment recommendations with the following guidelines:

- The City's idle cash will be invested on a continuous basis in accordance with the City's adopted investment policies.
- The City has and will maintain a formal investment policy that is reviewed and endorsed by professional financial organizations.
- The City will invest funds based upon the following order of priority: 1) Safety, 2), Liquidity 3) and Yield, or Return on investment.
- Investments with City funds will not be made for purposes of speculation.
- The City is prohibited from investing in any financial instruments that are not approved for legal investments for municipalities in the State of Washington.
- Proper security measures will be taken to safeguard investments. The City's designated banking institution will provide adequate collateral to insure City funds.

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Investment balances continued to grow in 2024 due to revenue growth and an increase in the amount of funds invested. All investments in 2024 were made in accordance with the City's investment policy.

Long-term Financial Planning and Major Initiatives

The City continues to not only look at current financial conditions but improve and incorporate long-range planning. A model with several years of actual data using information to project five years ahead was developed to assist City Staff and elected officials with planning operating and capital budgets. As with all statistical and trending information, it is used with caution, as there can be conditions and impacts which do not follow the trend. The City updates the Capital Improvement Plan to be consistent with the City's long-range comprehensive and functional plans; reviewing priorities and assuring funding for projects set in future years. Due to conservatism and knowledge, the plan is a tool and not an exact science, the City has an adequate reserve balance to support fluctuations from the plan. Budgets have been developed to utilize funds for one-time purchases, providing and maintaining services for the City of Poulsbo citizens, while retaining a fund balance compliant with the Financial Management Policy.

The City closed its second year of the 2023-2024 biennial budget with anticipated use of General Fund reserves in both 2023 and 2024. Revenue projections were prepared conservatively along with expenditure reductions in consideration of possible decreases of tax revenues. Actual reserves were higher than projected, and federal grant revenues supported City expenditures, which resulted in not using any reserves to support expenditures. The upcoming 2025-2026 biennial budget was built with planned strategic use of the fund balance. This allows the City to maintain services and remain in compliance with the Financial Management Policy.

Awards

The City of Poulsbo has committed itself to financial excellence for many years, receiving the Government Finance Officers Association Certificate of Achievement for Excellence in Financial Reporting as well as the Distinguished Budget Presentation Award. Commitment to the residents of the City of Poulsbo has always been full disclosure of the financial position of the City. The City has received the Distinguished Budget Presentation award for several years, including the 2023-2024 Biennial Budget. The 2025-2026 Biennial Budget is in review for the Distinguished Budget Award from the Government Finance Officers Association.

The City of Poulsbo has received the Certificate of Achievement for Excellence in Financial Reporting for the 2023 Annual Comprehensive Financial Report to the Government Finance Officers Association of the United States and Canada.

To be awarded a Certificate of Achievement a governmental unit must publish an easily readable and efficiently organized Annual Comprehensive Financial Report that conforms to program standards. Such reports must satisfy both generally accepted accounting principles and applicable legal requirements. A Certificate of Achievement is valid for a period of one year only. We believe our current report continues to conform to the requirements and standards of the Certificate of Achievement Program, and we will be submitting the 2024 Annual Comprehensive Financial Report to the GFOA for review. The Certificate of Achievement is the highest form of recognition in Governmental Financial Reporting, and its award represents a significant accomplishment by a government and its management.

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Acknowledgements

The preparation of this Annual Comprehensive Financial Report represents the culmination of months of collaborative teamwork by the entire Finance Department staff. The preparation of this report could not have been accomplished without the professional, efficient, and dedicated staff of the Finance team, and to each member I extend my sincere appreciation.

Further appreciation is also offered to the City's management team, the Mayor, and the City Council for their encouragement, interest, and support in conducting the financial operations of the City in a sound and progressive manner. In addition, I would like to express thanks to the efficient assistance of our local auditor from the Washington State Auditor's Office.

Respectfully submitted,



Deborah L. Booher
Assistant City Administrator/Finance Director

Government Finance Officers Association

Certificate of Achievement for Excellence in Financial Reporting

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Presented to

City of Poulsbo
Washington

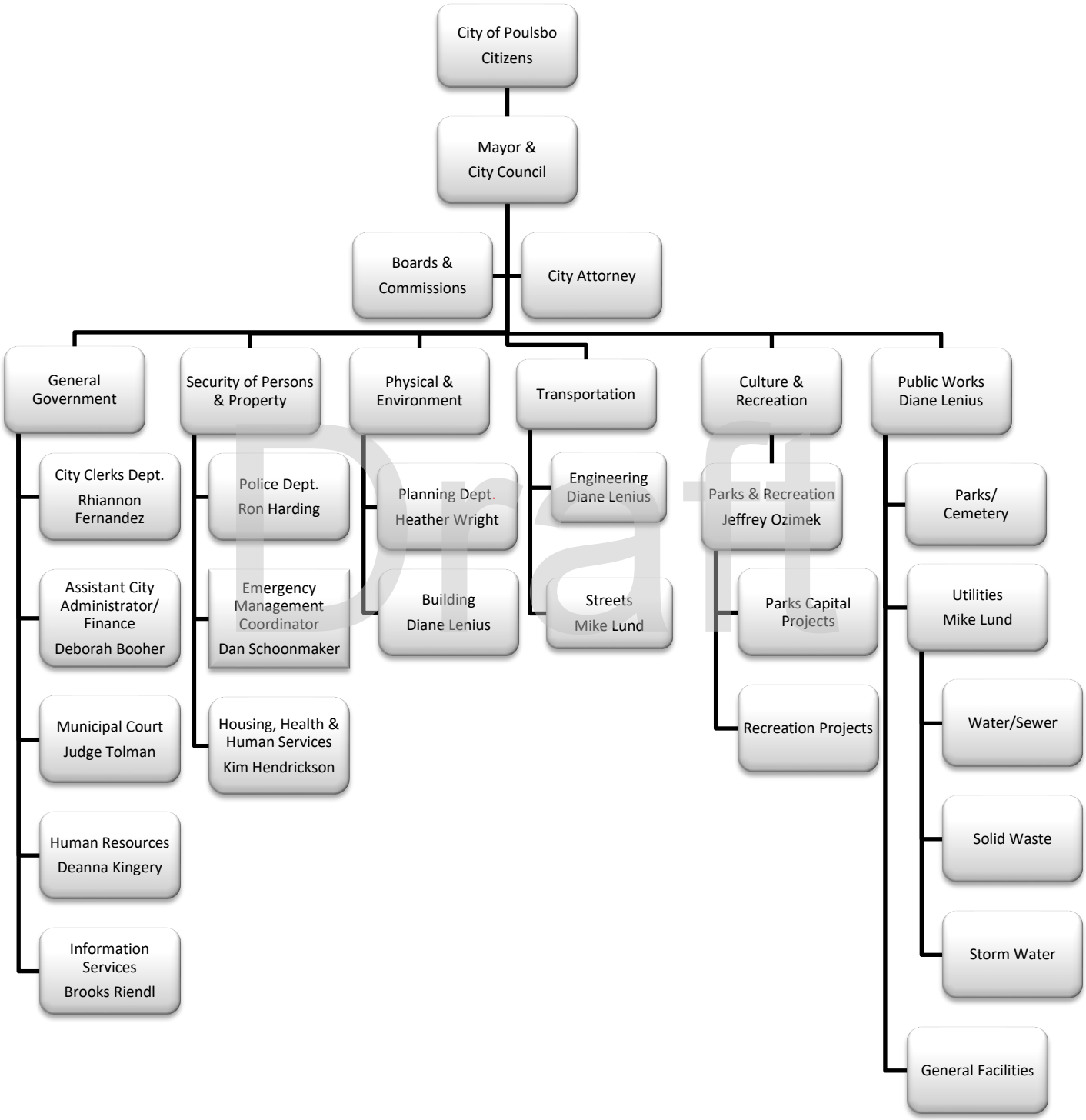
For its Annual Comprehensive
Financial Report
For the Fiscal Year Ended

December 31, 2023

Christopher P. Morrill

Executive Director/CEO

City of Poulsbo Organizational Chart



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City of Poulsbo
List of Elected and Appointed Officials
As of December 31, 2024

Elected Officials

Becky Erickson, Mayor	**December 31, 2025**
Rick Eckert, City Council Member	**December 31, 2027**
Pam Crowe, City Council Member	**December 31, 2027**
Britt Livdahl, City Council Member	**December 31, 2027**
Doug Newell, City Council Member	**December 31, 2027**
Ed Stern, City Council Member	**December 31, 2025**
Doug Taber, City Council Member	**December 31, 2025**
Gary McVey, City Council Member	**December 31, 2025**

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Appointed Officials

Police Chief	**Ron Harding**
Assistant City Administrator	**Deborah Booher**
Planning & Economic Development Director	**Heather Wright**
Parks & Recreation Director	**Jeffrey Ozimek**
Public Works, Engineering & Building Director	**Diane Lenius**
Administrative Services Director	**Rhiannon Fernandez**
Municipal Judge	**Jeffrey Tolman**
City Attorney	**Emily Romanenko, Ogden Murphy Wallace**
Bond Attorney	**Foster Garvey PC**

MANAGEMENT'S DISCUSSION AND ANALYSIS

The Management's Discussion and Analysis (MD&A) of the City of Poulsbo's financial performance provides a narrative overview of the City's financial statements for the year ended December 31, 2024, focusing on changes from the prior year. We encourage readers to consider the information presented in conjunction with the additional information presented in the letter of transmittal and statistical tables.

The Management's Discussion and Analysis (MD&A) combined with the Transmittal Letter are intended to serve as an introduction to the City of Poulsbo's basic financial statements consisting of three components:

- Government-wide financial statements
- Fund financial statements
- Notes to the financial statements

Supplementary information included is intended to furnish additional supporting the basic financial statements.

These materials are intended to:

- Assist the reader in focusing on significant financial issues
- Provide an overview of the City's financial activity
- Identify changes in the City's financial position
- Identify any material deviations from the financial plan and adopted biennial budget
- Identify individual fund issues or concerns

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FINANCIAL INFORMATION

The City's government-wide financial statements have been prepared on the full-accrual basis of accounting in conformity with generally accepted accounting principles (GAAP). The City's Fund Financial Statements for governmental funds have been prepared on a modified accrual basis in conformity with GAAP. The City's proprietary funds are accounted for on an accrual basis.

The City of Poulsbo's financial system integrates financial and administrative controls that ensure the safeguarding of assets and the reliability of financial reports. These controls are designed to provide:

- Reasonable assurance that transactions are executed in accordance with management's understanding and approval
- Reasonable assurance that transactions are executed in accordance with GAAP principles.
- Accountability for control of assets and obligations
- Assurance that sufficient reporting and review exists to provide adequate information for analysis and comparability of data

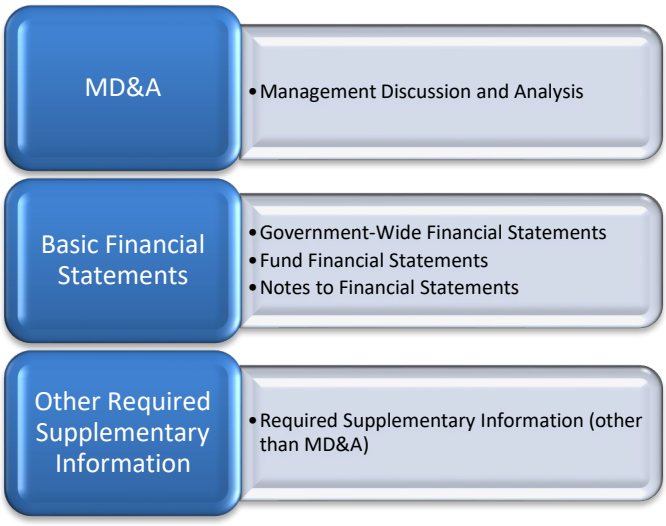
Internal controls are a high priority for the City. The Washington State Auditor's Office (SAO) reviews the City's internal controls, and the City acts on recommendations made by SAO.

OVERVIEW OF THE FINANCIAL STATEMENTS

This discussion and analysis provides an introduction and overview to the City of Poulsbo's basic financial statements. The basic financial statements are comprised of three components:

- Government-wide Financial Statements
- Financial Fund Statements
- Notes to the Financial Statements

This report contains other supplementary information in addition to the basic financial statements, including combining statements for non-major funds, budget to actual comparisons, and statistical tables.



Financial statements focus on both the City as a whole (government-wide) and on major individual funds. Both perspectives allow the user to address relevant questions, broaden a basis for annual comparisons, and enhance the City's accountability. A graphic is provided to illustrate the composition of the reports.

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Government-Wide Financial Statements

The government-wide financial statements are intended to provide financial information similar to a private sector business. The statement has separate columns for governmental activities and business–type activities. Governmental activities are primarily supported by taxes, charges for services, and grants. Business-type activities are primarily self-supporting through user fees and charges.

The statements are presented on a full accrual basis of accounting including all assets, deferred outflows, deferred inflows, and liabilities. Revenues are recognized when they are earned and expenses when they are incurred, regardless of when the cash transaction occurred. Thus, revenues and expenses are reported for some items that will only result in cash flows in future fiscal periods.

The Statement of Net Position presents information on all the City's assets, liabilities, and deferred inflows/outflows, with the difference reported as net position. The Statement of Net Position serves a purpose similar to that of the Balance Sheet of a private-sector business. Over time, increases or decreases in net position may serve as a useful indicator of improvement or deterioration in the City's overall financial health.

The Statement of Activities presents information showing how the government's revenues and expenses impacted the net position of the City of Poulsbo. The statement distinguishes revenue generated by specific functions from revenue provided by taxes and other sources not related to a specific function. The revenue generated by specific functions (charges for services, grants, and contributions) is compared to the expenses for those functions to show the degree to which each function supports itself or relies on taxes and other general funding sources. This is intended to summarize and simplify the user's analysis of cost to various governmental services and/or subsidy to various business-type activities. By separating program revenue from general revenue, users of the financial statements can identify the extent to which each program relies on taxes for funding.

The Statement of Net Position and the Statement of Activities are divided into two categories:

- *Governmental Activities* - Most of the City's basic services are reported here, including police, facilities, parks, planning, engineering, and general administration. Taxes (property, sales, and utility) and intergovernmental revenues finance most of these activities.
- *Business-Type Activities* - The City charges fees to customers to help cover most or all the costs of certain services provided. The City charges fees to recoup the cost of the operations of water, sewer, storm drain, and solid waste utilities as well as all capital and debt expenses associated with the individual utility.

Fund Financial Statements

The annual financial report includes fund financial statements in addition to the government-wide financial statements. While the government-wide statements present the City finances based on the type of activity, the fund financial statements are presented by fund type. A fund is a fiscal and accounting entity with a self-balancing set of accounts used to account for specific activities or meet certain objectives. Funds are often set up in accordance with special regulations, restrictions, or limitations. All of the funds of the City of Poulsbo 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 as governmental activities in the Government-wide Financial Statements. These reports use a different "basis of accounting" than is used in the government-wide financial statements. The focus of governmental fund financial statements is on near-term inflows and outflows of available resources and on balances of resources available at the end of the fiscal year. Such information is useful in evaluating near-term financing requirements and immediate fiscal health.

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Because the focus of governmental funds is narrower than that of the governmental-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. This provides the reader with a better understanding of the long-term impact of the government's near-term financial decisions. To assist with the comparison, reconciliations between the governmental fund statements and the government-wide financial statements are included with the governmental fund Balance Sheet and the governmental fund Statement of Revenues, Expenditures, and Changes in Fund Balances.

The City of Poulsbo maintains twenty governmental funds. Information is presented separately in the governmental fund balance sheet and in the governmental fund statement of revenues, expenditures, and changes in fund balances for the General Fund and Street Reserve Fund which are considered to be major funds. Data from the other governmental funds are combined into a single aggregated presentation. Individual fund data for each of these non-major governmental funds is provided in the form of combining statements in the combining and individual fund statements and schedules section of this report.

A Major Fund has three elements:

- Total assets plus deferred outflows, liabilities plus deferred inflows, revenues, or expenditures/expenses of that individual governmental or enterprise funds are at least ten percent (10%) of the corresponding total (assets, liabilities, etc.) for all funds of that category or type (i.e., governmental, proprietary, or fiduciary); and
- Total assets plus deferred outflows, liabilities plus deferred inflows, revenues, or expenditures/expenses of the individual government fund or enterprise funds are at least five percent (5%) of the corresponding total for all governmental and enterprise funds combined; or

- Any other governmental or enterprise fund the government's officials believe is particularly important

Proprietary Funds: The City's Proprietary funds are the *enterprise funds which* provide services to customers. The City maintains four enterprise funds to account for its water, sewer, solid waste, and storm drain activities. The services and necessary capital expenditures are supported by rate payers. Proprietary funds use the same basis of accounting as business-type activities.

Fiduciary Funds: Fiduciary Funds are used to account for resources held for the benefit of parties outside the City where the City acts as a trustee or custodian. All the City's fiduciary activities are reported in separate Statements of Fiduciary Net Position and consist of Custodial Funds only. These activities are excluded from the City's government-wide financial statements because the assets cannot be used to finance the City's operations.

Notes to the Financial Statements: The notes provide additional information that is essential to a full understanding of the data provided and are an integral part of the government-wide and fund financial statements. The City of Poulsbo uses notes to present information in greater detail, explain the nature and how those amounts were determined and report certain information that does not meet the requirements for inclusion in the financial statements.

Required Supplementary Information: In addition to the basic financial statements and accompanying notes, this report also contains budgetary comparison and certain required supplementary information concerning the City of Poulsbo's progress in funding its obligation to provide pension benefits, and lifetime medical benefits to uniformed personnel hired before October 1, 1977. The required supplementary information may be found immediately following the notes to the financial statements.

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FINANCIAL SUMMARY AND DETAILED ANALYSIS

The Statement of Net Position looks at the City as a whole and can serve over time as a useful indicator of the City's financial position. Table 1 provides a summary comparing the City's net position for 2024 and 2023. For the City of Poulsbo, assets and deferred outflows of resources exceeded liabilities and deferred outflows of resources by $233.2 million reflecting a $17.1 million or 7.87% increase over the last year. The increase can be attributed to several factors:

- The current assets increase is largely due to growing investment balance, grant receivables and federal grant funds as well as reserves for future capital use
- Increase in tax revenues providing more cash
- Decrease in long-term debt due to principal payments
- Decrease in pension liability which is re-calculated annually with updated actuarial figures provided by the state
- Increase in capital projects completed by the City

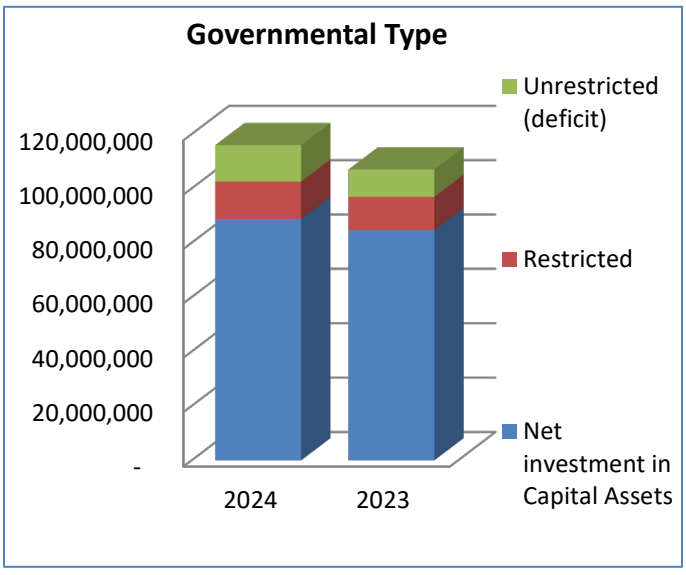
City of Poulsbo's Condensed Statement of Net Position
Table 1

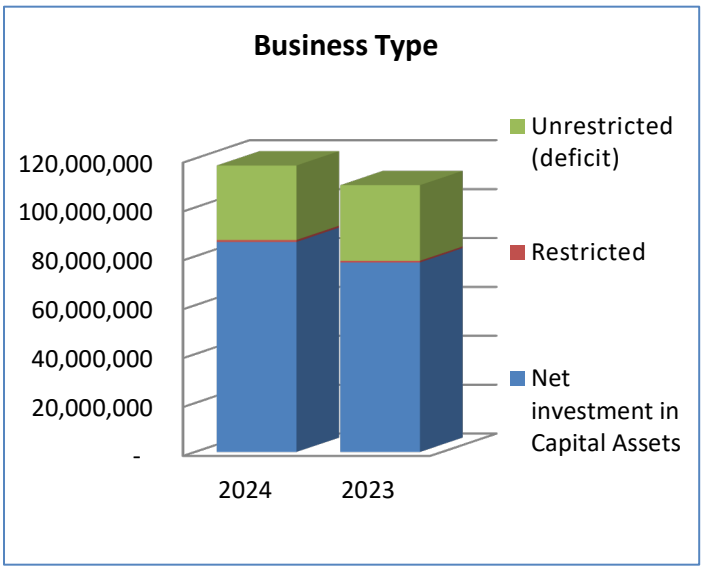
	GOVERNMENTAL ACTIVITIES		BUSINESS-TYPE ACTIVITIES		TOTAL PRIMARY GOVERNMENT	
	2024	2023	2024	2023	2024	2023
Current and Other Assets	$ 27,497,699	$ 24,859,604	$ 34,547,870	$ 33,011,573	$ 62,045,569	$ 57,871,177
Capital Assets Net	97,549,502	92,955,944	93,486,958	86,760,907	191,036,460	179,716,851
Pension Asset	2,264,767	3,006,557	413,010	556,062	2,677,776	3,562,619
TOTAL ASSETS	127,311,968	120,822,104	128,447,838	120,328,542	255,759,806	241,150,647
Deferred Outflows of Resources	3,418,602	2,676,170	592,809	450,424	4,011,411	3,126,593
Long-term Debt	7,389,263	8,055,417	7,444,800	7,780,877	14,834,063	15,836,294
Pension Liability	1,527,428	1,820,284	171,908	240,066	1,699,336	2,060,350
Other Liabilities	4,759,768	4,944,782	3,034,794	2,214,568	7,794,561	7,159,349
TOTAL LIABILITIES	13,676,458	14,820,483	10,651,502	10,235,511	24,327,960	25,055,994
Deferred Inflows of Resources	1,112,886	1,706,952	1,217,188	1,417,831	2,330,074	3,124,783
NET POSITION						
Net investment in Capital Assets	88,795,402	84,625,843	85,892,229	77,514,994	174,687,631	162,140,837
Restricted	13,739,041	12,293,263	817,848	688,604	14,556,889	12,981,868
Unrestricted (deficit)	13,406,783	10,051,733	30,461,880	30,922,026	43,868,663	40,973,759
TOTAL NET POSITION	115,941,226	106,970,839	117,171,957	109,125,625	233,113,183	216,096,464

Draft

The largest portion of the City of Poulsbo's net position is its investment in capital assets, $174.7 million, net of accumulated depreciation/amortization and less any related outstanding debt that was used to acquire those assets. The City of Poulsbo uses these capital assets to provide a variety of services to its citizens making them unavailable for future spending. It should be noted resources are used and necessary to repay this debt and must be provided for by other resources.

The City's total restricted net position amounts to 6.3%. This represents resources which are subject to external restrictions on how they may be used. Much of the amount can be attributed to restrictions for debt purposes, Real Estate Excise Taxes (REET) restricted for capital per the Revised Code of Washington (RCW) Impact Fees restricted for future development, sales tax collected for affordable housing and behavioral health.





Governmental Activities

- Net position of governmental activities increased $9.0 million, or 8.4%, during 2024. The variations are spread over several areas and can be attributed to many factors:
- Increase in Current Assets resulting from increases in the amount of taxes collected, grant proceeds, settlements related to opioid mitigation collection of a new Business and Occupation tax (B&O) implemented July 2024, a full year of the new sales tax collected for affordable housing and the transportation benefit district.
- City governmental fund tax revenue has increased $1.3 million over 2023 or 9.2% over the prior year. Retail Sales and use tax collected is the largest revenue source for Poulsbo. Sales Tax in the General fund saw an increase of $225 thousand or 3% over the prior year.
- Utility taxes increased in 2024 in the amount of $186 thousand. Utility tax rates remained consistent with 2023 rates. The increase is due to the growing number of customers and rate increases imposed by the provider.
- A Business & Occupation (B&O) tax for the City of Poulsbo was imposed mid-2024, generating $504 thousand of new revenue in 2024. This is expected to double in 2025 due to a full year of taxation.
- The book value of capital assets has increased $11.3 million over 2023. Total capital assets from governmental activities increased $4.6 million or 4.94%. The increase in governmental capital assets can be attributed to the final construction of the first phase of Noll Road, purchasing minimal rights-of-way for the next phase on Noll Road, capital improvements to our Parks & Recreation building and transportation design for future planned projects commencing in 2024.
- Net investment in capital assets increased $4.6 million in governmental activities.
    - A new boom truck and dump truck were purchased in 2024 for street and park maintenance
    - The increase in the assets for governmental activities is a result of capital improvements to a large transportation improvement project on Noll Road which includes infrastructure improvements to both governmental and utility functions.
    - Construction of a new play for all playground in Raab Park was substantially completed in 2024
    - Nordic Cottages, an affordable multi-family housing structure planned for lower income senior population, began construction in 2024 and anticipates completion in 2025
    - There were several housing and commercial developers who turned the infrastructure over to the City at the completion of the developments increasing the City's capital. Governmental funds received about $3.4 million contributed capital in 2024
- The City's Pension asset and liability is calculated and updated per GASB 68 standards and provided by the Washington State Department of Retirement Systems (DRS) resulting in variances to deferred inflows, outflows and pension liabilities. The proportionate share is adjusted annually and provided by DRS.
- Liabilities decreased by $728 thousand which is due to a small decrease in the pension liability calculated annually by information provided from the state retirement system actuary. The largest part of the decrease is due to principal payments made on existing debt

Draft

Business-Type Activities

- Net position of business-type activities increased $8 million, or 7.4%, during 2024
- Capital assets of business-type activities increased $6.7 million or 7.75%
    - A large portion of the increase is due to the City's share of capital improvements at the County Treatment Plant necessary to maintain support of flow related to Poulsbo. The County manages the improvements and then bills the City their proportionate share
    - Safety improvement to sewer pump stations
    - Purchase of large pieces of equipment including a Vactor truck and a new dump truck necessary for the maintenance of the City's utility systems
    - There were several housing and commercial developers who turned the infrastructure over to the City at the completion of the developments increasing the City's capital. The Enterprise funds received about $4.6 million of contributed capital in 2024
- The financial statements represent fund balances as required by GASB. Balance Sheets display fund balances in the following manner:
    - Unassigned – Residual net resources without any other fund balance limitations. The only fund which has an unassigned fund balance is the General Fund unless a deficit occurs in any other fund.
    - Assigned – Amounts assigned for specific purposes to reflect a government's intended use of resources.
    - Committed – Self-imposed limitations at the highest level of decision makers that require formal action at the same level. The City of Poulsbo did not have any committed fund balances for 2024.
    - Restricted – Fund balances which have externally enforceable limitations on use by grantors, creditors, or legal restrictions.
    - Nonspendable – This is comprised of assets, which will never convert to cash such as inventory or portion of proceeds which cannot be expended because they must be intact such as imprest funds

Draft

Table 2 illustrates changes in net position for the years 2024 and 2023. This is a condensed version of the Statement of Activities for the City. The revenues for 2024 show a significant decrease in Operating Grants/Contributions which can mostly be attributed to grants for behavioral health which ended in mid-2024 with the programs moving to the local fire districts. Capital Grants/Contributions reflect large increases due to grants for the Noll Road transportation project and contributed capital from developers. Other contributing factors are development of road and park projects, utility connection fees, and infrastructure given to the City from development projects being higher in 2024. Additional tax revenue, charges for services for park and recreation fees, and development fees contributed to the increase.

City of Poulsbo's Changes in Net Position

Table 2

	GOVERNMENTAL ACTIVITIES		BUSINESS-TYPE ACTIVITIES		TOTAL PRIMARY GOVERNMENT	
	2024	2023	2024	2023	2024	2023
Revenues						
Program Revenues						
Charges for Services	$ 2,645,752	$ 3,390,622	$ 14,558,888	$ 13,645,002	$ 17,204,640	$ 17,035,625
Operating Grants/Contributions	1,484,759	3,593,063	88,703	20,517	1,573,462	3,613,581
Capital Grants / Contributions	6,356,255	1,826,533	6,924,318	7,724,467	13,280,573	9,551,000
General Revenues						
Property Taxes	3,039,074	2,903,668	-	-	3,039,074	2,903,668
Retail Sales & Use Tax	7,802,707	7,577,801	-	-	7,802,707	7,577,801
Business Taxes	4,929,761	3,963,879	-	-	4,929,761	3,963,879
Investment Earnings	1,190,597	1,136,259	912,916	864,332	2,103,514	2,000,591
Other	7,048	31,892	-	128	7,048	32,020
Total Revenues	27,455,953	24,423,718	22,484,826	22,254,447	49,940,778	46,678,165
Program Expenses						
General government	4,011,763	4,288,487	-	-	4,011,763	4,288,487
Judicial	521,070	597,550	-	-	521,070	597,550
Security of Per & Prop	4,893,692	4,402,872	-	-	4,893,692	4,402,872
Utilities & Environment	505	38,950	-	-	505	38,950
Transportation	4,025,991	4,361,676	-	-	4,025,991	4,361,676
Economic Environment	1,595,327	1,565,154	-	-	1,595,327	1,565,154
Mental & Physical Health	1,003,410	914,414	-	-	1,003,410	914,414
Culture & Recreation	2,133,361	1,874,121	-	-	2,133,361	1,874,121
Interest Long-Term Debt	240,493	273,236	-	-	240,493	273,236
Water	-	-	2,957,230	2,726,432	2,957,230	2,726,432
Sewer	-	-	5,291,280	4,288,233	5,291,280	4,288,233
Solid Waste	-	-	3,768,635	3,644,020	3,768,635	3,644,020
Storm Drain	-	-	2,403,987	2,123,488	2,403,987	2,123,488
Total expenses	18,425,612	18,316,461	14,421,133	12,782,173	32,846,744	31,098,634
Increase (decrease) in net	9,030,341	6,107,257	8,063,693	9,472,274	17,094,034	15,579,531
Changes in Net Position	9,030,341	6,107,257	8,063,693	9,472,274	17,094,034	15,579,531
Beginning Net Position	106,970,839	100,784,931	109,125,625	99,653,350	216,096,464	200,438,281
Restatements	(59,955)	78,651	(17,360)	-	(77,315)	78,651
Net Position - Beginning Restated	106,910,885	100,863,583	109,108,264	99,653,350	216,019,149	200,516,933
Ending Net Position	$ 115,941,226	$ 106,970,839	$ 117,171,957	$ 109,125,625	$ 233,113,183	$ 216,096,464

Draft

Governmental Activities

The revenues for 2024 show a significant increase in 2024.

Capital Grants/Contributions attributed to several parks and transportation projects in 2024. Another large addition to this category is contributed capital from developers. When a project is completed it is standard practice for the contractor to turn over the infrastructure to the City. The City records this as contributed capital with no funds expended. The City then records this as an asset and assumes ownership and future maintenance. The contributed capital in 2024 was $3.4 million. Operating grants saw a decline as grants for behavioral health came to an end and the programs moved to the local fire districts.

Business taxes are reflecting an increase which is due to a new B&O tax implemented mid-2024 generating $504 thousand of new revenue.

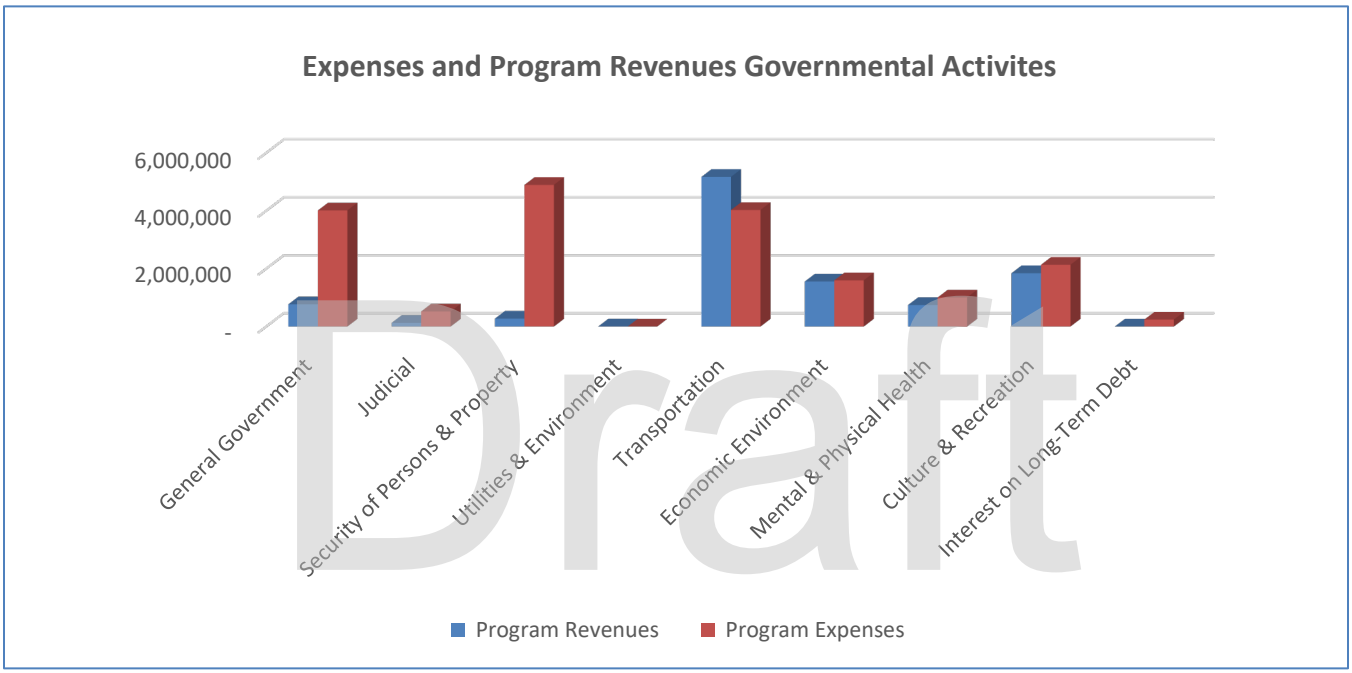
Expenses in total were consistent from 2024 to 2023 with a minimal increase of $109 thousand, however, programs saw fluctuations.

Security of Persons and Property saw an increase as staffing was increased in the Police Department to support the growing population and business community. In 2024, the City entered into an agreement and implemented speed control cameras at the end of the year.

The transportation program reflects a decrease, which is due to large street maintenance projects, which are not considered capital as paving updates are necessary for the asset to reach its intended life.

The Recreation programs have expanded due to increased staff to develop new programs and activities.

The increase in capital assets in 2024 is in both governmental and business-type activities.



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Business-type Activities

The revenues for 2024 bottom line are consistent with the prior year showing a $230 thousand increase.

Expenses in 2024 increased $1.7 million over 2024 with most of the increase occurring in the Sewer Funds. The growth was due to the City increasing their share of the county sewer plant and paying operating expenses based on the higher percentage. It was necessary to increase the ownership of flow to serve the anticipated future growth.

Detailed Analysis of Governmental Funds

The City of Poulsbo used fund accounting to ensure and demonstrate compliance with finance -related legal requirements. The City of Poulsbo reports two major funds individually in the governmental fund financial statements, the General Fund and the Street Reserve Fund which is a Capital Projects Fund.

The City, in accordance with GASB 34, performed the major fund calculation and determined the General to be a major fund and chose to present the City Street Reserve as major funds. These funds are accounted for using the modified accrual basis of accounting. As reported on the Statement of Revenues, Expenditures, and Changes in

Fund Balances, governmental funds have total revenues of $24.5 million and expenditures of $21.4 million.

- **General Fund:** General Fund accounts for the main operating revenues and expenditures of the City's governmental functions. Revenues and expenditures related to Administrative Services, Executive, Legislative, Finance, Police, Engineering, Planning, and Park Maintenance are some of the primary functions of the government accounted for in the General Fund. Most tax revenues are receipted in the General Fund supporting governmental functions of the City.

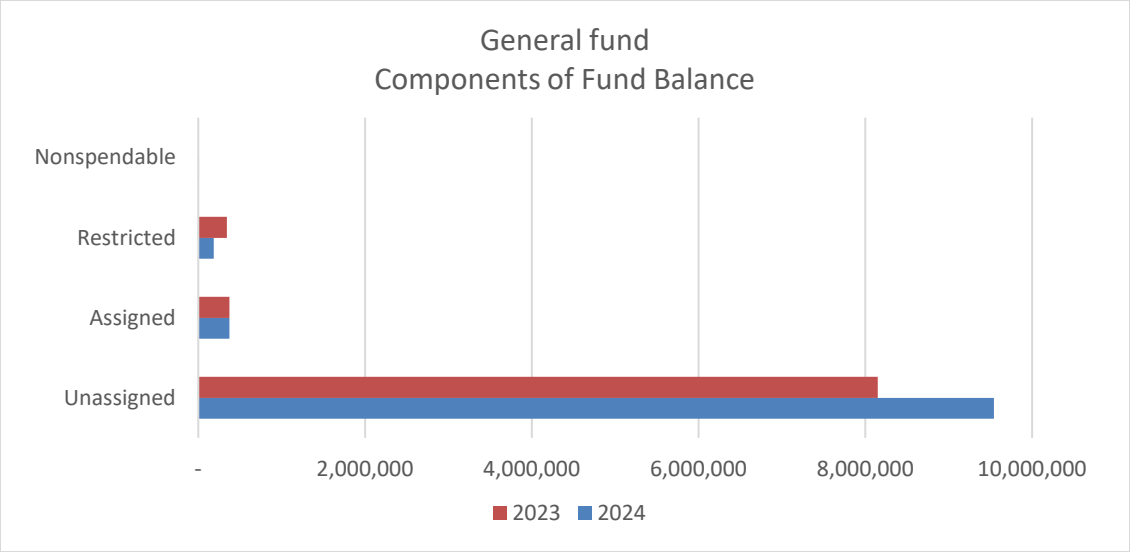
  The Fund Balance for the General Fund has increased 14%. The fund balance increased due to tax revenue, grant revenue supporting expenses, a growing portfolio with higher investment earning rates, and development revenues supporting upcoming projects. The increased revenues were strategic to support intended growing expenditures and services provided to the citizens. Decreased expenses also were a factor increasing the balance. A portion of the Treasury funds were utilized to support retaining staff, which was previously decreased at the beginning of the pandemic. The City's operating revenues were greater than operating expenditures in 2024. Tax revenue saw an increase over the previous year's collections due to the new B&O tax and increasing utility rates generating higher utility tax. The General Fund reserves maintain a healthy fund balance without use of previously forecasted reserves and exceeds the criteria of the Financial Management Policy.

  Expenditures were consistent with 2023 and increases and decreases were primarily related to grants and corresponding expenses, as well as an expected economic increase. Grants received and ended in 2023 included a larger portion of the Federal Recovery funds used in 2023 and a transportation grant for a project on a state highway managed by the City.

Draft

General Fund Budget Analysis: The following is a brief review of the budgeting changes from the adopted to the amended final budget for the General Fund. The City of Poulsbo prepares a biennial budget which necessitates amendments to reflect adjustments to anticipated budget amounts established in the prior year. 2024 was the second year of the biennium. Significant budgetary changes in the General Fund include:

- The final General Fund revenue budget is inclusive of other financing sources but exclusive of beginning balance increased 13.4%, or $1.8 million of the original adopted budget. Some of the significant increases are highlighted below.
  - The sales tax projection was increased to reflect amounts consistent with what was collected the prior year
  - The City implemented a new B&O tax effective July of 2024. A revenue projection was added to reflect the new tax
  - New traffic/speed control cameras were installed in 2024. Revenue generated from the anticipated infractions was added
  - Grants supporting the City's Behavioral Health program were received for mental health and addiction support
  - A grant for a federal highway project administered by the City was re-appropriated from 2023 to 2024. As the City does not own the asset, it was accounted for in the General Fund as an operating revenue and expense
  - New grants received in 2024 for a new adaptive tricycle program and performing an inventory on the City's tree canopy were awarded to our Parks and Recreation Department
  - The City's recreation program continued to grow stronger after recovering from the pandemic requiring an amendment to reflect the increased revenue and expenditures necessary to support the programs



- The final General Fund expenditure budget inclusive of other financing uses increased by 14%, or $2.7 million. The increase is a net effect of several adjustments:
    - Expenses supported by the new grant revenue
    - Staffing additions and contractual obligation related to the new traffic/speed control cameras
    - Hiring two new police officers to build the force in anticipation of future planned retirements and support the City's growing population
    - Expenses related to administering the new B&O tax
    - The City hired a new part-time Emergency Manager to help update the City's Emergency Management plan and provide resources to help the City prepare for a major event
    - Funds are allocated for professional services to evaluate the City's parking needs and the possibility of implementing a paid parking system

- The General Fund amended budget anticipated the ending Fund Balance to increase $4.2 million over the original projected ending Fund Balance. The substantial increase is due to adjusting the budget to reflect the actual beginning balance reflecting the increased revenues generated in 2023.

Restricted Fund Balance in the General Fund is made up of

- Public Education Government (PEG) fees with resources restricted by the City's cable franchise agreement
- Substance abuse funds restricted by state law
- Federal Funds to be expended over the next several years
- Opioid settlement funds restricted per the legal requirements included in the settlement agreements

Assigned Fund Balance consists of legal reserves and future leave cashouts as assigned by the City Council.

The City maintains the bulk of general reserves in Unassigned Fund Balance but requires a super majority of the City Council to approve allocation from the fund balance.

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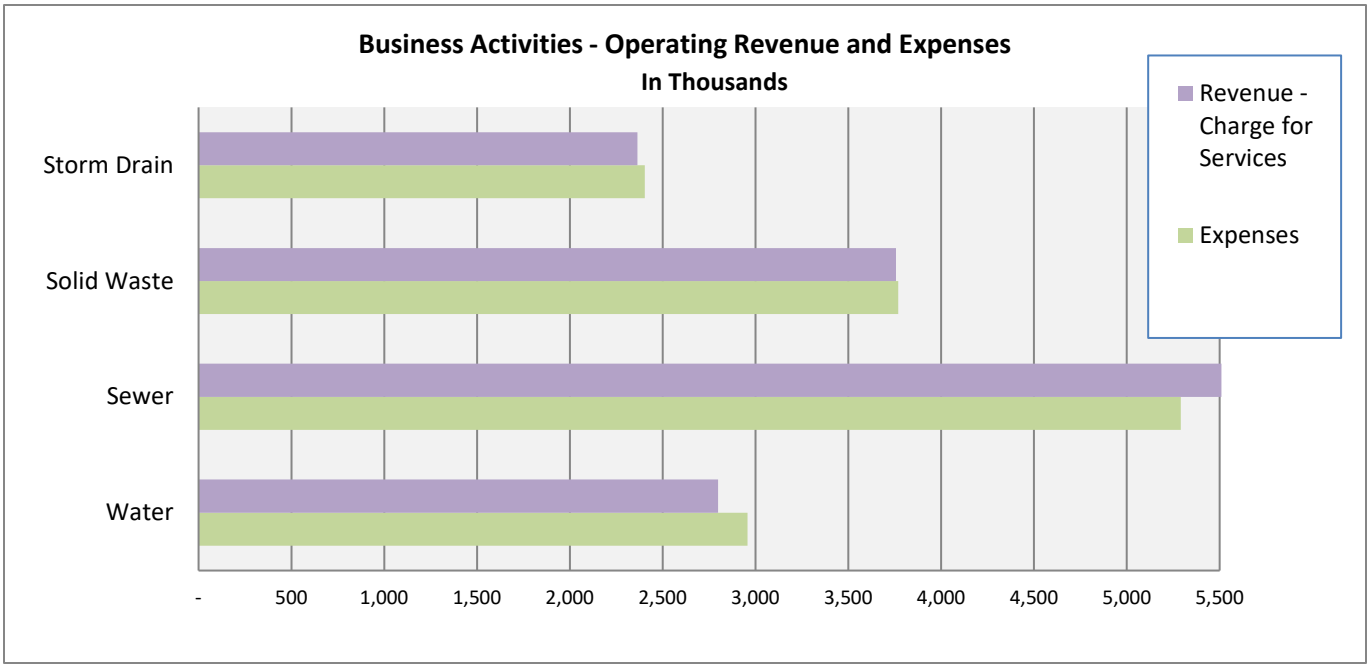


City Street Reserve Fund: The fund records revenue and expenditures for the capital transportation program. There were several transportation projects in transition either with construction or design. Many of the projects are funded by grants, REET, or traffic impact fees. A major transportation project on Noll Road being constructed in phases became substantially complete in 2023. The next phase began in 2024 by the purchase of additional rights-of-way. The project continues to be largely funded by grants and matched with City Impact fees, REET funds and debt proceeds. Construction on the next phase will begin in 2025. Work began to construct ADA curb ramp improvement to provide safer access to the City sidewalks. The project is funded from grants and is anticipated to be complete in 2025.

Draft

Detailed Analysis of Enterprise Funds

The City's utilities are accounted for in four enterprise funds: 1) water utility fund; 2) sewer utility fund; 3) solid waste utility fund; and 4) storm drain utility fund. The funds are reported on a full-accrual basis, accounting for all assets and liabilities. Revenue is primarily derived from charges for services by rate payers. Also increasing the fund balance are assets recorded from the revenue for capital contributed from developers consisting of infrastructure installed by developers but then turned over to the City to provide utility services. Rates are developed to support ongoing operation as well as build reserves to support future capital needs. Fund balances remained consistent with the prior year, but slightly increased, due to several factors:

All utility funds saw increases in charges for services which is consistent with annual increases planned by the Consumer Price Index (CPI) and the growing number of customers from several housing developments completed in 2024.

Expenses reflect the anticipated regular increases due to cost-of-living increases in goods and labor. Sewer expenses reflect a substantial increase due to the purchase of additional capacity for flow from the county, increasing the costs due to the County for the City's share of sewage processing.

Significant Capital Asset and Long-term Financing Activity

The City increased its capital threshold to $10,000 in 2024. Equipment for governmental services is funded from reserves built in the Capital Acquisition Fund. Fund resources consist of transfers from the General Fund to the Capital Acquisition Fund. The transfer amounts are established by the City Council through the budget process. Capital purchases are prioritized and items not falling within the funding levels were delayed or reserves were allocated to purchase necessary capital items.

Annually, the City updates the City Improvement Plan (CIP) to prioritize and establish funding sources for capital outlay costs. In 2024, the City increased the parameters for projects to be included in the CIP, the projects should have a cost of more than $50,000 and a life expectancy of more than 15 years. Revenue streams continue being challenged, but projects move forward as the City has worked to secure grants for many of the capital transportation, park, and storm drain projects.

The City of Poulsbo's investment in capital assets for its governmental and business type activities as of December 31, 2024, amounts to $191 million (net of accumulated depreciation/amortization). This investment in capital assets includes land, buildings, machinery, equipment, vehicles, parks, roads, highways, bridges, the right to use other entities' assets (intangibles), and the County's sewage treatment plant. The total increase in capital assets for the current fiscal year was $11.3 million or 6.3%.

City of Poulsbo's Capital Assets at Year End, Net of Depreciation/Amortization
Table 3

	GOVERNMENTAL ACTIVITIES		BUSINESS-TYPE ACTIVITIES		TOTAL	
	2024	2023	2024	2023	2024	2023
Land/Intangibles	$ 37,920,297	$ 36,833,486	$ 7,008,309	$ 6,663,101	$ 44,928,606	$ 43,496,587
Buildings	10,740,637	11,131,066	3,029,282	3,122,417	13,769,920	14,253,483
Other Improvements	3,226,314	3,080,939	878,926	996,331	4,105,240	4,077,270
Infrastructure	38,574,336	37,089,503	55,858,227	52,433,712	94,432,564	89,523,215
Intangibles (Depreciable)	44,871	3,243	20,129,018	17,971,101	20,173,890	17,974,344
Intangibles Right to Use	668,701	394,083	17,720	-	686,421	394,083
Machinery & Equipment	1,719,378	1,494,212	3,499,799	3,065,552	5,219,177	4,559,764
Work in Progress	4,654,967	2,929,412	3,065,677	2,508,693	7,720,644	5,438,105
Totals	$ 97,549,502	$ 92,955,944	$ 93,486,958	$ 86,760,907	$ 191,036,460	$ 179,716,851

Draft

The increase in capital assets in 2024 is in both governmental and business-type type activities. Major capital assets events during the current fiscal year include the following:

Governmental

- There were various transportation and park projects with improvements or development of design for future construction
- The Noll Road Project is the largest transportation project the City has ever undertaken. The largest phase was completed in 2024 with the next phase completing preliminary work including purchase of additional right of ways. Construction is set to commence in 2025
- ADA improvement to existing sidewalks began in 2024
- RAAB Park increased a section to provide a playground with accessible equipment
- Rotary Morrow Park is a new park developed with walking paths and a covered seating area for visitors
- Design of a new Poulsbo event and recreation center began in 2024. Plans and specifications are begin drafted for a 2025 bid opening and contract award with construction to begin in 2026. The project plans to construct two ball fields, a walking path, splash pad, small building for restrooms, and a snack bar on the land

contributed to the City in lieu of park impact fees. The project is funded by grants from Kitsap County's Public Facilities District and a future anticipated debt by the City

- Nordic Cottages, an affordable housing community, was constructed in 2024. Nordic Cottages consists of eight units for senior and disabled citizens providing federally subsidized rent. The project is funded by grants, affordable housing tax dollars and a future debt issue
- A new lease for speed control cameras was implemented in 2024 in the amount of $155 thousand per year
- Subscriptions were renewed for financial software in 2024

Business Type

- Purchase of a new Camel Vactor Truck to be used supporting maintenance of the storm drainage systems.
- Several pump stations in the sewer system were updated for safety
- A large contribution was made to the County for a force main improvement and emergency repairs to a pump station necessary to serve the needs of the City's sewer operations
- Another benefactor to capital assets was capital contributed from new commercial and residential developments for utility infrastructure and parks within new housing developments. There are many Capital projects planned in 2025, funded with a combination of grants, traffic mitigation fees, debt proceeds and strategized use of reserve funds. Additional information on the City's capital assets is provided in Note 5 of the Notes to the Financial Section

Both governmental and business type activities record intangible assets, right to use assets consisting of operating leases for capital equipment and subscription based (SBITA) agreements. The City of Poulsbo does not own these assets, but rather the right to use them in operations as specified in their contracts. When entering into lease or SBITA contracts, liabilities are also recognized, which is included as part of the long-term financing discussion below.

Draft

DEBT ADMINISTRATION

The City participates in various forms of debt. At the end of the current fiscal year, the City of Poulsbo had total long-term financing liabilities of $14.5 million, composed of general obligation bonds, revenue bonds, lease liabilities and subscription-based information technology liabilities. During the current year, long term liabilities decrease by $1 million. This is due to a principal payment being made and leases expiring in 2024.

	Governmental activities		Business-type activities		Total	
	2024	2023	2024	2023	2024	2023
General obligation bonds	6,673,243	7,612,668	1,809,988	1,908,929	8,483,231	9,521,597
Revenue bonds			5,360,000	5,640,000	5,360,000	5,640,000
Notes payable	-	13,895			-	13,895
Right-to-use Leases	360,310	186,347			360,310	186,347
Right-to-use Subscriptions	290,499	191,285	17,021		307,520	191,285
Total	7,324,052	8,004,195	7,187,009	7,548,929	14,511,061	15,553,124

The $8.5 million general obligation bonds are bonded debt, backed by the full faith and credit of the government. There were no debt issues in 2024, but principal payments reduced the obligation in 2024.

As discussed in the changes in capital assets, the City of Poulsbo entered into new lease agreements for capital equipment and subscription liabilities. These will be repaid over the term of their contracts.

Revenue bonds are for the sewer fund and are payable from revenues derived from the operation of the Sewer Fund. The decrease is due to principal payments made in 2024.

The City's debt obligations are well within the statutory limits for debt capacity. There are three types of statutory limits on general obligation debt capacity:

1. The first limit is on the amount of general obligation debt that can be incurred without a vote of the people. For this type of debt, a city is limited to 1.5% of its assessed value ($3,201,131,560), or $48,016,973 less any debt issued, which leaves an available balance of $39,533,742
2. The second statutory limit is the amount of general obligation debt a city may incur for general governmental purposes with a vote of the people. This limit is 2.5% of the assessed value ($3,201,131,560). For 2024, the City's limit is $80,028,289 less any amount issued as non-voted debt (from the 1.5% limit above). At this time, the City does not have any voted debt
3. The third limit is also calculated as a percentage of assessed value. This statutory limit allows a City to incur general obligation debt of up to an additional 2.5% of its assessed value for bond issues approved by the voters for the purpose of utility improvements and an additional 2.5% for parks or open space development

The City of Poulsbo maintains an AA rating on the General Obligation Bond issued in 2015 and an AA+ rating on the Revenue Bond issued in 2018.

The following chart shows the general obligation debt limits for 2025:

			2025 Assessed Valuation	$ 3,201,131,560		
0.025	=	$	80,028,289	Limited for Combined Debt	Balance Available	$ 71,545,057
0.015	=	$	48,016,973	Limited for Non-Voted Debt	Balance Available	$ 39,533,742

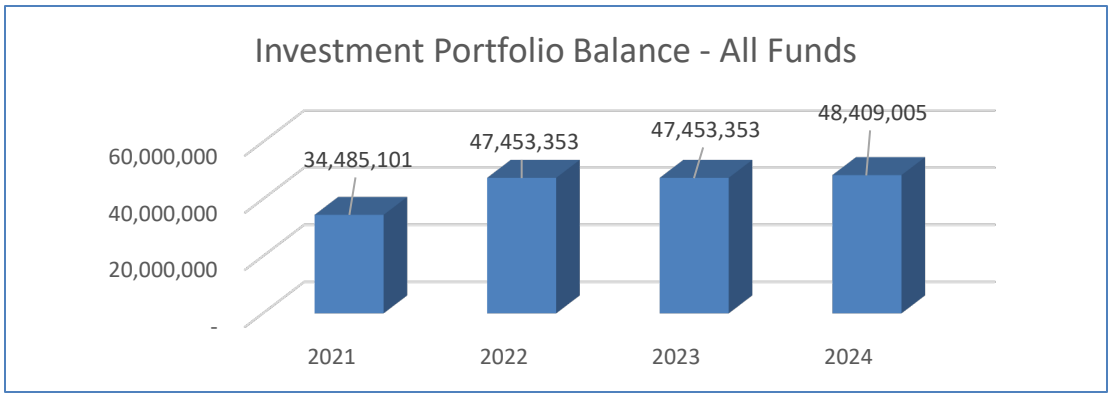
Additional information on the City's debt is provided in Note 10, "Long-Term Debt" and may be found within the Notes to the Financial Statements section.

Draft

CURRENTLY KNOWN FACTS, DECISIONS OR CONDITIONS

The City of Poulsbo is aware of the following items that will impact future finances and were considered in developing the 2025-2026 biennial budget.

- Economic developments
    - The State of Washington does not have a state personal income tax and therefore operates primarily using property, sales, business and occupation, utility, and gas taxes. The City relies on sales, property, and utility taxes and a limited array of other permitted taxes, fees, and state and federal grants to support governmental activities. The City implemented a new Business & Occupation Tax mid-2024. The City anticipates a higher amount in 2025 due to a full year of collection and business awareness for reporting compliance
    - Sales tax has continued to grow at an average of 5.4% over the past several years but only grew 1.8% over 2023. The City has always been conservative in their revenue projections and has moved forward with budget projections being flat in the upcoming years



- The City of Poulsbo developed the budget with a minimal increase in assessed value and new construction and a legal increase of 1% above the highest allowable levy as restricted by state laws

- Interest earnings again have been conservatively estimated with a projected decrease in rates; however, the City actively manages its portfolio with an investment advisor to maintain investments with security and liquidity in consideration. The portfolio maintains investments which have terms guaranteeing interest rates over a three year period which allows the City to gain earnings while the City has experienced. Below is a chart showing the history of the City's investment balance protecting its funds. The portfolio has continued to grow, which is reflective of the growing resources.

- The City allowed the sale of cannabis within the City limits and revenue projections have slightly increased due to the anticipated new revenue stream.

- The City is installing three speed and red-light cameras. The revenue earned will be used to support additional court needs to administer the workload and support funding for the Police Department, which increased staffing levels with City reserves anticipating the growing revenue to support ongoing expenses.

- Development continues to be strong in the City generating development revenue and sales tax on construction. Although the economic outlook is indicating a slowdown, the City has several projects moving forward allowing for certainty in the projections. There are several housing developments under construction for single and multi-family housing. An addition to the local college is under construction to expand healthcare education and add more classroom space.

- The City continues to work with a local lobbyist to promote capital funding in the form of grants and pushing for local revenues to be directed to the City as well as addressing tax limitations and more allowances at the local level, addressing the immediate need supporting the community and their direct needs.

- Grants for housing and behavioral health programs continue to be a direction the City prioritizes. New revenue secured will support the growing programs the City implements and budgets may be amended when additional/new funds are secured.

- Due to actual revenues exceeding projections and expenses being lower than anticipated, the City has grown a healthy fund balance exceeding the policy. The Council has strategically used reserves to fund ongoing expenses with a plan for these expenses to be supported by growing future new revenue sources adopted in 2024. They are also evaluating and reserving funds to issue less debt in the future for planned projects using reserves for these one-time costs.

- Healthcare and postemployment benefits

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- The funding of pension and other post-employment benefit plans will continue to restrict the City of Poulsbo's ability to spend in other areas. The City of Poulsbo employees are members of the Washington State Department of Retirement System. The system is responsible for projecting and establishing rates to maintain fully funded plans required by state law. Many of the rate structures are dependent on investment earnings and with the possibility of reduced interest rates there may be a future impact on the retirement contribution rates owed by the City. The City utilizes the Office of Financial Management future rate projections as an indicator of rate changes and amends as necessary.

- New revenues

  - The City of Poulsbo implemented new revenues over the past couple years allowing these funds to support the declining state funding for transportation, affordable housing and law enforcement expenses.

    - A new B&O tax in mid-2024 to support governmental operations and allow the City to hire its first City Administrator to oversee the daily operations of the City, with plans for a future Mayor to work part-time and focus on political and other county collaborations.

    - New revenue from speed control and red-light cameras will be used to increase the law enforcement services the City provides which promotes safer driving.

    - New fees for cost recovery of special events will be implemented in 2025, decreasing the impact on City resources and passing them on to the event coordinators. Some of these costs can be offset to the organizers if they are able to receive lodging tax grants administered from Hotel/Motel tax collected by the City. Due to two new hotels which opened in 2023, Lodging Tax funds have been increasing.

    - The City began collecting an additional .1% sales tax to be used for transportation improvements. The funds have been growing and will be used for neighborhood street projects that are not eligible for grant funding.

    - All utility plans are being updated and reviewed with rate increases to cover operations and future capital needs to operating the systems. In 2025 the City is analyzing the solid waste program to evaluate contracting the service to an outside provider and eliminate the City service. With increasing costs and environmental regulations, a contractor may be able to spread these costs to a larger population which is a limiting factor for the City.

    - The City is evaluating the need for additional parking in the historic downtown area. Much of the parking is being utilized by employees restricting parking for tourists, shoppers and restaurant customers. The City will be emphasizing enforcement in 2025 which will generate infraction revenue and then will re-visit the need for paid parking to be implemented at a possible later date.

- Union negotiations

  - Contracts for both bargaining units went into effect in 2025. This allows for certainty in cost projections over the biennium. Budgets were prepared with the new contracted figures.

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- Debt Issues

    - The budgets have been built with anticipated debt issues in 2025 and the related debt payments

    - A general obligation issue for the Poulsbo Events and Recreation Center, next phase of Noll Road and the Nordic Cottages is anticipated in 2025. The issue will be approximately $16 million. Payments will be funded from contributions from the Kitsap Public Facilities District, grant funds, affordable housing sales tax and real estate excise tax collected by the City

    - A revenue debt issue in 2026 for a large sewer project replacing and increasing infrastructure to handle the operations serving the growing population.

At the end of the current fiscal year the unrestricted fund balance in the General fund was $9.5 million. The City has appropriated $2.2 million of this balance to be utilized in the 2025 budget, with some of the appropriation as a transfer from General fund to capital funds for the future purchase of park land. The balance is in excess of the City's policy and the City felt it was important to utilize the funds to maintain and enhance necessary services. The long-range planning is for the new revenue streams to support growth. The City regularly monitors the finances of the budget and actual figures and would be able to quickly act for adjustments if necessary. Although the use of reserves is anticipated, the City will still maintain balances larger than required by the Financial Management Policy approved by the City Council.

Request for Information

This financial report is designed to provide our citizens, taxpayers, creditors, and investors with a general overview of the City's finances and to show the City's accountability for the monies it receives. Any questions about this report or requests for additional financial information should be addressed to the Finance Department, City of Poulsbo, 200 NE Moe Street, Poulsbo, Washington, 98370 or by email to Deborah Booher, Assistant City Administrator, dbooher@cityofpoulsbo.com. For full contact information, please visit the City of Poulsbo's website at www.cityofpoulsbo.com

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STATEMENT OF NET POSITION
December 31, 2024

	Primary Government		
	Governmental Activities	Business-Type Activities	Total
Assets			
Cash and Cash Equivalents	$ 4,844,484	$ 1,734,514	$ 6,578,998
Investments	18,069,525	30,339,480	48,409,005
Restricted Assets			
Restricted Cash		5,800	5,800
Investments	207,942	-	207,942
Receivables (n*et of allowance for uncollectibles)*			
Taxes	2,292,282	-	2,292,282
Customer Accounts	408,161	1,226,583	1,634,745
Other Receivable	6,916	16,250	23,166
Leases Receivable	135,201	1,060,948	1,196,149
Intergovernmental Receivable	1,524,353	54,149	1,578,502
Inventories	5,466	108,645	114,111
Prepaids	3,370	1,500	4,870
Pension Asset	2,264,767	413,010	2,677,776
Capital Assest not being depreciated:			
Land & Right of Ways	37,920,297	7,008,309	44,928,606
Construction in Progress	4,654,967	3,065,677	7,720,644
Capital Assets (*net of accumulated depreciation/amortization*):			
Buildings and Structures	10,740,637	3,029,282	13,769,920
Other Improvements	41,800,650	56,737,153	98,537,803
Machinery and Equipment	1,719,378	3,499,799	5,219,177
Intangibles	713,573	20,146,738	20,860,311
Total Assets	**127,311,968**	**128,447,838**	**255,759,806**
Deferred Outflows of Resources			
Pension related	3,101,947	592,809	3,694,757
OPEB related	13,690	-	13,690
Deferred Charge on Refunding	302,964	-	302,964
Total Deferred Outflows of Resources	**3,418,602**	**592,809**	**4,011,411**
Liabilities			
Accounts Payable and Other Accrued Liabilities	1,722,038	2,404,750	4,126,788
Employee Wages	660,031	121,251	781,282
Contracts and Retainage Payable	19,442	6,640	26,082
Accrued Interest Payable	18,815	21,461	40,276
Deposits Payable	524,757	5,800	530,557
Revenues Collected in Advance	71,474	-	71,474
Unearned Revenues	251,091	-	251,091
Noncurrent Liabilities:			
Due within one year: bonds, notes, leases, claims, compensated absences	1,492,119	474,893	1,967,012
Total OPEB Liability due within one year	46,327	-	46,327
Due in more than one year:			
Net pension Liability - actuarially funded	501,869	171,908	673,777
Total OPEB Liability	979,232	-	979,232
Bonds, notes, leases, subscriptions, claims, compensated absences	7,389,263	7,444,800	14,834,063
Total Liabilities	**13,676,458**	**10,651,502**	**24,327,960**
Deferred Inflows of Resources			
Property Taxes/Grants/Misc	81,597	-	81,597
Pension related	902,894	174,756	1,077,650
Leases	128,394	1,042,432	1,170,826
Total Deferred Inflows of Resources	**1,112,886**	**1,217,188**	**2,330,074**
Net Position			
Net Investment in Capital Assets	88,795,402	85,892,229	174,687,631
Restricted for:			
Net Pension Asset	4,427,355	817,848	5,245,202
Capital Projects	7,831,713	-	7,831,713
Debt Service	10,101	-	10,101
Opioid Settlement	310,812	-	310,812
Drug Enforcement	35,924	-	35,924
Federal Funds	-	-	-
Criminal Justice	184,457	-	184,457
Substance Abuse Program	(43,338)	-	(43,338)
Public, Educational, Governmental Cable	144,017	-	144,017
Promoting Downtown Businesses	85,621	-	85,621
Promoting Tourism	652,448	-	652,448
City Beautification - Expendable	8,916	-	8,916
City Beautification - Nonexpendable	91,016	-	91,016
Unrestricted (deficit)	13,406,783	30,461,880	43,868,663
Total Net Position	**$ 115,941,226**	**$ 117,171,957**	**$ 233,113,183**

Draft

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

STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED DECEMBER 31, 2024

Primary Government		Program Revenues		
	Expenses	Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions
Functions/Programs:				
Governmental activities:				
General Government	$ 4,011,763	$ 365,228	$ 380,366	$ 23,517
Judicial	521,070	126,445	858	-
Security of Persons & Property	4,893,692	127,531	147,571	-
Utilities & Environment	505	2,400	-	-
Transportation	4,025,991	195,063	87,001	4,889,173
Economic Environment	1,595,327	985,789	148,463	421,036
Mental & Physical Health	1,003,410	102,714	616,823	24,825
Culture & Recreation	2,133,361	740,581	103,677	997,704
Interest on Long-Term Debt	240,493	-	-	-
Total Governmental Activities	**18,425,612**	**2,645,752**	**1,484,759**	**6,356,255**
Business-type Activities:				
Water	2,957,230	2,798,986	-	1,173,582
Sewer	5,291,280	5,638,104	-	2,458,541
Solid Waste	3,768,635	3,757,093	-	-
Storm Drain	2,403,987	2,364,705	88,703	3,292,196
Total Business-Type Activities	**14,421,133**	**14,558,888**	**88,703**	**6,924,318**
Total Primary Government	**$ 32,846,744**	**$ 17,204,640**	**$ 1,573,462**	**$ 13,280,573**

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

STATEMENT OF ACTIVITIES *(continued)*
FOR THE YEAR ENDED DECEMBER 31, 2024

	Net (Expenses) Revenue and Changes in Net Position		
	Primary Government		
	Governmental Activities	Business-Type Activities	Total
Governmental activities:			
General Government	$ (3,242,652)	$ -	$ (3,242,652)
Judicial	(393,767)	-	(393,767)
Security of Persons & Property	(4,618,589)	-	(4,618,589)
Utilities & Environment	1,895	-	1,895
Transportation	1,145,246	-	1,145,246
Economic Environment	(40,039)	-	(40,039)
Mental & Physical Health	(259,048)	-	(259,048)
Culture & Recreation	(291,399)	-	(291,399)
Interest on Long-Term Debt	(240,493)	-	(240,493)
Total Governmental Activities	**(7,938,846)**	**-**	**(7,938,846)**
Business-Type Activities:			
Water	-	1,015,337	1,015,337
Sewer	-	2,805,364	2,805,364
Solid Waste	-	(11,542)	(11,542)
Storm Drain	-	3,341,617	3,341,617
Total Business-Type Activities	**-**	**7,150,777**	**7,150,777**
Total Primary Government	**(7,938,846)**	**7,150,777**	**(788,070)**
General Revenues:			
Property Taxes	3,039,074	-	3,039,074
Retail Sales & Use Taxes	7,802,707	-	7,802,707
Business and Occupation Taxes	3,436,430	-	3,436,430
Excise Taxes	1,493,330	-	1,493,330
Unrestricted Interest & Investment Earnings (Loss)	1,190,597	912,916	2,103,514
Gain on disposal of capital assets	7,048	-	7,048
Total General Revenues	**16,969,187**	**912,916**	**17,882,104**
Change in Net Position	9,030,341	8,063,693	17,094,034
Net Position - Beginning of Year as previously presented	106,970,839	109,125,625	216,096,464
Restatements	(59,955)	(17,360)	(77,315)
Net Position - beginning of year, as restated	106,910,885	109,108,264	216,019,149
Net Position - End of Year	**$ 115,941,226**	**$ 117,171,957**	**$ 233,113,183**

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

BALANCE SHEET
GOVERNMENTAL FUNDS
DECEMBER 31, 2024

	General Fund	Street Reserve Fund	Non-Major Governmental Funds	Total Governmental Funds
Assets				
Cash and Cash Equivalents	$ 1,342,610	$ 921,333	$ 2,580,540	$ 4,844,484
Investments	7,887,155	550,699	9,631,671	18,069,525
Cash and Investments - Restricted	112,952	-	94,989	207,942
Receivables *(net of allowance for uncollectibles)*				
Taxes	1,825,688	-	466,594	2,292,282
Accounts	408,161	-	6,902	415,064
Interest	14	-	-	14
Leases Receivable	135,201	-	-	135,201
Intergovernmental Receivable	626,607	417,651	480,095	1,524,353
Pre-Paid	3,370	-	-	3,370
Inventories	5,466	-	-	5,466
Total Assets	**12,347,225**	**1,889,683**	**13,260,791**	**27,497,699**
Deferred Outflows of Resources	**-**	**-**	**-**	**-**
Total Assets and Deferred Outflows of Resources	**12,347,225**	**1,889,683**	**13,260,791**	**27,497,699**
Liabilities				
Accounts Payable	299,153	915,750	507,134	1,722,038
Custodial Accounts	519,515	-	24,685	544,199
Payroll Payable	622,599	5,783	31,650	660,031
Deposits and Other Payables	71,474	-	-	71,474
Unearned Revenues	108,519	142,571	-	251,091
Total Liabilities	**1,621,260**	**1,064,104**	**563,469**	**3,248,833**
Deferred Inflows of Resources				
Unavailable Revenue - Property Taxes	44,733	-	-	44,733
Unavailable Revenue - Grants/Settlements/Misc	441,630	1,988	-	443,618
Lease Related	128,394	-	-	128,394
Total Deferred Inflows of Resources	**614,758**	**1,988**	**-**	**616,746**
Fund Balances (Deficits)				
Nonspendable Fund Balance	10,336	-	91,016	101,352
Restricted Fund Balance	184,670	-	8,809,180	8,993,850
Committed Fund Balance	-	-	-	-
Assigned Fund Balance	375,000	823,591	3,797,126	4,995,717
Unassigned Fund Balance (Deficits)	9,541,200	-	-	9,541,200
Total Fund Balances (Deficits)	**10,111,207**	**823,591**	**12,697,322**	**23,632,120**
Total Liabilities, Deferred Inflows of Resources and Fund Balances (Deficits)	**$ 12,347,225**	**$ 1,889,683**	**$ 13,260,791**	**$ 27,497,699**

Draft

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

RECONCILIATION OF THE BALANCE SHEET OF GOVERNMENTAL FUNDS
TO THE STATEMENT OF NET POSITION
DECEMBER 31, 2024

Total Governmental Fund Balances:		$ 23,632,120
Amounts reported for governmental activities in the statement of net position are different because:		
Capital assets used in governmental activities are not financial resources and therefore are not reported in the governmental funds.		97,549,502
These assets consist of:		
Land	37,920,297	
Buildings and structures	15,721,802	
Improvements	70,205,899	
Machinery and Equipment	5,498,327	
Construction in Progress	4,654,967	
Intangibles	1,823,424	
Accumulated Depreciation	(38,275,214)	
Net pension assets resulting from annual contributions in excess of required		2,264,767
For debt refunding resulting in defeasance of debt, the difference between the reacquisition price and the net carrying amount of the old debt is reported as a deferred outflow of resources		
Some of the city's receivables will not be collected soon enough to pay for current period expenditures and therfore are reported as deferred inflows in the governmental funds		302,964
Deferred inflows - property taxes		
Deferred inflows - grants/settlements/misc		44,733
Deferred inflows - other		362,021
Long term liabilities, including bonds payable are not due and payable it the current period and therefore are not reported in the governmental funds		
Interest Payable	18,815	
Long-term Liabilities (bonds, notes, leases,claims, comp	8,881,382	
OPEB Liability	1,025,559	
Pension Liability	501,869	
		(10,427,625)
Amounts reported as deferred outflows and inflows of resources related to pensions and OPEB will be amortized and recognized as components of pension or OPEB expense in future years		
Deferred outflow - pension	3,101,947	
Deferred outflow - OPEB	13,690	
Deferred inflow - pension	(902,894)	
		2,212,743
Net Position of governmental activities		$ 115,941,226

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

Draft

GOVERNMENTAL FUNDS
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES
FOR THE YEAR ENDED DECEMBER 31, 2024

	General Fund	Street Reserve Fund	Non-Major Governmental Funds	Total
Revenues				
Property Taxes	$ 3,047,695	$ -	$ -	$ 3,047,695
Sales Taxes	5,958,688	-	3,151,523	9,110,212
Franchise Taxes	3,528,939	-	-	3,528,939
Licenses and Permits	865,494	-	20,550	886,044
Intergovernmental	1,796,898	1,235,438	1,493,303	4,525,639
Charges for Services	1,382,663	-	383,041	1,765,704
Fines and Forfeitures	124,891	-	731	125,622
Interest and Other Earnings	871,274	24,988	294,629	1,190,892
Miscellaneous	170,172	-	189,893	360,065
Total Revenues	**17,746,714**	**1,260,426**	**5,533,671**	**24,540,812**
Expenditures				
Current				
General Government	4,181,912	-	-	4,181,912
Security of Persons & Property	4,871,281	-	23,668	4,894,950
Utilities & Environment	36,244	-	-	36,244
Transportation	823,244	-	1,319,751	2,142,995
Economic Environment	1,317,311	-	342,829	1,660,141
Mental & Physical Health	1,010,332	-	-	1,010,332
Culture & Recreation	1,830,407	-	90,268	1,920,675
Debt Service:				
Principal	195,819	-	953,320	1,149,139
Interest & Other Charges	10,134	-	227,614	237,748
Capital Outlay	-	943,102	3,186,837	4,129,939
Total Expenditures	**14,276,685**	**943,102**	**6,144,286**	**21,364,074**
Excess (deficiency) of Revenues Over Expenditures	3,470,029	317,324	(610,615)	3,176,738
Other Financing Sources (Uses)				
Transfers In	18,474	882,000	4,238,488	5,138,962
Transfers Out	(2,355,434)	(410,870)	(2,372,658)	(5,138,962)
Leases - as lessee	-	-	270,761	270,761
Leases - as lessor	72,742	-	-	72,742
SBITA			248,631	248,631
Sale of General Assets	7,048	-	-	7,048
Insurance Recoveries	25,632	-	-	25,632
Total Other Financing Sources and Uses	**(2,231,537)**	**471,130**	**2,385,222**	**624,814**
Net Change in Fund Balances	1,238,492	788,454	1,774,607	3,801,552
Fund Balances - beginning of year, as previously presented	8,872,715	35,138	10,922,715	19,830,568
Adjustment	-	-	-	-
Fund Balances - beginning of year, as adjusted	8,872,715	35,138	10,922,715	19,830,568
Fund Balances (deficit) - End of Year	**$ 10,111,207**	**$ 823,591**	**$ 12,697,322**	**$ 23,632,120**

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

Draft

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, 2024

Net change in Fund balance--total governmental funds	$	3,801,552
Amounts reported for Governmental activities in the statement of activities are different because:		
Government funds report capital outlays as expenditures. However, in the statement of activities, the cost of those assets is allocated over their estimated useful lives and reported as depreciation expenditure.		
This is the amount of capital outlays		4,129,939
This is the amount of depreciation/amortization		(2,932,733)
This is the amount of Gain (Loss) on Capital Assets		(2,292)
Revenues in the statement of activities that do not provide current financial resources are not reported as revenues in the government funds.		(588,926)
Developers construct and then contributed capital infrastructure assets to the City. These assets are reported on the statement of activities but not reported in the fund statements.		3,398,645
Bond proceeds provide current financial resources to governmental funds, but issuing debt increases long-term liabilities in the statement of net position. Repayment of bond principal is an expenditure in the governmental funds, but the repayment reduces long-term liabilities in the statement of net position. This is the amount by which repayments exceeded proceeds.		(519,392)
Principal payments		1,149,139
Some expenses reported in the statement of activities do not require the use of the governmental funds.		594,410
Change in net position of governmental activities	$	9,030,341

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

GENERAL FUND
STATEMENT OF REVENUES, EXPENDITURES, AND
CHANGES IN FUND BALANCE - BUDGET AND ACTUAL
FOR THE YEAR ENDED DECEMBER 31, 2024

	Budgeted Amounts			
	Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)
Revenues				
Taxes				
Property Taxes	$ 3,062,000	$ 3,062,000	$ 3,047,695	$ (14,305)
Sales Taxes	5,100,000	5,500,000	5,672,019	172,019
Utility Taxes	2,542,815	2,942,815	3,436,430	493,615
Criminal Justice Taxes	220,000	220,000	286,670	66,670
Other Taxes	65,000	65,000	92,508	27,508
Licenses and Permits	657,480	657,480	865,494	208,014
Intergovernmental	730,428	1,517,149	1,796,898	279,749
Charges for Services	933,675	1,003,675	1,382,663	378,988
Fines and Forfeitures	36,700	91,700	124,891	33,191
Interest and Other Earnings	163,500	163,500	871,274	707,774
Miscellaneous	35,800	89,913	170,172	80,259
Total Revenues	**13,547,398**	**15,313,232**	**17,746,714**	**2,433,482**
Expenditures				
Current:				
General Government	4,515,925	4,647,694	4,181,912	(465,782)
Security of Persons & Property	4,992,153	5,330,587	4,871,281	(459,306)
Utilities & Environment	34,087	34,087	36,244	2,157
Transportation	500,901	807,597	823,244	15,647
Economic Environment	1,293,230	1,439,408	1,317,311	(122,097)
Mental & Physical Health	370,924	1,166,029	1,010,332	(155,697)
Culture & Recreation	1,694,109	1,915,100	1,830,407	(84,693)
Debt Service:				
Principal	-	3,600	195,819	192,219
Interest/Debt Service Costs	-	-	10,134	10,134
Total Debt Service	-	3,600	205,953	(202,353)
Total Expenditures	**13,401,329**	**15,344,102**	**14,276,685**	**(1,269,770)**
Excess (deficiency) of Revenues over Expenditures	146,069	(30,870)	3,470,029	3,500,899
Other Financing Sources (Uses)				
Transfers In	-	18,474	18,474	-
Transfers Out	-	(2,356,433)	(2,355,434)	999
Leases Issued	52,000	60,400	72,742	12,342
Sale of General Capital Assets	-	-	7,048	7,048
Insurance Recoveries	-	22,816	25,632	2,816
Total Other Financing Sources (Uses)	**52,000**	**(2,254,743)**	**(2,231,537)**	**23,206**
Net Change in Fund Balance	198,069	(2,285,613)	1,238,492	3,524,105
Fund Balance - Beginning of Year	4,316,140	8,862,987	8,872,715	9,728
Fund Balance - End of Year	**$ 4,514,209**	**$ 6,577,374**	**$ 10,111,207**	**$ 3,533,833**

Draft

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

STATEMENT OF NET POSITION
PROPRIETARY FUNDS
DECEMBER 31, 2024

	Business-type Activities				
	Water	**Sewer**	**Solid Waste**	**Storm Drain**	**Total Enterprise Funds**
Assets					
Current Assets:					
Cash and Cash Equivalents	$ 571,030	$ 828,296	$ 265,296	$ 69,892	$ 1,734,514
Investments	8,031,755	16,829,848	1,565,942	3,911,935	30,339,480
Restricted Cash	5,800	-	-	-	5,800
Accounts Receivable, net	193,341	500,433	332,915	199,894	1,226,583
Leases Receivable	50,172	-	-	-	50,172
Interest Receivable - Leases	16,250	-	-	-	16,250
Intergovernmental Receivable	-	-	-	54,149	54,149
Inventories	103,818	4,827	-	-	108,645
Prepaid Items	500	500	250	250	1,500
Total Current Assets	8,972,667	18,163,904	2,164,403	4,236,120	33,537,094
Noncurrent Assets:					
Capital Assets Not Being Depreciated	928,125	2,911,042	611,778	5,623,042	10,073,986
Capital Assets, Net of Accumulated Depreciation/Amortization	19,857,500	41,408,962	1,534,783	20,611,727	83,412,972
Leases	1,010,776	-	-	-	1,010,776
Net Pension Asset	109,315	76,051	111,780	115,863	413,010
Total Noncurrent Assets	21,905,715	44,396,055	2,258,341	26,350,632	94,910,743
Total Assets	**30,878,382**	**62,559,959**	**4,422,743**	**30,586,752**	**128,447,838**
Deferred Outflows of Resources					
Pension related	157,539	109,425	159,137	166,709	592,809
Total Deferred Outflows of Resources	**157,539**	**109,425**	**159,137**	**166,709**	**592,809**
Liabilities					
Current Liabilities					
Accounts Payable	61,792	2,206,835	196,370	61,004	2,526,001
Accrued Liabilities					
Compensated Absences	8,463	7,635	9,302	7,580	32,980
Retainage Payable	-	6,640	-	-	6,640
Custodial Accounts	5,800	-	-	-	5,800
Accrued Interest Payable	747	19,224	964	526	21,461
Bond Anticipation Note Payable	30,154	322,051	35,502	19,365	407,071
Total Current Liabilities	106,956	2,562,384	242,137	88,474	2,999,951
Noncurrent Liabilities:					
Compensated Absences	76,168	68,717	83,714	68,219	296,818
Bonds Payable	386,115	5,859,001	606,752	330,956	7,182,824
Net Pension Liability	45,500	31,655	46,527	48,226	171,908
Total Noncurrent Liabilities	507,784	5,959,373	736,993	447,401	7,651,550
Total Liabilities	**614,740**	**8,521,757**	**979,130**	**535,875**	**10,651,502**
Deferred Inflows of Resources					
Pension related	46,559	32,303	46,391	49,504	174,756
Leases	1,042,432	-	-	-	1,042,432
Total Deferred Inflows of Resources	**1,088,990**	**32,303**	**46,391**	**49,504**	**1,217,188**
Net Position					
Net Investment in Capital Assets	20,365,645	38,137,829	1,504,306	25,884,449	85,892,229
Restricted for Net Pension Asset	216,467	150,598	221,349	229,434	817,848
Unrestricted	8,750,079	15,826,897	1,830,704	4,054,199	30,461,880
Total Net Position	**$ 29,332,191**	**$ 54,115,324**	**$ 3,556,360**	**$ 30,168,082**	**$ 117,171,957**

Draft

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

STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN NET POSITION
PROPRIETARY FUNDS
FOR THE YEAR ENDED DECEMBER 31, 2024

	Business-type Activities				
	Water	Sewer	Solid Waste	Storm Drain	Total Enterprise Funds
Operating Revenues:					
Charges for Services	$ 2,690,618	$ 5,602,787	$ 3,725,253	$ 2,333,779	$ 14,352,437
Other Operating Revenues	31,787	31,892	28,340	27,665	119,684
Total Operating Revenues	**2,722,405**	**5,634,679**	**3,753,593**	**2,361,444**	**14,472,121**
Operating Expenses:					
Salaries and Wages	754,955	598,642	880,136	796,895	3,030,629
Personnel Benefits	269,757	208,654	330,555	270,672	1,079,637
Materials and Supplies	116,889	41,451	184,946	78,074	421,360
Services	988,525	2,800,652	2,202,010	638,299	6,629,486
Depreciation	819,254	1,430,655	158,958	613,457	3,022,324
Total Operating Expenses	**2,949,380**	**5,080,054**	**3,756,605**	**2,397,397**	**14,183,436**
Operating Income (Loss)	(226,975)	554,625	(3,012)	(35,953)	288,685
Nonoperating Revenues (Expenses):					
Intergovernmental	-	-	-	88,703	88,703
Interest and Other Earnings	312,100	523,576	58,204	102,854	996,735
Gain/(Loss) from Sale of Capital Assets	2,460	-	(28)	-	2,432
Interest Expense	(7,767)	(210,986)	(11,923)	(6,504)	(237,180)
Total Nonoperating Revenues (Expenses)	**306,793**	**312,589**	**46,253**	**185,054**	**850,689**
Income (loss) Before Capital Contributions	79,818	867,214	43,241	149,101	1,139,375
Capital Contributions - Cash	573,456	1,566,958	-	201,837	2,342,251
Capital Contributions - Developers	600,126	891,583		3,090,359	4,582,067
Change in Net Position	1,253,400	3,325,754	43,241	3,441,297	8,063,693
Net Position - Beginning of Year as previously stated	28,082,841	50,793,708	3,517,915	26,731,160	109,125,625
Restatements	(4,050)	(4,138)	(4,797)	(4,375)	(17,360)
Net Position - Beginning of year, as restated	28,078,791	50,789,570	3,513,118	26,726,785	109,108,264
Total Net Position - End of Year	**$ 29,332,191**	**$ 54,115,324**	**$ 3,556,360**	**$ 30,168,082**	**$ 117,171,957**

Draft

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

STATEMENT OF CASH FLOWS - PROPRIETARY FUNDS
FOR THE YEAR ENDED DECEMBER 31, 2024

	Business-type Activities				
	Water	Sewer	Solid Waste	Storm Drain	Total Enterprise Funds
Cash Flows from Operating Activities					
Receipts from customers and users	$ 2,783,001	$ 5,591,599	$ 3,727,280	$ 2,298,963	$ 14,400,842
Payments to suppliers and service providers	(1,066,116)	(1,812,609)	(2,284,199)	(614,694)	(5,777,617)
Payments to employees for salaries and benefits	(731,669)	(494,147)	(739,007)	(789,127)	(2,753,950)
Payments to other funds for services provided	(413,712)	(431,730)	(642,372)	(394,233)	(1,882,047)
Net cash provided by (used for) operating activities	**571,505**	**2,853,112**	**61,703**	**500,909**	**3,987,229**
Cash Flows From Noncapital Financing Activities					
Operating Grants	-	-	-	88,703	88,703
Net cash provided (used) by noncapital financing activities	**-**	**-**	**-**	**88,703**	**88,703**
Cash Flows from Capital and Related Financing Activities					
Connection Fees	573,456	1,566,958	-	157,806	2,298,220
Capital Grants	-	-	-	44,031	44,031
Acquisition and Construction of Capital Assets	(453,558)	(4,157,364)	(26,133)	(72,419)	(4,709,473)
Purchase of Capital Assets	-	(371,006)	(3,636)	(207,454)	(582,096)
Principal paid on Capital Debt	(22,342)	(302,342)	(35,108)	(19,168)	(378,959)
Interest paid on Capital Debt	(7,654)	(244,143)	(11,956)	(6,504)	(270,257)
Proceeds from Capital Debt	7,720	-	-	-	7,720
Net cash provided by (used for) capital and related financing activities	**97,623**	**(3,507,897)**	**(76,833)**	**(103,706)**	**(3,590,814)**
Cash Flows from Investing Activities					
Purchase of investments	(2,001,948)	(5,473,025)	(621,419)	(1,715,942)	(9,812,335)
Proceeds from sales and maturities of investments	1,609,407	6,376,683	834,644	1,195,673	10,016,406
Interest on Investments	237,705	520,390	54,783	99,680	912,559
Net cash provided by investing activities	**(154,835)**	**1,424,047**	**268,008**	**(420,590)**	**1,116,630**
Net increase (decrease) in Cash and Cash Equivalents	514,292	769,263	252,878	65,316	1,601,749
Cash and Cash Equivalents - Beginning of Year	62,539	59,033	12,418	4,575	138,565
Cash and Cash Equivalents - End of Year	**$ 576,830**	**$ 828,296**	**$ 265,296**	**$ 69,892**	**$ 1,740,314**

Draft

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

STATEMENT OF CASH FLOWS - PROPRIETARY FUNDS *(continued)*
FOR THE YEAR ENDED DECEMBER 31, 2024

	Business-type Activities				
	Water	Sewer	Solid Waste	Storm Drain	Total Enterprise Funds
Reconciliation of operating income (loss) to net cash provided by (used for) operating activities:					
Operating Income (Loss)	$ (226,975)	$ 554,625	$ (3,012)	$ (35,953)	$ 288,685
Depreciation Expense	819,254	1,430,655	158,958	613,457	3,022,324
adjustments					-
(Increase) decrease in Accounts Receivable	(13,859)	(46,265)	(29,706)	(11,507)	(101,337)
(Increase) in Intergovernmental Receivables	-	-	-	(54,149)	(54,149)
(Increase) decrease in Inventories	(51,802)	77	-	-	(51,726)
(Increase) decrease in Custodial Funds payable	(2,400)	-	-	-	(2,400)
(Increase) decrease in Interest and Other Earnings	76,854	3,185	3,393	3,175	86,607
Decrease in pension related deferred outflows of resources	(38,094)	(28,374)	(36,523)	(39,395)	(142,386)
(Decrease) in Deposits Payable					
(Decrease) increase in Accounts Payable	225	934,173	(32,404)	23,168	925,161
(Decrease) in Net Pension Liability	15,480	8,104	16,921	17,030	57,535
(Decrease) in pension related deferred inflows of resources	(36,722)	(24,297)	(39,174)	(39,577)	(139,771)
Total Adjustments	**798,479**	**2,298,488**	**64,715**	**536,862**	**3,698,544**
Net Cash provided by (used for) Operating Activities	**$ 571,505**	**$ 2,853,112**	**$ 61,703**	**$ 500,909**	**$ 3,987,229**
Schedule of non-cash Capital and related financing activities:					
Investment Earnings Unrealized	15,583	22,006	5,260	(2,905)	39,943
Capital Contributions by Developers	$ 600,126	$ 891,583	$ -	$ 3,090,359	$ 4,582,067

Draft

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

STATEMENT OF FIDUCIARY NET POSITION
CUSTODIAL FUNDS
DECEMBER 31, 2024

	Custodial Funds
Assets	
Cash and Cash Equivalents	$ 11,735
Total Assets	**11,735**
Liabilities	
Accounts Payable	1,470
Total Liabilities	**1,470**
Net Position	
Individuals, Organizations and Other Governments	10,265
Total Net Position	**$ 10,265**

Draft

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

STATEMENT OF CHANGES IN FIDUCIARY NET POSITION
CUSTODIAL FUNDS
FOR THE YEAR ENDED DECEMBER 31, 2024

	Custodial Funds
Additions	
Collections of Funds for Other Governments:	
Bail Funds and Restitution	75,153
Other Deposits	32,141
Total Additions	**107,295**
Deductions	
Distribution of Funds to Other Governments:	
Bail Funds and Restitution	75,153
Other Payments to State and Local Governments	23,880
Total Deductions	**99,033**
Net Increase (Decrease) in Fiduciary Net Position	8,262
Net Position - Beginning of Year	2,003
Net Position - End of Year	**$ 10,265**

Draft

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

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The financial statements of the City of Poulsbo have been prepared in conformity with generally accepted accounting principles (GAAP) as applied to governmental units. The Governmental Accounting Standards Board (GASB) is the accepted standard setting body for establishing governmental accounting and financial reporting principles. The significant accounting policies are described below.

REPORTING ENTITY

The City of Poulsbo, located in Kitsap County, Washington, was incorporated in 1908. It operates under the laws of the State of Washington applicable to code cities with a Mayor-Council form of government. A full-time mayor and seven council members, all elected at large for four-year terms, administer the City. The City provides what are considered general government services including public safety, streets, parks and recreation, planning and zoning, permits and inspection, general administrative, water, sanitary sewer collection, solid waste collection, and storm drainage services.

The City's Annual Comprehensive Financial Report includes all funds, agencies and boards controlled by, or dependent on, the City. Control by or dependence on the City was determined on the basis of financial accountability, budget adoption, taxing authority, outstanding debt service secured by revenues or general obligations of the City, obligations of the City to finance any deficits that may occur, or receipt of significant subsidies from the City.

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BASIS OF PRESENTATION - GOVERNMENT-WIDE AND FUND FINANCIAL STATEMENTS

The City's basic financial statements consist of government-wide reports including a statement of net position and statement of activities, supplemented by fund financial statements to provide further details.

The government-wide financial statements provide information on all nonfiduciary activities of the primary government. 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. Likewise, the primary government is reported separately from certain legally separate component units for which the primary government is financially accountable.

The ***Statement of Activities*** presents changes in the government-wide net position by function or program. It focuses on expenses rather than expenditures and shows to what extent direct program revenues offset expenses for a given function. Our policy is to allocate indirect costs to a specific function. Program revenues include: 1) charges to customers or applicants who purchase, use, or directly benefit from a program; and 2) grants and contributions that are restricted for the purpose of operational or capital use for a particular program. Taxes and other items such as investment interest, not restricted to specific programs, are reported on the statement as general revenues. The comparison of direct expenses with program revenues identifies the extent to which each function is self-financing or draws from the general revenues of the City.

The ***Statement of Net Position*** presents the financial condition of the City's governmental and business- type activities at year-end. It reports all financial and capital assets including infrastructure and all liabilities, including current and long-term.

During the year, the City segregates transactions related to certain City functions or activities into separate funds to aid financial management and to demonstrate legal compliance. Fund financial statements are designed to present financial information of the City at this more detailed level and include statements for governmental, proprietary, and fiduciary funds, even though the fiduciary funds are excluded from the government-wide statements. In the basic financial statements, the governmental and enterprise fund financial statements focus on major funds. Major individual government funds and major individual enterprise funds are reported as separate columns in the fund financial statements.

As a rule, the effect of interfund activity has been eliminated from the government-wide statements. Exceptions to this general rule are charges between the government's utilities functions and various other functions of the government. Elimination of these charges would distort the direct costs and program revenues reported for the various functions concerned.

The City of Poulsbo reports the following major governmental funds:

The ***General Fund*** is the City's primary operating fund. It accounts for all financial resources of the general government, except those required to be accounted for in another fund.

The ***Street Reserve Fund***, under the administration of the Engineering Department, provides for planning, design, and construction improvements associated with the City's transportation system. This includes construction of roads, traffic control devices, curbs, gutters, and sidewalks as well as roadway drainage improvements and pavement restoration. Most revenue sources are from state, federal and local transportation grants. Additional funding may come from operating transfers from the general government funds.

The City of Poulsbo reports the following major proprietary funds:

The ***Water Fund*** accounts for providing water services. Its revenues are mostly received from service charges and system connection charges. Expenses are for maintenance and operations of a water supply, storage, and distribution system. This fund also reflects the operation of revenue bonds outstanding, the funds available for redemption of bonds, cumulative reserve, and construction funds.

The ***Sewer Fund*** accounts for providing sewer services. Its revenues are mostly received from service charges and system connection charges. Expenses are for maintenance and extensions of drainage, sewer service facilities, maintaining sewer collection and transmission systems. This fund also reflects the operation of revenue bonds outstanding, the funds available for redemption of bonds, cumulative reserve, and construction funds.

The ***Solid Waste Fund*** accounts for the operation, collection, and transportation of solid waste. Its revenues are received from service charges. Expenses are made up of the cost of collection and disposal of solid waste.

The ***Storm Drain Fund*** accounts for the operation, construction, and maintenance of the storm water management system. Its revenues are received from service charges and system connection charges.

Additionally, the City 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 administration regulations. Their revenues are earmarked to finance certain activities or functions.

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Debt Service Funds account for resources accumulated and payment made for principal and interest on the general government debt except those required to be accounted for in another fund.

Capital Project Funds account for the acquisition or development of capital facilities for governmental activities. The major sources of revenue are from proceeds from general obligation bonds, grants, and contributions from other funds.

Custodial Funds account for assets held by the City as an agent for private individuals or other governments. Custodial amounts are fiduciary in nature and are prepared using the economic resources measurement focus and full accrual basis of accounting. The resources in the custodial fund, upon receipt, are normally expected to be held for three months or less. These amounts are excluded from the government-wide financial statements. Included in these amounts are receipts related to court activities, taxes, and state fees. The City reports all custodial amounts in one fund.

Permanent Funds account for resources that are legally restricted to the extent that only the earnings, and not the principal, may be used for specific purposes that support the City's programs and benefit the City and its citizens. The City has one *Permanent fund*, the Bernice Borgen Beautification Fund. The fund accounts for a trust established from Ms. Borgen's estate of an original donation of $91,016 for beautification of the City. The City Council has the authority to determine what the expenditures will be.

As of year-end, funds available for expenditure are $8,915.63. This amount also represents the designated unrealized investment earnings.

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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 and Business & Occupation taxes are recognized as revenues in the year for which they are levied. Grants and similar items are recognized as revenue as soon as all eligibility requirements imposed by the provider have been met.

Governmental fund financial statements are reported using the current financial resources measurement focus and the modified accrual basis of accounting, Revenues are recognized as soon as they are both measurable and available. Revenues are considered available when they are collectible within the current period or soon enough thereafter to pay liabilities of the current period. For this purpose, the City considers revenues to be available if they are collected 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.

Property taxes, licenses, and interest associated within the current fiscal period are all considered predisposed to accrual and so have been recognized as revenues of the current fiscal period. Only the portion of special assessment receivable due within the current fiscal period is considered susceptible to accrual as revenue of the current period. All other revenue items are deemed measurable and available only when cash is received by the City.

Amounts reported as program revenues include 1) charges to customers or applicants for goods, services or privileges provided, 2) operating grants and contributions, and 3) capital grants and contributions, including special assessments. Internally dedicated resources are reported as general revenues rather than as program revenues. Likewise, general revenues include all taxes.

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 proprietary funds are the charges for goods and services. Operating expenses for enterprise funds include the cost of sales and services, administrative expenses, and depreciation on capital assets. All revenue and expenses not meeting this definition are reported as non-operating revenues and expenses.

When both restricted and unrestricted resources are available for use, it is the City's policy to use restricted resources first, then unrestricted resources as needed.

ASSETS, LIABILITIES, AND NET POSITION OR EQUITY

Cash and Investments

It is the City's policy to invest all temporary cash surpluses. At December 31, 2024, the City held $6,578,998 in short-term residual investments of surplus cash. This amount is classified on the balance sheet as cash and cash equivalents in various funds. The interest on these investments is prorated to the various funds.

For purposes of the statement of cash flows, the City considers all highly liquid investments (including restricted assets) with a maturity of three months or less when purchased to be cash equivalents.

The City reports its deposit and investment risk disclosures in accordance with GASB 40 (see note 3).

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Receivables

The City of Poulsbo recognizes receivables in its various funds using the accounting basis required for that fund. These receivables are as follows:

Property Taxes

The City's annual property tax levy is billed and collected by Kitsap County. Taxes collected by the County, but not remitted to the City by year-end, are reported as receivables. Taxes are levied and become a lien on the first day of the calendar year. When property taxes become three years' delinquent, the County is required by State statute to foreclose on the property.

Accounts Receivable

Customer Accounts Receivable consist of amounts owed by private individuals or organizations for goods and services provided. Uncollectable amounts are considered immaterial, and the direct write-off method is used.

Special Assessments

Special assessments are recorded when levied. Special assessments receivable consists of current and delinquent assessments and related interest and penalties. Deferred assessments consist of unbilled special assessments that are liens against the property benefited.

Interfund Transactions

During the course of normal operations, the City has numerous transactions between City funds. Interfund transactions such as buying goods and services are recorded as revenues and expenditures.

Repayments from funds responsible for particular expenditures/expenses to the funds that initially paid for them are not presented on the financial statements. Transfers between funds are included as "other financing sources or uses." Interfund loans, when applicable, are recorded as a receivable in the lending fund and payables in the borrowing fund. The City had no interfund loans in 2024.

The City levies a utility tax on the revenues of its own enterprise funds (Water, Sewer, Solid Waste, and Storm Drain). On the fund statements, these taxes are recorded as an expense in enterprise funds, and as revenue in the General Fund.

Other interfund transfers as of December 31, 2024, were as follows*:*

	Transfers Out:			
Transfers In:	**General Fund**	**Street Reserve Fund**	**Non-Major Gov'l**	**Total**
General Fund	$ -	$ -	$ 18,474	$ 18,474
City Street Reserve Fund	132,000	-	750,000	882,000
Non-Major Gov'l Funds	2,223,433	410,870	1,604,184	4,238,487
Total Transfers	**$ 2,355,433**	**$ 410,870**	**$ 2,372,658**	**$ 5,138,961**

Amounts Due to and from Other Governmental Units

These receivables reflect measurable and available intergovernmental charges for services rendered by, or to, the City for, or by, another government unit.

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Inventories and Prepaid Items

Inventories are defined as assets which may be held for internal consumption or for resale. On the government-wide financial statements, inventories are presented at cost on a first-in, first-out basis and are recorded as expenditures when consumed rather than when purchased. On the fund financial statements, the City uses the following policies in valuing and recording inventory items that are used:

a. Inventories are valued at cost using the average cost method. The costs of inventories in the governmental fund types are recorded as expenditures when consumed rather than when purchased.

b. In proprietary funds, a perpetual inventory is maintained in which the cost is capitalized when inventory items are purchased and expensed when the item is consumed. The average cost method of valuation which approximates market is used to value the inventory. A physical inventory is taken at year-end.

Certain payments to vendors reflect costs applicable to future accounting periods and are recorded as prepaid items in both the government-wide and fund financial statements. The cost of prepaid items is recorded as expenditures/expenses when consumed rather than when purchased.

Restricted Assets

Restricted Assets include resources reserved for capital purchases from debt service funds and the amount of our permanent trust fund.

Capital Assets

Capital assets are generally considered property and equipment owned by the City costing $5,000 or more and having more than an estimated useful life more than 1 year. Additionally, new infrastructure construction (e.g. roads, bridges, sidewalks, etc.) of $100,000 or more is also reported as capital. Assets are reported in the

applicable governmental or business-type activities columns in the government-wide financial statements. Such assets are recorded at historical cost or estimated historical cost if the actual cost is not available. Donated capital assets are recorded at acquisition value at the date of donation.

Costs for additions or improvements to capital assets are capitalized when they increase the effectiveness or efficiency of the asset. The costs for normal maintenance and repairs are not capitalized.

Major outlays for capital assets and improvements are recorded in Construction in Progress as they are constructed and capitalized upon completion.

Assets are depreciated using the straight-line method over the following estimated useful lives:

	Estimated Useful Life in Years
Bridges	100
Roads and Street Lighting	30-40
Sidewalks	10-40
Water, Sewer, and Storm Drain Mains	50
Hydrants and Wells	50
Buildings	10-50
Playfields and Other Recreational Facilities	20
Other Improvements	5-25
Vehicles, Boats, and Construction Equipment	10
Machinery/Shop Equipment	5-25
Office/Communication Equipment	5-20
Furniture	10
Intangibles	5-10
Law Enforcement Equipment	5
Computer Software/Hardware	4-5

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Compensated Absences

It is the City's policy to permit employees to accumulate earned, but unused, vacation leave up to a maximum of 240 hours. Vacation pay is payable to the maximum upon resignation, retirement, or the death of an employee. Compensatory time may be accrued up to a maximum of 80 hours for uniformed officers and up to 50 hours for all other non-exempt employees.

Sick leave accumulation is unlimited, apart from the Poulsbo Police Association members who may maintain a maximum balance of 1,200 hours on December 31. Annual accrual could be elected to be cashed out for 50% for employees hired before December 31, 2012, or 25% for employees hired after January 1, 2013, once a 1,000-hour balance is reached. All sick leave is payable upon resignation, retirement, or the death of an employee for 50% for employees hired before December 31, 2012, or 25% for employees hired after January 1, 2013, up to a maximum balance of 1,200 hours, except for Poulsbo Police Association members who will receive the cash out only upon retirement from the LEOFF system.

In accordance with GASB Statement No. 16, the City accrues vacation pay and no liability is recorded for non-vesting accumulating rights to receive sick pay benefits. However, a liability is recognized for that portion of the accumulating sick leave benefits that it is estimated to be taken as termination leave prior

to resignation. This provides for the termination pay for eligible employees' vacation and the applicable percentage of their sick leave to a maximum of 1,200 hours accrued.

In accordance with GASB 101, the City accrues vacation pay and no liability is recorded for non-vesting accumulation rights to receive sick pay benefits. However, a liability is recognized for the average sick leave hours expected to be used during the fiscal year at 100%, then the remaining hours (1,200 maximum) are recorded at the corresponding cash-out percentage, 25% or 50%, dependent on hire date.

The entire compensated absence liability is reported on the government-wide financial statements. In the proprietary funds, the entire amount of compensated absences is reported as a fund liability.

Pensions and OPEB

For purposes of measuring the net pension liability, net pension asset, deferred outflows of resources and deferred inflows of resources related to pensions, and pension expense, information about the fiduciary net position of all state sponsored pension plans and additions to/deductions from those plans' fiduciary net position have been determined on the same basis as they are reported by the Washington State Department of Retirement Systems. For this purpose, benefit payments (including refunds of employee contributions) are recognized when due and payable in accordance with the benefit terms. Investments are reported at fair value.

For purposes of calculating the restricted net position related to the net pension asset, the City of Poulsbo includes the net pension asset and the related deferred outflows and deferred inflows/net pension asset and related deferred inflows.

Lifetime full medical coverage is provided to uniformed Police and Fire personnel who became members of the Law Enforcement Officers and Fire Fighters (LEOFF 1) retirement system prior to October 1, 1977. The City has two retirees who qualify for this benefit. An OPEB liability using the alternative measurement method has been recognized.

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Custodial Accounts

These accounts reflect the liability for net monetary assets being held by the City in its trustee or agency capacity. Included in these amounts are funds related to court activities, taxes, and state fees. The City holds and reports all custodial funds collected in one fund.

Accrued Liabilities and Long-Term Obligations

All payables, accrued liabilities, and long-term obligations are reported in the government-wide financial statements. Also, all payables, accrued liabilities and long-term obligations payable from proprietary funds are reported on the proprietary fund financial statements.

In general, governmental fund payables and accrued liabilities once incurred are paid in a timely manner and in-full from current financial resources, and reported as obligations of the funds. When due, bonds and long-term loans are recognized as a liability on the governmental fund financial statements.

Unearned Revenues

Unearned revenues consist of receivables for charges for services to be recognized in the following year or funds paid in advance by customers for services to be recognized in the following year.

Deferred Outflows/Inflows of Resources

In addition to assets, the statements will sometimes report a separate section for deferred outflow of

resources. Deferred outflows of resources represent a consumption of net position that applies to future periods.

In addition to liabilities, the statements will sometimes report a separate section for deferred inflows of resources. Deferred inflows of resources represent an acquisition of net position that applies to future periods.

Fund Balance Classification

In the fund financial statements, governmental funds report fund balances based on the extent to which the City is bound to observe constraints on the use of the governmental funds' resources. Fund balances are classified in the following manner:

Nonspendable - includes amounts that are either 1) not in spendable form, or 2) legally or contractually required to be maintained intact. Inventories, prepaid items, petty cash/change funds, and permanent trusts are classified as nonspendable fund balances.

Restricted - includes amounts which are constrained for specific purposes that are 1) externally imposed by creditors, grantors, contributors, or laws or regulations of other governments, or 2) imposed by law through enabling legislation.

Committed - includes amounts that can be used for specific purposes with constraints imposed by formal action of the highest level of decision-making authority. The authorization specifying the purposes for which committed funds can be used should have the consent of both the legislative and executive branches of government. The City operates under a Mayor-Council form of government. As Executive Officer, the Mayor supervises the administrative process of the City and works with the City Council. The City Council enacts ordinances and resolutions that may impose, modify, or rescind fund balance commitments. (The City does not have any committed balances.)

Assigned - includes amounts that are intended to be used for specific purposes but are neither restricted nor committed. The authority for assignment of funds is not required to be the government's highest level of decision-making authority. Furthermore, the constraints imposed on the use of assigned amounts are more easily removed or modified than those imposed on committed fund balances. The City Council may authorize executive officers to assign fund balances for specific purposes through Council files, ordinances, and resolutions.

Unassigned - includes amounts that are not assigned to other funds and do not meet the criteria for being classified as restricted, committed, or assigned. The General Fund is the only fund that may show a positive unassigned fund balance. In other governmental funds it is not appropriate to report a positive unassigned fund balance amount. However, in governmental funds other than the General Fund, if expenditures incurred for specific purposes exceed the amounts that are restricted, committed or assigned to those purposes, it may be necessary to report a negative unassigned fund balance in that fund.

The primary flow assumption utilized by the City is: 1) Restricted, 2) Committed, 3) Assigned, 4) Unassigned. However, prior to the commencement of any project, the flow assumption is reviewed to ensure that the proper resources are being used. The following is the breakdown:

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	Nonspendable Purposes	Restricted Purposes	Assigned Purposes	Unassigned Purposes	Totals
General Fund					
General Government	$ 10,336			$ 9,541,200	$ 9,551,537
Public, Education, Government Cable	-	144,017	-	-	144,017
Substance Abuse Program/Opiod Settlement	-	40,654	-	-	40,654
Federal Funds	-	-	-	-	-
Compensated Absences Liability	-	-	150,000	-	150,000
Legal Reserves	-	-	225,000	-	225,000
Subtotals, General Fund	**10,336**	**184,670**	**375,000**	**9,541,200**	**10,111,207**
Street Reserve Fund					
Transportation Improvements	-		823,591		823,591
Subtotals, City Street Fund	**-**	**-**	**823,591**	**-**	**823,591**
Other Governmental Funds					
Transportation Maintenance & Operation	-	-	580,663	-	580,663
Transportation Improvements	-	3,143,846	200	-	3,144,046
Parks Improvements	-	747,504	638,012	-	1,385,516
Cemetery Improvements	-	-	55,116	-	55,116
Capital Equipment	-	-	370,404	-	370,404
Capital Improvements	-	2,735,570	2,116,288	-	4,851,857
Affordable Housing	-	1,204,793	-	-	1,204,793
Drug Enforcement	-	35,924	-	-	35,924
Criminal Justice	-	184,457	36,443	-	220,900
Promote Downtown Businesses	-	85,621	-	-	85,621
Promoting Tourism	-	652,448	-	-	652,448
City Beautification	91,016	8,916	-	-	99,932
Debt Service	-	10,101	-	-	10,101
Subtotals, Other Governmental Funds	**91,016**	**8,809,180**	**3,797,126**	**-**	**12,697,322**
Totals	**$ 101,352**	**$ 8,993,850**	**$ 4,995,717**	**$ 9,541,200**	**$23,632,120**

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NOTE 2: STEWARDSHIP, COMPLIANCE AND ACCOUNTABILITY

BUDGETARY INFORMATION

The City of Poulsbo budgets its funds in accordance with the Revised Code of Washington (RCW) 35A.34 that is on a basis consistent with accounting principles generally accepted in the United States of America. In compliance with the code, budgets for all funds are established except for the Permanent and Fiduciary funds.

The biennial budget is proposed by the Mayor and adopted by the City Council with legal budgetary control at the fund level for all funds. Expenditures and other financing used may not exceed budgeted appropriations at these levels. Only the City Council has the authority to increase a given fund's budget. This is executed by City ordinance.

In addition to authorizing the budget, the City Council approves the Capital Improvement Plan (CIP). The CIP is the document that communicates the City's plan for capital construction and purchases for a six- year period as required by the Growth Management Act of 1990 (GMA). The GMA requires the City to develop a comprehensive plan that includes land use, housing, capital facilities, utilities, public facilities, and transportation elements. By City policy, a capital project is defined as a project of a non-recurring nature with a cost not less than $50,000 and an estimated life not less than 15 years.

The CIP is updated as an initial step in the budget process. Projects are prioritized by the department. The CIP, as a whole, is then reviewed by the City Council with funding options established.

The calendar below outlines the process for preparing, reviewing, and adopting the biennial budget:

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YEAR 1

APRIL – JUNE

- Council Retreat/Goal Setting
- Capital Improvement team begins the process to update Capital Improvement Plan (CIP)

JULY

- Budget Recommendations & Directions to Staff for Development

AUGUST – OCTOBER

- Department Budget Presentations to Council
- Develop Proposed Preliminary & Preliminary Budget

NOVEMBER

- Public Participation at City Council Meetings
- Public Hearings held
- Budget Workshop
- Property tax levy set

DECEMBER

- Final Budget Approval and Adoption

YEAR 2

APRIL – JUNE

- Council Retreat/Goal Status Review

- Capital Project Review

SEPTEMBER – OCTOBER

- Department Formalized Review of Budget Status
- Department Budget Update Presentation to Committees
- Develop Proposed Mid-Biennium Budget Amendment

NOVEMBER

- Public Participation at City Council Meetings
- Public Hearings held
- Property tax levy set

DECEMBER

- Mid-Biennium Budget Amendment Approval and Adoption

The final budget, as adopted, is published within the first three months of the new budget year, and distributed to various governmental agencies as well as to the local library to be available to the citizens and all interested members of the public and is published on the City's website www.cityofpoulsbo.com.

BUDGETARY COMPLIANCE

In 2024, there were no City funds reporting actual expenditures above budgeted appropriations. Though specific line items may be exceeded, no fund's appropriations can be legally exceeded. It should be noted, however, that the "Statement of Revenues, Expenditures and Changes in Fund Balances" including the comparisons of "Budget and Actual," could be misinterpreted due to its format and, by so doing, lead one to believe that budgeted expenditures have been exceeded. The City budgets not only expenditures but also "Beginning Fund Balances" so as to maintain a budget in balance with receipts and disbursements. By increasing expenditure appropriations by the budget values for these items, no City fund has exceeded its legally established appropriation. All budgets lapse at year-end.

The Equipment Acquisition Fund did show an excess of revenue under expenditures at the end of 2024. However, this was due to a non-cash accounting entry to comply with GASB lease reporting. All cash expended fell under the budgetary allowance.

Encumbrance accounting is used in all City funds for budgetary control only. Encumbrances (e.g., purchase orders) lapse at year end and, if necessary, are re-appropriated in the following year.

MINIMUM FUND BALANCES

The City has formally adopted a minimum fund balance policy because it is the belief that adequate reserve levels are a necessary component of the City's overall financial management strategy and a key factor in external agencies' measurement of the City's financial strength.

General Fund

It is the policy of the City to maintain a General Fund Reserve at a level of at least equal to twelve percent (12%) of the total General Fund budgeted operating revenue, excluding the beginning fund balance and identified one-time revenue. This shall be in addition to the maintenance of two months operating cash within the General Fund itself.

These operating reserves are maintained to:

- address temporary revenue shortfalls;

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- payment of approved expenditures due to cash flow shortage;
- reserves for expenditures deemed necessary by the Mayor and City Council; and
- temporary short-term interfund loans.

Annual contribution will be budgeted from General Fund resources as available to maintain the target reserve level.

Capital Reserve Funds

The City shall maintain capital reserve funds to provide funding for the six-year Capital Improvement Plan, less proprietary fund projects. The use of any funds within the Capital Improvement Funds shall be approved by the City Council.

Contributions to the capital reserve funds will be made as per the budget recommendations set by the City Council. All expenditures drawn from reserve accounts shall require prior Council super-majority approval unless previously specifically authorized by the City Council for expenditure in the annual budget.

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NOTE 3: DEPOSITS AND INVESTMENTS

DEPOSITS

Custodial Credit Risk

Custodial credit risk is the risk associated with the failure of a depository financial institution. In the event of a depository financial institution's failure, it is a risk the City will not be able to recover its deposits or collateralized securities that are in the possession of the outside parties.

The City's bank deposits, and certificates of deposit are entirely covered by the Federal Depository Insurance Corporation (FDIC) or by collateral held in a multiple financial institution collateral pool administered by the State of Washington Public Deposit Protection Commission (WPDPC). The FDIC insures the first $250,000 of the City's deposits. The deposit balances over $250,000 are collateralized by the WPDPC.

As of December 31, 2024, the carrying amount of the City's change funds, petty cash, and bank demand deposit accounts with financial institutions was the following:

Investment Type		Fair Value
Cash		
FDIC or PDPC insured bank deposits	$	8,013,145
In-transit items		(1,418,113)
Custodial funds		(11,735)
Petty Cash/change funds		1,500
Total Cash	$	6,584,798

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INVESTMENTS

The City's investments are maintained in accordance with a Council-approved policy, which has also been certified by WPTA. The City pools cash from all sources and all funds and invests its pooled idle cash according to the State of Washington's law and the City's Investment Policy approved by City Council. The basic principles underlying the City's investment philosophy are to ensure the safety of public funds, structure the portfolio to meet all expected obligations in a timely manner, and to achieve a reasonable rate of return on investments. Qualifying investments include obligations of the United States government, Treasury and Agency securities, bankers' acceptances, certificates of deposit and repurchase agreements.

Investments in Local Government Investment Pool (LGIP)

The City's participation in the Local Government Investment Pool (LGIP) was authorized by Chapter 294, Washington Laws of 1986, and is managed and operated by the Washington State Treasurer. The Washington State Finance Committee is the administrator of the statute that created the pool and adopts rules. The Washington State Treasurer is responsible for establishing the investment policy for the pool and reviews the policy annually and proposed changes are reviewed by the LGIP Advisory Committee.

Investments in the LGIP, a qualified external investment pool, are reported at an amortized cost which approximates fair value. The LGIP is an unrated external investment pool. The pool portfolio is invested in a manner that meets the maturity, quality, diversification, and liquidity requirements set forth by the GASB Statement 79 for external investment pools that elect to measure, for financial reporting purposes, investments at amortized cost. The LGIP does not have any legally binding guarantees of share values. The LGIP does not impose liquidity fees or redemption gates on participant withdrawals.

The resources the City invests in the LGIP, although potentially liquid, are accounted for as investments and not cash as they earn interest and the City does not regularly pull funds from the pool.

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

As of December 31, 2024, the City held the following investments at amortized Cost:

Trust/Passbook Accounts	112,952
Washington State Local Government Inv. Pool	$ 11,893,162
	$ 12,006,115

Investments measured at Fair Value

The City categorizes its fair value measurements within the fair value hierarchy established by generally accepted accounting principles. The hierarchy is based on the valuation inputs used to measure fair value of the assets. Level 1 inputs are quoted prices (unadjusted) in active markets for identical assets that the reporting entity can access at the measurement date.; Level 2 inputs are other than quoted prices included in Level 1 that are observable for the asset, either directly or indirectly.; and Level 3 inputs are unobservable inputs for the asset and are used when relevant observable inputs are not available.

All the investments below are measured using Level 2 inputs like interest rates, yield curves, volatilities, prepayment speeds, loss severities, credit risks, and default rates. Level 2 inputs must be observable for substantially the full term of the asset if it has a specified contractual term.

The following is a summary of the fair value investments of the City as of December 31, 2024:

			Maturities		
Investments	**Valuation Measurement Method**	**Fair Value 12/31/24**	**Less Than One Year**	**One to Three Years**	**Total**
US agency securities					
US Treasury Bills, Notes & Bonds	Level 2	$ 25,587,637	$ 14,369,547	$ 11,218,090	$ 25,587,637
Federal Home Loan Bank	Level 2	5,523,728	1,744,063	3,779,665	5,523,728
Federal Farm Credit Bureau	Level 2	5,499,468	2,001,580	3,497,888	5,499,468
Total Investments		**$ 36,610,832**	**$ 18,115,189**	**$ 18,495,643**	**$ 36,610,832**

Custodial Credit Risk

For investments, this is the risk that in the event of a failure of the counterparty to an investment transaction (typically a broker-dealer) the City would not be able to recover the value of its investments or collateral securities that are in the possession of an outside party. The City limits its exposure by only purchasing insured or registered investments, and by the control of a third-party custodian to hold the securities for safekeeping.

Interest Rate Risk

As a means of limiting its exposure to interest rate risk, the City diversifies its investments by security type and institution, and limits holdings in any one type of investment with any one issuer. The City coordinates its investment maturities to closely match cash flow needs and restricts the maximum investment term to less than five years from the purchase date.

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Credit Risk

State law and City policy limit investment to those authorized by the State Statute including commercial paper, bankers' acceptances, and corporate bonds. It is the City's policy to limit its credit risk by only investing in commercial paper or bankers' acceptances with a superior credit rating of A1 or P1.

Concentration of Credit Risk

In accordance with its investment policy, the City will diversify its investments by security type and institution. Apart from U.S. Treasury securities and authorized pools, no more than twenty-five percent of the City's total investment portfolios will be invested in a single security type or with a single financial institution. Below is a table outlining the City's portfolio distribution:

As of December 31, 2024, the City held the following deposits and investments:

Investment Type	Fair Value or Amortized Cost	Maturity Duration	% of Portfolio
Investments			
US agency securities			
US Treasury Bills, Notes & Bonds	$ 25,587,637	1.46	53%
Federal Home Loan Bank	$ 5,523,728	1.38	11%
Federal Farm Credit Bureau	$ 5,499,468	1.25	11%
Washington State Local Government Inv. Pool	$ 11,893,162		24%
Trust/Passbook Accounts	$ 112,952		
Total Investments	**$ 48,616,947**	**0.82**	**100%**

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NOTE 4: PROPERTY TAXES

The City may levy up to $3.60 per $1,000 of assessed valuation for general governmental services, however, that amount is reduced by the Kitsap County Library and Kitsap County Fire District 18 annexations. The Library District may levy up to a maximum of $.50 and Fire District 18 may levy up to a maximum of $1.50 per $1,000 of assessed valuation.

This amount may also be reduced subject to the following limitations:

- Washington State RCW 84.55.010 limits the growth of regular property taxes to one percent per year or Implicit Price Deflator (IPD), whichever is less, after adjustments for new construction and annexations, unless an increase greater than this limit is approved by the voters. If the assessed valuation increases by more than one percent due to revaluation, the levy rate will be decreased.
- The Washington State Constitution limits the total regular property taxes to one percent of assessed valuation, or $10 per $1,000 of the market value of a property. If the taxes of all districts exceed this amount, each is proportionately reduced until the total is at or below the one percent limit.

For property taxes collected in 2024, the City's levy for general governmental services was $1.03 per $1,000 on the assessed valuation of $2,987,976,388 for a total of $3,062,997.

The Kitsap 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.

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Property Tax Calendar

Jan 1	Taxes are levied and become an enforceable lien against properties Feb
14	Tax statements are mailed
April 30	First of two equal installment payments is due
May 31	Assessed value of property is established at 100% of market value for next year's levy Oct
31	Second installment is due

During the year, property tax revenues are recognized when cash is collected. At year-end, property tax revenues are recognized for collections to be distributed by the Kitsap County Treasurer and received within 60 days. No allowance for uncollectible taxes is established because delinquent taxes are considered fully collectible.

NOTE 5: CAPITAL ASSETS

Capital asset activity for the year ended December 31, 2024, is summarized below:

	BEGINNING BALANCE	INCREASES	DECREASES	ENDING BALANCE
Governmental-Type Activities				
Capital assets, not being depreciated:				
Land	$ 10,876,632	$ -	$ -	$ 10,876,632
Intangible - Right of Way/Easements	25,956,854	1,118,853	(32,042)	27,043,665
Construction Work in Progress	2,929,412	2,496,160	(770,605)	4,654,967
Total capital assets not being depreciated	**39,762,898**	**3,615,013**	**(802,647)**	**42,575,264**
Capital assets, being depreciated:				
Buildings	15,738,802	-	(17,000)	15,721,802
Other Improvements	6,114,882	361,284	(4,784)	6,471,383
Machinery and Equipment	5,194,753	497,412	(193,838)	5,498,327
Intangible	766,226	44,170	-	810,396
Right-to-use lease equipment	235,881	237,562	-	473,443
Right-to-use lease office space	39,801	33,199		73,000
Right-to-use subscriptions	329,897	248,631	(111,943)	466,585
Infrastructure	60,440,557	3,293,959	-	63,734,516
Total capital assets being depreciated	**88,860,799**	**4,716,218**	**(327,564)**	**93,249,452**
Less accumulated depreciation for:				
Buildings	(4,607,736)	(390,429)	17,000	(4,981,165)
Other Improvements	(3,033,943)	(213,617)	2,491	(3,245,069)
Machinery and Equipment	(3,700,541)	(272,247)	193,838	(3,778,949)
Intangible	(762,983)	(2,542)	-	(765,524)
Right-to-use lease equipment	(74,889)	(57,222)	-	(132,111)
Right-to-use lease office space	(8,845)	(47,876)	-	(56,721)
Right-to-use subscriptions	(127,762)	(139,675)	111,943	(155,495)
Infrastructure	(23,351,054)	(1,809,126)	-	(25,160,180)
Total accumulated depreciation	**(35,667,753)**	**(2,932,733)**	**325,272**	**(38,275,214)**
Total capital assets, being depreciated, net	53,193,046	1,783,485	(2,292)	54,974,238
Governmental activity capital assets, net	**$ 92,955,944**	**$ 5,398,498**	**$ (804,940)**	**$ 97,549,502**

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- The City acquired $291,379 of ROWs for the North and Middle segments of the Noll Road Corridor Project and $827,474 of ROW/Easements and $1,500,239 of infrastructure as contributed capital for the new Winslow Ridge residential development. An additional $1,070,933 of infrastructure was acquired as contributed capital for the new Johnson Ridge residential development, Discount Tire commercial development, College Market Place Apartments and Alasund Meadows Pump Station Gravity Connection project. $992,895 in remaining infrastructure improvements cost to the Johnson Parkway/South segment of the Noll Road Corridor were completed in 2024.
- The decrease shown in right of way/easements is attributed to correcting temporary construction easements related to the North and Middle segments of the Noll Road Corridor project to construction work in progress. Th decrease shown in Buildings is due to demolition of the Caretakers' residence at Raab Park.
- $2,496,160 was spent on construction work in progress for various capital projects throughout the year. Improvements at the Liberty Bay Waterfront Trail, North and Middle segments of the Noll Road Corridor, Raab Park Play for All, Parks & Rec Building Repairs, Nordic Cottages, 3rd Avenue (Moe to Hostmark), Public Works Complex, Finn Hill Overlay and ADA Curb Ramp Improvements all are still in progress. Poulsbo Event & Recreation Center, Oyster Plant Park Pier, and Rotary Morrow Park Final

Phase are all new in 2024 & ongoing projects. The first phase of the new Skatepark at Raab Park and the remaining cost of the 2023 substantially completed South Segment of the Noll Road Corridor were completed in 2024.

- $214,150 was expended to acquire 3 new vehicles for the Police Department and 1 for the Recovery Resource Center, $220,148 to acquire a boom truck for the Streets Department and $32,547 was booked for remaining cost for the cameras, artwork, signs and radar speed signs for South segment of the Noll Road Corridor project substantially completed in 2023. $20,605 was added due to the completion of the first phase of the new Skatepark at Raab Park.
- The decrease in Machinery & Equipment is due to the sale of 1 Police Department, 2 Engineering Department, 1 General Purpose vehicles, equipment from the Streets Department, demo of the Skatepark at Raab Park and disposal of 2 General Government projectors.
- The City expended $44,170 to implement B&O software.

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

Governmental activities:	
General Government	$ 388,716
Security of Persons and Property	102,212
Utilities and Environment	-
Transportation	1,939,381
Economic Environment	-
Social Services	1,127
Culture and Recreation	256,524
Right-to-use lease equipment	57,222
Right-to-use lease office space	47,876
Right-to-use subscriptions	139,675
Total depreciation expense - governmental activities	$ 2,932,733

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BUSINESS-TYPE ACTIVITIES

	BEGINNING BALANCE	INCREASES	DECREASES	ENDING BALANCE
Business-Type Activities				
Capital assets, not being depreciated:				
Land	$ 4,854,838	$ 920	$ -	$ 4,855,758
Intangible - Right of Way/Easements	1,808,263	344,288	-	2,152,551
Construction Work in Progress	2,508,693	1,621,410	(1,064,426)	3,065,677
Total capital assets not being depreciated	**9,171,794**	**1,966,618**	**(1,064,426)**	**10,073,986**
Capital assets, being depreciated:				
Buildings	3,861,185	-	-	3,861,185
Other Improvements	2,047,220	858	-	2,048,078
Machinery and Equipment	6,465,164	810,624	(5,266)	7,270,522
Intangible	22,366,897	2,708,214	-	25,075,112
Right-to-use lease equipment	-	-	-	-
Right-to-use subscriptions	-	23,204		23,204
Infrastructure	78,800,437	5,308,549	-	84,108,986
Total capital assets being depreciated	**113,540,904**	**8,851,450**	**(5,266)**	**122,387,087**
Less accumulated depreciation for:				
Buildings	(738,768)	(93,135)	-	(831,903)
Other Improvements	(1,050,890)	(118,263)	-	(1,169,152)
Machinery and Equipment	(3,399,613)	(371,110)	-	(3,770,723)
Intangible	(4,395,796)	(550,297)	-	(4,946,093)
Right-to-use lease equipment	-	-	-	-
Right-to-use subscriptions	-	(5,485)	-	(5,485)
Infrastructure	(26,366,724)	(1,884,035)	-	(28,250,759)
Total accumulated depreciation	**(35,951,791)**	**(3,022,324)**	-	**(38,974,115)**
Total capital assets, being depreciated, net	77,589,113	5,829,125	(5,266)	83,412,972
Business-type activity capital assets, net	**$ 86,760,907**	**$ 7,795,744**	**$ (1,069,693)**	**$ 93,486,958**

- The City acquired $344,288 of ROW and Easement and $1,588,827 of infrastructure as contributed capital for the new Winslow Ridge residential development. An additional $2,919,546 of infrastructure was acquired as contributed capital for the new Johnson Ridge residential development, Discount Tire commercial development and College Market Place Apartments.
- $793,833 of infrastructure was added this year with the completion of the Alasund Meadows Pump Station Gravity Connection project.
- The City incurred $1,621,410 in costs for construction in progress for various capital projects throughout the year. Improvements to the Alasund Meadows Pump Station was completed in 2024. North & Middle segments of the Noll Road Corridor, Pump Station Safety Improvements, Raab Park Water Tank, Caldart Main, KC Lemolo Shores Pipeline Upgrade, KC Pump Station 24, 3rd Avenue (Moe to Hostmark), Public Works Complex and West Poulsbo Storm Retrofit are all still in progress.
- $627,011 was expended to acquire a Vactor Truck, business share of an AC Recovery Unit and Hydraulic Loading Crane. $149,472 was expended to acquire a truck with an interchangeable dump bed and snowplow.
- The decrease in Machinery & Equipment is due to the return of faulty retrieval gear.
- The City's share of County-operated assets is reflected in intangibles, for the Kitsap Digester and Bangor/Keyport Forcemain Projects.

Depreciation expense was charged to Business-Type Activities of the primary government as follows:

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Business-type activities:		
Water	$	816,864
Sewer		1,427,561
Solid Waste		158,958
Storm Drain		613,457
Right-to-use subscriptions		
Water		2,391
Sewer		3,094
Total depreciation expense - business-type activities	**$**	**3,022,324**

NOTE 6: EMPLOYEE RETIREMENT AND PENSION PLANS

For purposes of measuring the net pension liability, net pension asset, deferred outflows of resources and deferred inflows of resources related to pensions, and pension expense, information about the fiduciary net position of all state sponsored pension plans and additions to/deductions from those plans' fiduciary net position have been determined on the same basis as they are reported by the Washington State Department of Retirement Systems. For this purpose, benefit payments (including refunds of employee contributions) are recognized when due and payable in accordance with the benefit terms. Investments are reported at fair value.

For purposes of calculating the restricted net position related to the net pension asset, the City of Poulsbo includes the net pension asset and the related deferred outflows and deferred inflows/net pension asset and related deferred inflows.

The following table represents the aggregate pension amounts for all plans subject to the requirements of the *GASB Statement 68, Accounting and Financial Reporting for Pensions* for the year 2024:

Aggregate Pension Amounts - All Plans		
Pension liabilities	$	(673,777)
Pension assets		2,677,776
Deferred outflows of resources		3,694,757
Deferred inflows of resources		(1,077,650)
Pension expense/expenditures	$	(56,027)

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State Sponsored Pension Plans

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

The Department of Retirement Systems (DRS), a department within the primary government of the State of Washington, issues a publicly available 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 2% 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 2% of the member's AFC times the member's years of service for Plan 2 and 1% 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.

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PERS Contributions

The **PERS Plan 1** member contribution rate is established by State statute at 6%. The **PERS 1** employer **PERS Plan 2/3** employer and employee contribution rates are developed by the Office of the State Actuary, adopted by the Pension Funding Council and is subject to change by the legislature. The **PERS Plan 2/3** employer rate includes 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 the defined contribution benefits.

The PERS Plan 1 required contribution rates (expressed as a percentage of covered payroll) for 2024 were as follows:

PERS Plan 1		
Actual Contribution Rates:	**Employer**	**Employee**
January - June 2024		
PERS Plan 1	6.36%	6.00%
PERS Plan 1 UAAL	2.97%	
Administrative Fee	0.20%	
Total	**9.53%**	**6.00%**
July - August 2024		
PERS Plan 1	6.36%	6.00%
PERS Plan 1 UAAL	2.47%	
Administrative Fee	0.20%	
Total	**9.03%**	**6.00%**
September - December 2024		
PERS Plan 1	6.36%	6.00%
PERS Plan 1 UAAL	2.55%	
Administrative Fee	0.20%	
Total	**9.11%**	**6.00%**

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The PERS Plan 2/3 defined benefit required contribution rates (expressed as a percentage of covered payroll) for 2024 were as follows:

PERS Plan 2/3			
Actual Contribution Rates:	**Employer 2/3**	**Employee 2**	**Employee 3**
January - June 2024			
PERS Plan 2/3	6.36%	6.36%	Varies: 5%-15%
PERS Plan 1 UAAL	2.97%		
Administrative Fee	0.20%		
Total	**9.53%**	**6.36%**	
July - August 2024			
PERS Plan 2/3	6.36%	6.36%	Varies: 5%-15%
PERS Plan 1 UAAL	2.47%		
Administrative Fee	0.20%		
Total	**9.03%**	**6.36%**	
September - December 2024			
PERS Plan 2/3	6.36%	6.36%	Varies: 5%-15%
PERS Plan 1 UAAL	2.55%		
Administrative Fee	0.20%		
Total	**9.11%**	**6.36%**	**0.00%**

Judicial Benefit Multiplier (JBM) Program: The JBM Program provides judicial members of the Public Employees' Retirement System (PERS) with an increased retirement benefit multiplier. It also requires employees to pay a higher contribution rate.

Plan	JBM Employee Contribution Rate
PERS 1	12.26%
PERS 2	15.90%
PERS 3	7.50%

The City of Poulsbo's actual PERS plan contributions were $215,662.79 to PERS Plan 1 and $497,797.62 to PERS Plan 2/3 for the year ended December 31, 2024.

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 the state's full-time, fully compensated, local law enforcement commissioned officers, firefighters, 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-paid consecutive 24 months' 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.

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Contributions
Starting on July 1, 2000, **LEOFF Plan 1** employers and employees contribute 0%, as long as the plan remains fully funded. The LEOFF Plan I had no required employer or employee contributions for fiscal year 2024. Employers paid only the administrative expense of 0.20% of covered payroll.

LEOFF Plan 2 provides retirement, disability and death benefits. Retirement benefits are determined as 2% of the FAS per year of service (the FAS is based on the highest-paid consecutive 60 months). Members are eligible for retirement with a full benefit at 53 with at least five years of service credit. Members who retire

prior to the age of 53 receive reduced benefits. If the member has at least 20 years of service and is age 50 – 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% in 2024.

The LEOFF Plan 2 required contribution rates (expressed as a percentage of covered payroll) for 2024 were as follows:

LEOFF Plan 2			
Actual Contribution Rates:		**Employer**	**Employee**
January - December 2024			
State and local governments		5.12%	8.53%
Administrative Fee		0.20%	
	Total	**5.32%**	**8.53%**
Ports and Universities		8.53%	8.53%
Administrative Fee		0.20%	
	Total	**8.73%**	**8.53%**
September - December 2024			
State and local governments		5.12%	8.53%
Administrative Fee		0.20%	
	Total	**5.32%**	**8.53%**
Ports and Universities		8.53%	8.53%
Administrative Fee		0.20%	
	Total	**8.73%**	**8.53%**

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The employee contribution rate was 8.53%.

The City of Poulsbo's actual contributions to the plan were $136,324.28 for the year ended December 31, 2024.

The Legislature, by means of a special funding arrangement, appropriates money from the state General Fund to supplement the current service liability and fund the prior service costs of Plan 2 in accordance with the recommendations of the 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, 2024, the state contributed $96,422,231 to LEOFF Plan 2. The amount recognized by the City of Poulsbo as its proportionate share of this amount is $1,005,476.79.

Actuarial Assumptions

The total pension liability (TPL) for each of the DRS plans was determined using the most recent actuarial valuation completed in 2024 with a valuation date of June 30, 2023. 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 2023 actuarial valuation report. The TPL was calculated as of the valuation date and rolled forward to the measurement date of June 30, 2024. Plan liabilities were rolled forward from June 30, 2023, to June 30, 2024, reflecting each plan's normal cost (using the entry-age cost method), assumed interest and actual benefit payments.

- **Inflation:** 2.75% total economic inflation; 3.25% salary inflation

- In addition to the base 3.25% salary inflation assumption, salaries are also expected to grow by service-based salary increase.
- 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. 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 their lifetime.

Assumptions did not change from the prior contribution rate setting June 30, 2022 Actuarial Valuation Report (AVR). OSA adjusted their methods for calculating UAAL contribution rates in PERS 1 to reflect the delay between the measurement date of calculated Plan 1 rates and when the rates are collected.
OSA made an adjustment to their model to reflect past inflation experience when modeling future COLAs for current annuitants in all plans except PERS1.

Discount Rate
The discount rate used to measure the total pension liability for all DRS plans was 7.0%.

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% was used to determine the total liability.

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Long-Term Expected Rate of Return
The long-term expected rate of return on the DRS pension plan investments of 7.0% was determined using a building-block-method. 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, 2024. 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
Fixed Income	19%	2.10%
Tangible Assets	8%	4.50%
Real Estate	18%	4.80%
Global Equity	30%	5.60%
Private Equity	25%	8.60%
	100%	

Sensitivity of the Net Pension Liability/(Asset)

The table below presents the City of Poulsbo's proportionate share of the net pension liability calculated using the discount rate of 7.0%, as well as what the City of Poulsbo's proportionate share of the net pension liability would be if it were calculated using a discount rate that is 1-percentage point lower (6.0%) or 1-percentage point higher (8.0%) than the current rate.

	1% Decrease 6.00%	Current Discount 7.00%	1% Increase 8.00%
PERS 1	$ 1,295,815	$ 673,777	$ 395,469
PERS 2/3	2,918,104	(1,618,749)	(5,344,773)
LEOFF 1	(47,128)	(53,550)	(59,151)
LEOFF 2	$ 666,142	$ (1,005,477)	$ (2,372,811)

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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, 2024, the City of Poulsbo reported its proportionate share of the net pension liabilities as follows:

	Liability or (Asset)
PERS 1	$ 673,777
PERS 2/3	(1,618,749)
LEOFF 1	(53,550)
LEOFF 2	$ (1,005,477)

The amount of the asset reported above for LEOFF Plans 1 and 2 reflects a reduction for State pension support provided to the City of Poulsbo. The amount recognized by the City of Poulsbo 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 City of Poulsbo were as follows:

	LEOFF I Asset	LEOFF II Asset
Employer's proportionate share	$ (53,550)	$ (1,005,477)
State's proportionate share of the net pension asset associated with the employer	(362,214)	(652,501)
TOTAL	$ (415,764)	$ (1,657,978)

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

	Proportionate Share 6/30/23	Proportionate Share 6/30/24	Change in Proportion
PERS 1	0.040632%	0.037920%	-0.002712%
PERS 2/3	0.052417%	0.049104%	-0.003313%
LEOFF 1	0.001828%	0.001883%	0.000055%
LEOFF 2	0.056698%	0.053690%	-0.003008%

Employer contribution transmittals received and processed by the DRS for the fiscal year ended June 30, 2024 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 Non-employer 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% of LEOFF 1 employer contributions and all other employers contributed the remaining 12.88% 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 2024, the state of Washington contributed 39% of LEOFF 2 employer contributions pursuant to RCW 41.26.725 and all other employers contributed the remaining 61% of employer contributions.

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Pension Expense

For the year ended December 31, 2024, the City of Poulsbo recognized pension expense as follows:

		Pension Expense
PERS 1	$	(77,462)
PERS 2/3		(47,174)
LEOFF 1		(869)
LEOFF 2		69,478
TOTAL	$	(56,027)

Deferred Outflows of Resources and Deferred Inflows of Resources

At December 31, 2024, the City of Poulsbo reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

PERS 1	Deferred Outflows of Resources	Deferred Inflows of Resources
Difference between expected and actual experience	$ -	$ -
Net difference between projected and actual investment earnings on pension plan investments	-	(53,914)
Contributions subsequent to the measurement date	103,594	-
TOTAL	**$ 103,594**	**$ (53,914)**

PERS 2/3	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	$ 919,808	$ (3,748)
Net difference between projected and actual investment earnings on pension plan investments	-	(463,887)
Changes of assumptions	893,876	(102,564)
Changes in proportion and differences between contributions and proportionate share of contributions	150,088	(64,666)
Contributions subsequent to the measurement date	257,812	-
TOTAL	**$ 2,221,584**	**$ (634,865)**

LEOFF 1	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	$ -	$ -
Net difference between projected and actual investment earnings on pension plan investments	-	(2,024)
Changes of assumptions	-	-
Changes in proportion and differences between contributions and proportionate share of contributions		
Contributions subsequent to the measurement date		
TOTAL	**$ -**	**$ (2,024)**

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LEOFF 2	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	$ 740,012	$ (7,652)
Net difference between projected and actual investment earnings on pension plan investments	-	(165,427)
Changes of assumptions	413,916	(84,516)
Changes in proportion and differences between contributions and proportionate share of contributions	146,308	(129,253)
Contributions subsequent to the measurement date	69,343	-
TOTAL	**$ 1,369,579**	**$ (386,848)**

All Plans	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	$ 1,659,820	$ (11,400)
Net difference between projected and actual investment earnings on pension plan investments	-	(685,252)
Changes of assumptions	1,307,793	(187,080)
Changes in proportion and differences between contributions and proportionate share of contributions	296,396	(193,919)
Contributions subsequent to the measurement date	430,749	-
TOTAL	**$ 3,694,757**	**$ (1,077,650)**

Deferred outflows of resources related to pensions resulting from the City of Poulsbo's contributions subsequent to the measurement date will be recognized as a reduction of the net pension liability in the year ended December 31, 2024. 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
2025	$	(89,224)
2026		45,839
2027		(4,853)
2028		(5,676)
2029		-
Thereafter		-
TOTAL	**$**	**(53,914)**

Year ended December 31		PERS 2/3
2025	$	(337,177)
2026		713,562
2027		316,966
2028		321,096
2029		167,826
Thereafter		146,635
TOTAL	**$**	**1,328,907**

Year ended December 31		LEOFF 1
2025	$	(3,403)
2026		1,763
2027		(169)
2028		(215)
2029		-
Thereafter		-
TOTAL	**$**	**(2,024)**

Year ended December 31		LEOFF 2
2025	$	(126,209)
2026		261,552
2027		110,937
2028		119,867
2029		146,353
Thereafter		400,889
TOTAL	**$**	**913,388**

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NOTE 7: RISK MANAGEMENT

The City of Poulsbo is a member of the Washington Cities Insurance Authority (WCIA). Utilizing Chapter 48.62 RCW (self-insurance regulation) and Chapter 39.34 RCW (Interlocal Cooperation Act), nine cities originally formed WCIA on January 1, 1981. WCIA was created for the purpose of providing a pooling mechanism for jointly purchasing insurance, jointly self-insuring, and / or jointly contracting for risk management services. WCIA has a total of 168 members.

New members initially contract for a three-year term, and thereafter automatically renew on an annual basis. A one-year withdrawal notice is required before membership can be terminated. Termination does not relieve a former member from its unresolved loss history incurred during membership.

Liability coverage is written on an occurrence basis, without deductibles. Coverage includes general, automobile, police, errors or omissions, stop gap, employment practices, prior wrongful acts, and employee benefits liability. Limits are $4 million per occurrence in the self-insured layer, and $16 million in limits above the self-insured layer is provided by reinsurance. Total limits are $20 million per occurrence subject to aggregates and sublimits. The Board of Directors determines the limits and terms of coverage annually.

All Members are provided a separate cyber risk policy and premises pollution liability coverage group purchased by WCIA. The cyber risk policy provides coverage and separate limits for security & privacy, event management, and cyber extortion, with limits up to $1 million and subject to member deductibles, sublimits, and a $5 million pool aggregate. Premises pollution liability provides Members with a $2 million incident limit and $10 million pool aggregate subject to a $100,000 per incident Member deductible.

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Insurance for property, automobile physical damage, fidelity, inland marine, and equipment breakdown coverage are purchased on a group basis. Various deductibles apply by type of coverage. Property coverage is self-funded from the members' deductible to $1,000,000, for all perils other than flood and earthquake, and insured above that to $400 million per occurrence subject to aggregates and sublimits. Automobile physical damage coverage is self-funded from the members' deductible to $250,000 and insured above that to $100 million per occurrence subject to aggregates and sublimits.

In-house services include risk management consultation, loss control field services, and claims and litigation administration. WCIA contracts for certain claims investigations, consultants for personnel and land use issues, insurance brokerage, actuarial, and lobbyist services.

WCIA is fully funded by its members, who make annual assessments on a prospectively rated basis, as determined by an outside, independent actuary. The assessment covers loss, loss adjustment, reinsurance and other administrative expenses. As outlined in the interlocal, WCIA retains the right to additionally assess the membership for any funding shortfall.

An investment committee, using investment brokers, produces additional revenue by investment of WCIA's assets in financial instruments which comply with all State guidelines.

A Board of Directors governs WCIA, which is comprised of one designated representative from each member. The Board elects an Executive Committee and appoints a Treasurer to provide general policy direction for the organization. The WCIA Executive Director reports to the Executive Committee and is responsible for conducting the day-to-day operations of WCIA.

NOTE 8: LEASES

For the year ended 12/31/2024, the financial statements include the adoption of GASB Statement No. 87, Leases. The primary objective of this statement is to enhance the relevance and consistency of information about governments' leasing activities. This statement establishes a single model for lease accounting based on the principle that leases are financings of the right to use an underlying asset. Under this Statement, a lessee is required to recognize a lease liability and an intangible right-to-use lease asset, and a lessor is required to recognize a lease receivable and a deferred inflow of resources. For additional information, refer to the disclosures below.

Leases Receivable:

As of 12/31/2024, City of Poulsbo, WA had 7 active leases. The leases have receipts that range from $5,830 to $24,052 and interest rates that range from 0.5517% to 3.8040%. As of 12/31/2024, the total combined value of the lease receivable is $1,196,149 and the combined value of the deferred inflow of resources is $1,170,824. The leases had $0 of Variable Receipts and $0 of Other Receipts, not included in the Lease Receivable, within the Fiscal Year.

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Lessor/Receivables: Business-Type Activities			
	Principal	**Interest**	**Total**
2025	$51,753	$17,345	$69,098
2026	$47,560	$16,605	$64,165
2027	$49,224	$15,875	$65,099
2028	$50,948	$15,122	$66,069
2029-2033	$282,889	$63,431	$346,320
2034-2038	$159,300	$44,870	$204,170
2039-2043	$173,644	$30,526	$204,170
2044-2048	$189,280	$14,890	$204,170
2049-2053	$56,349	$1,267	$57,616
Total	**$1,060,946**	**$219,932**	**$1,280,878**

Lessor/Receivables: Governmental Activities			
	Principal	**Interest**	**Total**
2025	$29,991	$4,973	$34,965
2026	$15,382	$4,507	$19,889
2027	$8,237	$4,115	$12,352
2028	$8,639	$3,712	$12,352
2029-2033	$49,957	$11,802	$61,759
2034-2038	$22,994	$1,137	$24,130
Total	**$135,201**	**$30,246**	**$165,447**

Leases Payable:

As of 12/31/2024, City of Poulsbo, WA had 12 active leases. The leases have payments that range from $1,822 to $28,862 and interest rates that range from 0.2383% to 3.6510%. As of 12/31/2024, the total combined value of the lease liability is $360,310. The combined value of the right to use asset, as of 12/31/2024 of $546,443 with accumulated amortization of $188,832 is included within the Lease Class activities table found below. The leases had $0 of Variable Payments and $0 of Other Payments, not included in the Lease Liability, within the Fiscal Year.

	Beg Bal	Increases	Decreases	End Bal
Right-to-use lease equipment	$235,881	$237,562		$473,443
Right-to-use lease office space	$39,801	$33,199		$73,000
Total	**$275,682**	**$270,761**	**$0**	**$546,443**
Accum Amort Right-to-use lease equipment	$74,888	$57,222		$132,110
Accum Amort Right-to-use lease office space	$8,845	$47,876		$56,721
Total	**$83,733**	**$105,098**	**$0**	**$188,831**

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As of December 31, 2024 - Lease Principal and Interest Requirements to Maturity

	Principal Payments	Interest Payments	Total Payments
2025	113,026	6,918	$119,944
2026	96,538	4,887	$101,425
2027	56,400	2,923	$59,323
2028	52,296	1,642	$53,938
2029	42,050	450	$42,500
Total:	$360,310	$16,820	$377,130

NOTE 9: Subscription Based Internet Technology Agreements

Subscriptions Payable:

For the year ended 12/31/2024, the financial statements include the adoption of GASB Statement No. 96, Subscription-Based Information Technology Arrangements. The primary objective of this statement is to enhance the relevance and consistency of information about governments' subscription activities. This statement establishes a single model for subscription accounting based on the principle that subscriptions are financings of the right to use an underlying asset. Under this Statement, an organization is required to recognize a subscription liability and an intangible right-to-use subscription asset. For additional information, refer to the disclosures below.

As of 12/31/2024, Poulsbo, WA had 18 active subscriptions. The subscriptions have payments that range from $550 to $41,129 and interest rates that range from 1.7100% to 3.2950%. As of 12/31/2024, the total combined value of the subscription liability is $307,520. The combined value of the right to use asset, as of 12/31/2024 of $489,789 with accumulated amortization of $160,980 is included within the Subscription Class activities table found below. The subscriptions had $0 of Variable Payments and $0 of Other Payments, not included in the Subscription Liability, within the Fiscal Year.

	Beg Bal	Increases	Decreases	End Bal
Right-to-use subscriptions	$329,897	$271,835	$111,943	$489,789
Accum Amort Right-to-use subscriptions	$127,762	$145,161	$111,943	$160,980
Net Subscription Asset	**$202,134**	**$126,674**	**$0**	**$328,809**

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As of December 31, 2024, the principal and interest requirements to maturity are as follows:

Business-Type Activities

	Principal Payments	Interest Payments	Total Payments
2025	$5,858	$417	$6,275
2026	$6,004	$271	$6,275
2027	$5,159	$121	$5,280
Total:	$17,021	$809	$17,830

Governmental Activities

	Principal Payments	Interest Payments	Total Payments
2025	$116,883	$7,461	$124,344
2026	$125,076	$3,973	$129,049
2027	$43,662	$639	$44,301
2028	$4,878	$83	$4,961
Total:	$290,499	$12,156	$302,655

NOTE 10: LONG-TERM DEBT

The City issues general obligation and revenue bonds to finance the purchase of capital assets and the construction of infrastructure. Bonded indebtedness has also been entered into (currently and in prior years) to advance refund several general obligation and revenue bonds. General obligation bonds have been issued for general government and are being repaid from the applicable resources. The revenue bonds are being repaid by proprietary fund revenues. The City is also liable for state loans that were entered into for the construction of street infrastructure. These loans are considered obligations of the general government and are being repaid with general governmental revenue sources. The City currently has zero lines of credit utilized or available for use, and there are no assets pledged as collateral for any issued debt.

BONDS

General Obligation Bonds are a direct obligation of the City for which its full faith and credit are pledged. Debt service is paid from the Debt Service Funds and Proprietary funds as appropriate. Debt service for voter-approved issues is funded by special property tax levies. Debt service for non-voted issues is funded from the regular property taxes.

The City of Poulsbo did not issue any new General Obligation debt in 2024.

As of December 31, 2024 the governmental long-term debt of the City consisted of the following:

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Issuance Date	Purpose	Original Issue	Interest Rates	Maturity Date	Debt Outstanding
2015	2015 GO Debt: Refunded 2005 GO Bond and callable portion of the 2009 GO Bond	7,320,000	2-4%	2033	3,230,000
2022	LOCAL Program GO Bonds: Issued to provide funds to purchase Fleet Vehicles	520,000	3-5%	2026	258,257
2021	2021 GO Debt: Refunded 2012 GO Bond, Issued to provide funds for Noll Road and the Public Works Property	4,111,701	1-2.2%	2040	3,184,987
				Total	**$ 6,673,243**

Revenue Bonds are payable from revenues generated by the Water/Sewer Enterprise Fund. A reserve of cash to meet obligations is a requirement of the issued debt. The 2018 Revenue Bond does have a 10- year call provision that is not anticipated to be exercised.

As of December 31, 2024, the long-term debt payable from proprietary fund resources consisted of the following:

Issuance Date	Purpose	Original Issue	Interest Rates	Maturity Date	Debt Outstanding
2018	City's share of Kitsap County wastewater treatment facilities improvements	$ 6,970,000	3-5%	2038	$ 5,360,000
2021	2021 GO Debt: Refunded 2012 GO Bond, Issued to provide funds for Noll Road and the Public Works Property	2,179,374	1-2.2%	2040	1,809,988
				Total	**$ 7,169,988**

PUBLIC WORKS TRUST FUND LOANS

State of Washington Public Works Trust Fund Loans (PWTF) are intergovernmental loans from the Public Works Board to undertake local public works projects. These loans are a direct responsibility of the City. As of fiscal year 2024, the City of Poulsbo does not have any PWTF loans.

INSTALLMENT PURCHASE

The City of Poulsbo has entered into an installment purchase agreement for financing machinery and equipment. The gross amount of assets acquired under installment purchases are recorded by major asset class. The minimum future lease payments in total and for each of the next five years, and, at a minimum, are minimum future lease payments for subsequent years reported in five-year increments. The final payment of $13,895 was made in 2024.

This agreement qualified as an installment purchase for accounting purposes, therefore, had been recorded at the present value of the future minimum installment payments as of the inception date.

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DEBT SERVICE REQUIREMENTS TO MATURITY FOR PRIMARY GOVERNMENT

The debt service requirements for the City of Poulsbo's bonds, loans, pension-related liability, and notes are as follows:

Year Ended Dec 31	General Obligation Bonds Governmental Activities			Revenue Bonds and General Obligaion Bonds Business-Type Activities		
	Principal	Interest	Total	Principal	Interest	Total
2025	979,758	195,304	1,175,063	390,050	253,936	643,986
2026	665,457	161,619	827,076	401,241	241,145	642,386
2027	542,634	142,196	684,829	412,556	227,829	640,385
2028	557,072	126,929	684,001	428,993	213,993	642,986
2029-2033	2,811,916	378,745	3,190,661	2,411,104	811,973	3,223,078
2034-3038	781,202	83,683	864,885	2,869,013	343,567	3,212,580
2039-2044	335,205	10,748	345,953	257,030	8,241	265,271
Total	$ 6,673,243	$1,099,224	$ 7,772,467	$7,169,988	$2,100,685	$ 9,270,673

ARBITRAGE REBATE

Rebatable arbitrage is defined by the Internal Revenue Service Code Section 148 as earnings on investments purchased from the gross proceeds of a bond issue in excess of the amount which would have been earned if the investments were invested at a yield equal to the yield on the bond issue. The rebatable arbitrage must be paid to the federal government. The City of Poulsbo monitors its investments to restrict earnings to a yield less

than the bond issue and therefore limit any arbitrage liability. As of December 31, 2024, the City has no arbitrage rebate liability.

LONG-TERM LIABILITIES

Long-term liability activity for the year ended December 31, 2024 was as follows:

	Beginning Balance	Additions	Reductions	Ending Balance	Due Within One Year
Governmental Activities					
Bonds payable:					
General obligation bonds	$ 7,612,668	$ -	$ 939,425	$ 6,673,243	$ 979,758
Plus Unamortized Bond Premium	425,673	-	46,746	378,928	46,746
Net Pension Liability	687,454	501,870	687,454	501,870	-
Total OPEB Liability	1,132,830	1,025,559	1,132,830	1,025,559	46,327
Compensated Absences	889,783	969,760	681,142	1,178,401	235,706
Leases	186,347	270,761	96,798	360,310	113,026
Subscription-Based Technology Agreements	191,285	248,631	149,417	290,499	116,883
Installment Purchase	13,895	-	13,895	-	-
Total Governmental activity long-term liabilities	**11,139,935**	**3,016,581**	**3,747,706**	**10,408,810**	**1,538,446**
Business-type Activities					
Bonds payable:					
Revenue Bonds	5,640,000	-	280,000	5,360,000	290,000
General obligation bonds	1,908,929	-	98,941	1,809,988	100,050
Less Unamortized Bond Discount	(20,706)	-	(1,380)	(19,326)	(1,380)
Plus Unamortized Bond Premium	452,370	-	30,158	422,212	30,158
Net Pension Liability	240,066	171,908	240,066	171,908	-
Compensated Absences	231,114	280,344	181,661	329,797	50,207
Subscription-Based Technology Agreements	-	17,021	-	17,021	
Total Business-type activity long-term liabilities	**$ 8,451,772**	**$ 452,253**	**$ 829,446**	**$ 8,091,601**	**$ 469,034**

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For the governmental funds, long-term liabilities other than debt (i.e., compensated absences and other postemployment benefits) are generally liquidated in the general and other governmental funds.

NOTE 11: CONTINGENCIES AND LITIGATIONS

GRANTS

The City participates in several federal- and state-assisted programs. These grants are subject to audit by the grantors or their representatives. Such audits could result in requests for reimbursement to grantor agencies for expenditures disallowed under the terms of the grants. The amount, if any, of expenditures that may be disallowed by the granting agencies cannot be determined at this time, although the City expects such amounts, if any, to be immaterial.

LITIGATION

In the opinion of management, the City's insurance policies are adequate to pay all known or pending claims, suits and other actions in which payment is considered probable (see Note No. 7 – Risk Management). Currently, there are no judgments against the City, and the City has no material contingent liabilities for which it does not also have insurance coverage. As a result, the City has no recorded contingent liabilities because management believes it is not probable payment will be required.

CONTRACTUAL COMMITMENTS

As of December 31, 2024, the City had 12 significant contractual obligations with the following balances:

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Project	Vendor	Amount
Nordic Cottages Construction	BJC Group Inc	$ 2,608,398
Poulso Event & Recreation Center (PERC) Design & Development	ABHL	858,640
Raab Park Play for All Construction	W.S. Contractors	464,126
3rd Avenue Improvements - Design	Perteet Engineering	406,099
Johnson Parkway/SR 305 Roundabout	Active Construction	132,873
Noll/Johnson Pkwy Project (all elements)	Parametrix Inc	104,581
Nordic Cottages Project Management	Kitsap Consolidated Housing Aut	83,716
Nordic Cottages Architectural Serivces	Coates Design	74,160
Road Striping Project	Pavement Surface Control	71,021
Rotary Morrow Park Construction	Beisley Enterprises LLC	69,165
Landscape Maintenance	Coeur Capital Inc dba Legionary	29,347
305 Mitigation Site Land Transfer	WA St Dept of Transportation	7,713
		$ 4,909,839

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NOTE 12: JOINT VENTURES

SEWER TREATMENT PLANT

The City has an agreement with Kitsap County to provide use of the sewer treatment plant. The plant was jointly built in 1977 to offer sufficient capacity for both the County and the City. The plant is owned and operated by the County but provides the City ownership guaranteeing the City flow capacity. The agreement requires the City to pay its share of the costs to operate the plant and any necessary capital improvements.

The financials for Kitsap County are available at www.kitsapgov.com or by contacting the Kitsap County Auditor's Office at 614 Division Street, Port Orchard, Washington 98366 (360) 337-7129.

FIRE C.A.R.E.S. PROGRAM (COMMUNITY ASSISTANCE, REFERRAL, AND EDUCATION SERVICES)

The City has an agreement with Central Kitsap Fire & Rescue for the purpose of connecting members of the community who use the 911 system or emergency department for non-urgent or non-emergency purposes to primary care providers, other health care professionals, low-cost medication programs, and other social services. This is accomplished via RCW 35.21.930, which authorizes fire departments to utilize EMTs, paramedics, and other healthcare professionals to provide community outreach and assistance to residents to improve population health and advance illness and injury prevention.

The goal of this program is to prevent and reduce the impacts of disabling chemical dependency and mental illness. This is accomplished by creating and investing in data-driven programs for recovery- oriented systems of care per RCW 82.14.460. The project provides a Kitsap County Fire CARES Program, which consists of one mobile unit based at the Poulsbo Fire Department (PFD) and one unit based at Central Kitsap Fire & Rescue (CKF&R). The CARES units are staffed by a crisis intervention officer and a behavioral health professional who respond to behavioral health situations (including mental illness, substance abuse, overdose, and suicidality.) Services are focused in North & Central Kitsap, but referrals are accepted throughout the County.

As of December 31, 2023 the City turned the North Kitsap Fire CARES portion of the program over to the Poulsbo Fire Department and is no longer partnered with PFD. The City, through AWC funding, continued its partnership with CKF&R through June 30, 2024, and at that time ceased involvement in the program and the Central Kitsap Fire CARES program was turned over to CKF&R.

In 2024, funding for the FIRE C.A.R.E.S program was funded from the following source:

- Association of Washington Cities grant for $260,000. $97,598 was expended in 2023 and $160,096 in 2024

The financials for Central Kitsap Fire & Rescue are available at https://www.ckfr.org or by contacting Central Kitsap Fire & Rescue at 5300 NW Newberry Hill Rd, Silverdale, WA 98383, (360) 447-3550.

POULSBO EVENT AND RECREATION CENTER (PERC)

The Poulsbo Event and Recreation Center (PERC) is a collaboration between the City of Poulsbo, the Kitsap Public Facilities District (KPFD), and the community to create a new public facility in Poulsbo for indoor and outdoor recreation and events. The City has entered into an ILA with KPFD for the purpose of design and construction of the first phase of the project, which consists of two tournament fields with outdoor recreation elements (walking circuit, sports courts, playground, parking, landscaping) and a facility to include restrooms and concessions. The agreement with KPFD shares costs with annual payments through 2041 supporting an anticipated debt issue and requires the City to be out for bid and award a contract by

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December 31, 2025, for the construction of phase 1.

The financials for the Kitsap Public Facilities District (KPFD) are available at https://www.kitsap-pfd.org/ or by contacting the KPFD office at 19980 10th Ave NE, Suite 204F Poulsbo, WA 98370 (360) 698- 1885.

NORDIC COTTAGES

The City of Poulsbo has entered an interlocal agreement with the Kitsap County Consolidated Housing Authority (KCCHA) to manage the planned Nordic Cottages project. The Nordic Cottages will provide an affordable housing option for senior citizens.

Construction of Cottages commenced in 2024. Funding for the Nordic Cottage project will be through debt issues and payments guaranteed by the City Council approved 0.01% sales tax increase. When the project is completed, the Kitsap County Consolidated Housing Authority will be managing the facility. The collected rent and the 0.01% Sales Tax for Affordable Housing will fund the continued maintenance and future debt obligations.

The City received grant funding for a share of the construction of the Cottages from the Department of Commerce (DOC) as part of the Connecting Housing to Infrastructure (CHIP) Program in the amount of $144,535, which was fully expended. DOC also passed through ARPA and SLFRF funds via the CHIP program in the amount of $313,618 of which $276,501 was expended in 2024.

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NOTE 13: POSTEMPLOYMENT BENEFITS OTHER THAN PENSIONS

LAW ENFORCEMENT OFFICERS' AND FIRE FIGHTERS' RETIREMENT SYSTEM (LEOFF)

The following table represents the aggregate OPEB amounts for all plans subject to the requirements of the GASB Statement 75, *Accounting and Financial Reporting for Postemployment Benefits Other than Pensions* for the year 2024:

Aggregate OPEB Amounts - All Plans	
OPEB Liabilities	$1,025,559
Deferred outflows of resources	13,690
OPEB expenses/expenditures	28,832

Plan Description. The City of Poulsbo administers a single employer defined benefit healthcare plan. It is a closed plan that provides post-retirement health care benefits, in accordance with State statute to all LEOFF 1 *retirees*. As of December 31, 2024, there are 2, LEOFF 1 retirees covered by the benefit terms. There are no active employees receiving benefits covered under this plan. This plan was closed to new entrants on October 1, 1977.

Benefits Provided. The City reimburses one hundred percent of the amount of validated claims for medical and hospitalization costs incurred by retirees. State statute provides that the City's responsibility for medical payments of LEOFF 1 retirees is secondary to any other coverage retirees receive or are eligible to receive. Therefore, upon reaching the eligible age for Medicare, the City requires the retirees to pay for and utilize Medicare Part B coverage.

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Employees Covered by Benefit Terms. At December 31, 2024, the following employees were covered by the benefit terms:

Inactive employee or beneficiaries currently receiving benefits	2
Inactive employees entitled to but not yet receiving benefits	0
Active employees	0
Total	2

Funding Policy. Employer contributions are financed on a pay-as-you-go basis and there are no assets accumulated in a qualifying trust. Expenditures for post-retirement health care benefits are recognized as retirees report claims. During the year, expenditures of $30,206 were recognized for post-retirement health care.

Total OPEB Liability. The City has elected to calculate the total OPEB liability using the alternative measurement method permitted by GASB Statement 75 for employers with plans that have fewer than one hundred total plan members. The City's total OPEB liability of $1,025,559 was measured as of June 30, 2024, and was determined using the entry age valuation method on that date.

Valuation assumptions and other inputs. The total OPEB liability in the June 30, 2024, valuation was determined using the following assumptions and other inputs, applied to all periods included in the measurement, unless otherwise specified. Unless noted otherwise, assumptions and inputs are consistent with the 2024 LEOFF 1 Medical Benefits Actuarial Valuation Report published by the Washington State Actuary's Office:

Inflation :	3.65%
Discount Rate:	3.93%
Healthcare cost trend rates:	Initial medical costs rate is approximately 4.5%, and varies by year. Long-term care is 4.75%. Medicare Part B premiums is approximately 5.0%, and varies by year.

A 4.5% general inflation rate was used based on the CPI for Urban Wage Earners and Clerical Workers, Seattle-Tacoma-Bellevue, WA - All Items.

The discount rate is based on the Bond Buyer General Obligation 20-Bond Municipal Index.

Mortality rates were based on the RP-2000 Mortality Table for males with adjustments for mortality improvements based on Scale BB.

Sensitivity of the Total OPEB Liability

Healthcare Cost Trend Rate. The following presents the total OPEB liability of the City of Poulsbo calculated using the current healthcare cost trend rate of 4.5 percent, as well as what the OPEB liability would be if it were calculated using a healthcare cost trend rate that is 1 -percentage point lower (3.5%) or 1-percentage point higher (5.5%) than the current rate.

	1% Decrease (3.5%)	Current healthcare Cost Trend Rate (4.5%)	1% Increase (5.5%)
Total OPEB Liability	$944,167	$1,025,559	$1,116,899

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Discount Rate. The following presents the total OPEB liability of the City of Poulsbo calculated using the current discount rate of 3.93 percent, as well as what the OPEB liability would be if it were calculated using a discount rate that is 1-percentage point lower (2.93%) or 1-percentage point higher (4.93%) than the current rate.

	1% Decrease (2.93%)	Current healthcare Cost Trend Rate (3.93%)	1% Increase (4.93%)
Total OPEB Liability	$1,123,361	$1,025,559	$940,342

Changes in experience data and assumptions reflect a change in the discount rate from 3.65 percent in 2023 to 3.93 percent in 2024.

Change in the Total OPEB Liability	
Balance at 6/30/2023	$ 1,132,830
Changes for the year:	
Interest Cost	40,299
Changes in Experience Data and Assumptions	(89,539)
Estimated Benefit Payments	(58,031)
Net changes	(107,271)
Balance at 6/30/2024	$ 1,025,559

Deferred outflows of resources of $13,690 resulting from payments subsequent to the measurement date will be recognized as a reduction of the total OPEB liability in the year ended December 31, 2024.

At December 31, 2024 the City of Poulsbo reported deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources:

	Deferred Outflows of Resources	**Deferred Inflows of Resources**
Differences between expected and actual experience	$ -	$ -
Changes of assumptions	$ -	$ -
Payments subsequent to the measurement date	$ 13,690	$ -
TOTAL*	$ 13,690	$ -

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NOTE 14: ACCOUNTING CHANGES AND ERROR CORRECTIONS

During fiscal year 2024, the City of Poulsbo implemented GASB Statement No. 101, *Compensated Absences.* In addition to the value of unused vacation time owed to employees upon separation of employment, the City of Poulsbo now recognizes an estimated amount of sick leave earned as of year-end will be used by employees as time off in future years as part of the liability for compensated absences. The effects of the change in account principle are summarized below in the "Restatement – GASB 101 implementation" column in the table below.

	Net Position/fund balance 12/31/23 as previously reported	Restatement - GASB 101 implementation	Net position/fund balance 12/31/23 as restated
Government-wide			
Governmental activities	$ 106,970,839	$ (59,955)	$ 106,910,885
Business-type activities	109,125,625	(17,360)	$ 109,108,264
Total government-wide	**216,096,464**	**(77,315)**	**216,019,149**
Business-type funds			
Water Fund	28,082,841	(4,050)	$ 28,078,791
Sewer Fund	50,793,708	(4,138)	$ 50,789,570
Garbage Fund	3,517,915	(4,797)	$ 3,513,118
Storm Drain Fund	26,731,160	(4,375)	$ 26,726,785
Total Business-type funds	**109,125,624**	**(17,360)**	**109,108,264**

*Note: A material liability adjustment was made for a change to an accounting estimate in FY2024 for the Noll Rd Phase III Construction. Both the expense and liability were reduced when a final payment to the contractor was lower than anticipated, but the change did not warrant reporting as an accounting change or error correction.

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NOTE 15: RECONCILIATION OF NET INVESTMENT IN CAPITAL ASSETS

Governmental Activities:		***Business-Type Activities:***	
Capital Assets, Net of Depreciation	$ 97,549,502	Capital Assets, Net of Depreciation	$ 93,486,958
General Obligation Bonds Payable	(7,324,053)	Revenue Bonds Payable	(7,187,009)
Unamortized premium on Bonds	(378,928)	Unamortized premium on Bonds	(422,212)
Deferred Outflows - Loss on Refunding	302,964	Unamortized discount on Bonds	19,326
Payables	(1,354,084)	Payables	(4,833)
Net Investment in Capital Assets	**$ 88,795,402**	***Net Investment in Capital Assets***	**$ 85,892,229**

NOTE 16: SUBSEQUENT EVENTS

The Cannabis Code Amendments to the Poulsbo Municipal Code were adopted February 14, 2024, as sections 18.40.030, 18.80.030, 18.80.080, allowing retail cannabis within two zones of the city limits. The first retail location opened in late 2024, and cannabis excise tax revenue was first received in March 2025.

The Poulsbo City Council passed Ordinance No. 2023-18 in December 2023, establishing a Business and Occupation (B&O) Tax to raise revenue for continuing operations. The City based this ordinance on the model prepared by the Association of Washington Cities as required by RCW 35.102.140. The tax became effective as of July 1, 2024, so 2025 will be the first full year of tax collection.

Ordinance No. 2023-16 became effective in November 2023, allowing the City to install Automated Traffic Safety Cameras through the authorization of RCW 46.63.170. A speed report analysis identified three locations in City limits: speed cameras at Noll Rd fronting Poulsbo Elementary School and on Viking Ave at Stendahl Ct., and a red-light camera at the traffic signals on SR305 at Bond Rd. The speed cameras began measuring speeds in late 2024 with the first tickets issued on October 22, 2024, and the traffic signal camera on SR305 is expected to be turned on in 2025. A full year of fine collection will begin in 2025 or later.

The first Poulsbo City Administrator was hired in late 2024 and started in 2025. This position will allow the City to reduce the Mayor's position to part-time in 2026 after the next mayoral election in 2025.

NOTE 17: ASSET RETIREMENT OBLIGATIONS

The City has seven water wells. Under state law, water wells are required to be decommissioned upon their abandonment. Presently, all wells are maintained in good condition through repairs and rehabilitation. The Department of Ecology has not required any decommission during the annual permit process. There is no plan to shut down or decommission the City's existing wells in the foreseeable future, so the City has no asset retirement obligations as of December 31, 2024.

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REQUIRED SUPPLEMENTARY INFORMATION
SCHEDULE OF CHANGES IN TOTAL OPEB LIABILITY AND RELATED RATIOS
LEOFF 1
As of June 30, 2024

	2024	2023	2022	2021	2020	2019	2018
Total OPEB liability - beginning	$ 1,132,830	$ 1,103,715	$ 1,178,033	$ 1,151,313	$ 1,215,855	$ 1,185,697	$ 1,220,280
Interest	40,299	38,333	25,049	25,008	41,770	45,286	43,106
Changes in Experience Data and Assumptions	(89,539)	32,890	(62,462)	41,424	(61,081)	16,187	(45,011)
Estimated Benefit Payments	(58,031)	(42,108)	(36,905)	(39,712)	-	(31,315)	(32,678)
Benefit payments					(45,231)	-	-
Total OPEB liability - ending	$ 1,025,559	$ 1,132,830	$ 1,103,715	$ 1,178,033	$ 1,151,313	$ 1,215,855	$ 1,185,697
Covered-employee payroll*	0	0	0	0	0	0	0
Total OPEB liability as a % of covered payroll	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%

Notes to Schedule:

***** No active employees

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.

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REQUIRED SUPPLEMENTARY INFORMATION
SCHEDULE OF PROPORTIONATE SHARE OF THE NET PENSION LIABILITY
PERS 1
As of June 30, 2024
Last 10 years

	2024	2023	2022	2021	2020	2019	2018	2017	2016	2015
Employer's proportion of the net pension liability (asset)	0.037920%	0.040632%	0.039458%	0.039203%	0.041138%	0.042353%	0.040400%	0.038376%	0.038976%	0.037386%
Employer's proportionate share of the net pension liability	$ 673,777	$ 927,520	$ 1,098,656	$ 478,760	$ 1,452,394	$ 1,628,623	$ 1,804,278	$ 1,820,971	$ 2,093,195	$ 1,955,635
Total	$ 673,777	$ 927,520	$ 1,098,656	$ 478,760	$ 1,452,394	$ 1,628,623	$ 1,804,278	$ 1,820,971	$ 2,093,195	$ 1,955,635
Employer's covered payroll	$ 7,599,482	$ 7,246,184	$ 6,440,352	$ 6,025,440	$ 6,244,760	$ 5,943,262	$ 5,379,587	$ 4,839,503	$ 4,671,276	$ 4,285,003
Employer's proprtionate share of the net pension liability as a percentage of covered payroll	8.87%	12.80%	17.06%	7.95%	23.26%	27.40%	33.54%	37.63%	44.81%	45.64%
Plan fiduciary net position as a percentage of the total pension liability	84.05%	80.16%	76.56%	88.74%	68.64%	67.12%	61.24%	61.24%	57.03%	59.10%

Notes to Schedule:
See notes to Required Supplementary Information

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REQUIRED SUPPLEMENTARY INFORMATION
SCHEDULE OF PROPORTIONATE SHARE OF THE NET PENSION LIABILITY
PERS 2/3
As of June 30, 2024
Last 10 years

	2024	2023	2022	2021	2020	2019	2018	2017	2016	2015
Employer's proportion of the net pension liability (asset)	0.049104%	0.052417%	0.051469%	0.050378%	0.053582%	0.054678%	0.051875%	0.049363%	0.049929%	0.048290%
Employer's proportionate share of the net pension liability	$ (1,618,749)	$ (2,148,407)	$ (1,908,872)	$ (5,018,459)	$ 685,283	$ 531,109	$ 885,719	$ 1,715,128	$ 2,513,886	$ 1,725,429
Total	$ (1,618,749)	$ (2,148,407)	$ (1,908,872)	$ (5,018,459)	$ 685,283	$ 531,109	$ 885,719	$ 1,715,128	$ 2,513,886	$ 1,725,429
Employer's covered payroll	$ 7,599,482	$ 7,246,184	$ 6,440,352	$ 6,025,440	$ 6,244,760	$ 5,943,262	$ 5,379,587	$ 4,839,503	$ 4,671,276	$ 4,285,003
Employer's proprtionate share of the net pension liability as a percentage of covered payroll	-21.30%	-29.65%	-29.64%	-83.29%	10.97%	8.94%	16.46%	35.44%	53.82%	40.27%
Plan fiduciary net position as a percentage of the total pension liability	105.17%	107.02%	106.73%	120.29%	97.22%	97.77%	95.77%	90.97%	85.82%	89.20%

Notes to Schedule:
See notes to Required Supplemetary Information

Draft

REQUIRED SUPPLEMENTARY INFORMATION
SCHEDULE OF PROPORTIONATE SHARE OF THE NET PENSION LIABILITY
LEOFF 1
As of June 30, 2024
Last 10 years

	2024	2023	2022	2021	2020	2019	2018	2017	2016	2015
Employer's proportion of the net pension liability (asset)	0.001883%	0.001828%	0.001784%	0.001736%	0.001694%	0.001707%	0.002911%	0.002999%	0.003743%	0.005085%
Employer's proportionate share of the net pension liability	$ (53,550)	$ (54,255)	$ (51,176)	$ (59,468)	$ (31,991)	$ (33,741)	$ (52,849)	$ (45,501)	$ (38,564)	$ (61,282)
State's proportionate share of the net pension liability (asset) associated with the employer	$ (652,501)	$ (366,983)	$ (346,154)	$ (402,238)	$ (216,389)	$ (228,222)	$ (357,471)	$ (307,771)	$ (260,843)	$ (366,222)
Total	$ (706,051)	$ (421,238)	$ (397,330)	$ (461,706)	$ (248,380)	$ (261,962)	$ (410,320)	$ (353,272)	$ (299,407)	$ (427,504)
Employer's covered payroll	0	0	0	0	0	0	0	0	0	0
Employer's proprtionate share of the net pension liability as a percentage of covered payroll	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
Plan fiduciary net position as a percentage of the total pension liability	168.48%	175.99%	169.62%	187.45%	146.88%	148.78%	144.42%	135.96%	123.74%	127.36%

Notes to Schedule:
See notes to Required Supplemetary Information

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REQUIRED SUPPLEMENTARY INFORMATION
SCHEDULE OF PROPORTIONATE SHARE OF THE NET PENSION LIABILITY
LEOFF 2
As of June 30, 2024
Last 10 years

	2024	2023	2022	2021	2020	2019	2018	2017	2016	2015
Employer's proportion of the net pension liability (asset)	0.053690%	0.056698%	0.052882%	0.051608%	0.054246%	0.057162%	0.056707%	0.053352%	0.053380%	0.053889%
Employer's proportionate share of the net pension liability	$ (1,005,477)	$ (1,359,957)	$ (1,437,173)	$ (2,997,606)	$ (1,106,539)	$ (1,324,268)	$ (1,151,276)	$ (740,353)	$ (310,474)	$ (553,871)
State's proportionate share of the net pension liability (asset) associated with the employer	(652,501)	(868,455)	(930,969)	(1,933,783)	(707,548)	(867,218)	(745,429)	(480,253)	(202,407)	(366,222)
Total	$ (1,657,978)	$ (2,228,412)	$ (2,368,142)	$ (4,931,390)	$ (1,814,087)	$ (2,191,486)	$ (1,896,705)	$ (1,220,606)	$ (512,881)	$ (920,093)
Employer's covered payroll	$ 2,540,692	$ 2,464,311	$ 2,116,086	$ 1,991,498	$ 2,040,369	$ 1,988,602	$ 1,858,381	$ 1,668,942	$ 1,617,108	$ 1,564,053
Employer's proprtionate share of the net pension liability as a percentage of covered payroll	39.57%	55.19%	67.92%	150.52%	54.23%	66.59%	61.95%	44.36%	19.20%	35.41%
Plan fiduciary net position as a percentage of the total pension liability	109.27%	113.17%	116.09%	142.00%	115.83%	119.43%	118.50%	113.36%	106.04%	111.67%

Notes to Schedule:
See notes to Required Supplemetary Information

Draft

REQUIRED SUPPLEMENTARY INFORMATION
SCHEDULE OF EMPLOYER CONTRIBUTIONS
PERS 1
For the year ended December 31, 2024
Last 10 years

	2024	2023	2022	2021	2020	2019	2018	2017	2016	2015
Statutorily or contractually required contributions	$ 215,663	$ 257,506	$ 259,173	$ 258,233	$ 299,031	$ 303,261	$ 286,998	$ 249,559	$ 224,037	$ 199,036
Contributions in relation to the statutorily or contractually required contributions	(215,663)	(257,506)	(259,173)	(258,233)	(299,031)	(303,261)	(286,998)	(249,559)	(224,037)	(199,036)
Covered payroll	$ 7,826,998	$ 7,530,903	$ 6,907,296	$ 5,975,580	$ 6,239,868	$ 6,119,710	$ 5,670,880	$ 5,098,268	$ 4,696,806	$ 4,510,640
Contributions as a percentage of covered payroll	2.76%	3.42%	3.75%	4.32%	4.79%	4.96%	5.06%	4.89%	4.77%	4.41%

Notes to Schedule:
See notes to Required Supplemetary Information

Draft

REQUIRED SUPPLEMENTARY INFORMATION
SCHEDULE OF EMPLOYER CONTRIBUTIONS
PERS 2/3
For the year ended December 31, 2024
Last 10 years

	2024	2023	2022	2021	2020	2019	2018	2017	2016	2015
Statutorily or contractually required contributions	$ 497,798	$ 478,966	$ 439,305	$ 429,186	$ 494,198	$ 471,748	$ 425,275	$ 348,499	$ 292,611	$ 255,711
Contributions in relation to the statutorily or contractually required contributions	(497,798)	(478,966)	(439,305)	(429,186)	(494,198)	(471,748)	(425,275)	(348,499)	(292,611)	(255,711)
Covered payroll	$ 7,826,998	$ 7,530,903	$ 6,907,296	$ 5,975,580	$ 6,239,868	$ 6,119,710	$ 5,670,880	$ 5,098,268	$ 4,696,806	$ 4,510,640
Contributions as a percentage of covered payroll	6.36%	6.36%	6.36%	7.18%	7.92%	7.71%	7.50%	6.84%	6.23%	5.67%

Notes to Schedule:
See notes to Required Supplemetary Information

Draft

REQUIRED SUPPLEMENTARY INFORMATION
SCHEDULE OF EMPLOYER CONTRIBUTIONS
LEOFF 2
For the year ended December 31, 2024
Last 10 years

	2024	2023	2022	2021	2020	2019	2018	2017	2016	2015
Statutorily or contractually required contributions	$ 136,324	$ 129,942	$ 122,486	$ 101,429	$ 107,243	$ 104,711	$ 102,989	$ 91,334	$ 80,293	$ 80,712
Contributions in relation to the statutorily or contractually required contributions	(136,324)	(129,942)	(122,486)	(101,429)	(107,243)	(104,711)	(102,989)	(91,334)	(80,293)	(80,712)
Covered payroll	$ 2,631,343	$ 2,501,016	$ 2,361,716	$ 1,963,717	$ 2,074,471	$ 1,989,036	$ 1,937,302	$ 1,776,493	$ 1,589,968	$ 1,598,225
Contributions as a percentage of covered payroll	5.18%	5.20%	5.19%	5.17%	5.17%	5.26%	5.32%	5.14%	5.05%	5.05%

Notes to Schedule:
See notes to Required Supplemetary Information

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Notes to Required Supplementary Information – Pensions
December 31, 2024

Note 1 – Information provided

There are no City employees participating in the PERS 1 or LEOFF 1 plans in 2024; therefore, there is no covered payroll reported under LEOFF 1.

PERS 1 employer contributions include the PERS 1 employer contributions of PERS 2 and PERS 3, which are required to fund the unfunded actuarially accrued liability pursuant to RCW 41.45.060.

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.

Note 2 – Significant errors

There were no changes of benefit terms, significant changes in the employees covered under the benefit terms or in the use of different assumptions.

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NONMAJOR GOVERNMENTAL FUNDS

Special Revenue Funds

Special Revenue Funds are established to account for the proceeds of specific revenue sources that are internally or legally restricted to expenditures for specific purposes.

The **City Street Fund** accounts for special revenue funds received to provide general governmental services for the administration and operation of street-oriented maintenance and repair.

The **Capital Improvements Fund** accounts for the receipt and expenditure of the first ¼ of 1% real estate excise tax authorized by State RCW 82.46. These revenues are dedicated for capital purposes defined in RCW 35.43.040, including public buildings and facilities.

The **Transportation Benefit District Fund** accounts for special revenue funds received from 1/10 of 1% sales tax and additional assessment on Vehicle Licensing. These revenues are for construction, operations, repair, and maintenance of roads and sidewalks.

The **Transportation Development Fund** accounts for all traffic and sidewalk mitigation fees collected from developers.

The **Park Development Fund** was established to account for park mitigation and impact fees paid by developers.

The **Affordable Housing Fund** accounts for state shared sales and use tax assessed from prior year taxable retail sales within the city for the use of acquiring, rehabilitating, or constructing affordable or supportive housing, or may be used to provide rental assistance to tenants that are at or below 60% of the median income.

The **Historic Downtown Poulsbo Association** accounts for the assessments collected by the City for the use by the downtown business improvement area expenses to promote downtown business.

The **Paths & Trails Fund** receives its funding from the .5% of the State fuel taxes to be used specifically for paths and trails reserves.

The **Drug Enforcement Fund** accounts for monies and property seized during drug investigations per RCW 69.50.505. All monies paid into the funds are to be used by the police department for drug enforcement purposes.

The **Transient Occupancy Fund** accounts for the City's share of the hotel-motel taxes for the purpose of promoting tourism.

The **Police Restricted Fund** accounts for various revenues to be used specifically for criminal justice activities.

Debt Service Funds

Debt Service Funds account for the accumulation of resources for and the payment of general obligation and special assessment bonds.

The **Non-Voted General Obligation Debt** accounts for the debt service on Council approved general obligation debt. Currently this includes four bond issues.

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Capital Projects Funds

Capital Projects Funds account for the acquisition or construction of capital facilities (except for those financed primarily by proprietary funds). These funds are financed primarily by general obligation bonds, special assessments, federal and state grants, and contributions from other funds.

The **Equipment Acquisition Fund** was established to account for money used to purchase and replace existing capital equipment. Funding for the purchases is from a percentage of sales tax revenues.

The **Park Reserve Fund** was established to account for money used for improvements to the City parks and the urban forestry program. Funding is from a transfer from the General Fund.

The **Transportation Benefit District Capital Fund** was established to fund capital projects relating to roads and sidewalks.

The **Cemetery Reserve Fund** was established to account for money collected from grave site sales used to make improvements to the City cemetery.

The **Facilities Fund** was established to fund capital improvements to the City facilities.

Permanent Fund

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Permanent funds are used to report resources that are legally restricted to the extent that only earnings, not principal, may be used for purposes that support the reporting government's programs.

The **Bernice Borgen Beautification Fund** is used to account for principal trust amounts received from Bernice Borgen estate and related interest income. The interest portion of the trust can be used for the beautification of the City.

COMBINING BALANCE SHEET
NONMAJOR GOVERNMENTAL FUNDS
DECEMBER 31, 2024

	Special Revenue Funds						
	City Street Fund	Transportation Benefit District Fund	Capital Improvements Fund	Transportation Development Fund	Park Development Fund	Affordable Housing Fund	Historic Downtown Poulsbo Association Fund
Assets							
Cash and Cash Equivalents	$ 282,027	$ 413,111	$ 48,287	$ 309,983	$ 44,035	$ 131,699	$ 61,389
Investments	246,611	724,968	2,565,079	1,625,930	676,296	955,255	36,291
Receivables *(net allowance for uncollectibles)*							
Taxes	105,166	69,854	122,203	-	-	121,059	-
Accounts	-	-	-	-	-	-	6,902
Intergovernmental	-	-	-	-	-	-	-
Cash and Investments - Restricted	-	-	-	-	-	-	-
Total Assets	**633,804**	**1,207,933**	**2,735,570**	**1,935,913**	**720,331**	**1,208,014**	**104,582**
Deferred Outflows of Resources	**-**	**-**	**-**	**-**	**-**	**-**	**-**
Liabilities							
Accounts Payable	31,753	-	-	-	-	1,500	18,961
Payroll	18,719	-	-	-	-	1,720	-
Custodial Accounts	2,668	-	-	-	-	-	-
Total Liabilities	**53,140**	**-**	**-**	**-**	**-**	**3,220**	**18,961**
Deferred Inflows of Resources	**-**	**-**	**-**	**-**	**-**	**-**	**-**
Fund Balances							
Nonspendable Fund Balance	-	-	-	-	-	-	-
Restricted Fund Balance	-	1,207,933	2,735,570	1,935,913	720,331	1,204,793	85,621
Assigned Fund Balance	580,663	-	-	-	-	-	-
Total Fund Balance	**580,663**	**1,207,933**	**2,735,570**	**1,935,913**	**720,331**	**1,204,793**	**85,621**
Total Liabilities, Deferred Inflows of Resources and Fund Balances	**$ 633,804**	**$ 1,207,933**	**$ 2,735,570**	**$ 1,935,913**	**$ 720,331**	**$ 1,208,014**	**$ 104,582**

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COMBINING BALANCE SHEET *(continued)*
NONMAJOR GOVERNMENTAL FUNDS
DECEMBER 31, 2024

	Special Revenue Funds				
	Paths and Trails Fund	**Drug Enforcement Fund**	**Transient Occupancy Fund**	**Police Restricted Fund**	**Total Non-Major Special Revenue Funds**
Assets					
Cash and Cash Equivalents	$ 6,845	$ 6,856	$ 256,274	$ 48,589	$ 1,609,096
Investments	20,073	34,288	384,390	168,039	7,437,219
Receivables *(net allowance for uncollectibles)*					
Taxes	255	-	43,604	4,451	466,594
Accounts	-	-	-	-	6,902
Intergovernmental	-	-	-	-	-
Cash and Investments - Restricted	-	-	-	-	-
Total Assets	**27,173**	**41,145**	**684,268**	**221,079**	**9,519,810**
Deferred Outflows of Resources	**-**	**-**	**-**	**-**	**-**
Liabilities					
Accounts Payable	-	156	27,670	-	80,041
Payroll	-	-	4,150	-	24,589
Custodial Accounts	-	5,064	-	178	7,911
Total Liabilities	**-**	**5,220**	**31,820**	**178**	**112,541**
Deferred Inflows of Resources	**-**	**-**	**-**	**-**	**-**
Fund Balances					
Nonspendable Fund Balance	-	-	-	-	
Restricted Fund Balance	27,173	35,924	652,448	184,457	8,790,163
Assigned Fund Balance	-	-	-	36,443	617,106
Total Fund Balance	**27,173**	**35,924**	**652,448**	**220,900**	**9,407,270**
Total Liabilities, Deferred Inflows of Resources and Fund Balances	**$ 27,173**	**$ 41,145**	**$ 684,268**	**$ 221,079**	**$ 9,519,810**

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COMBINING BALANCE SHEET (continued)
NONMAJOR GOVERNMENTAL FUNDS
DECEMBER 31, 2024

Debt Service Funds		Capital Project Funds					
Non-Voted General Oblig Debt Fund	Total Non-Major Debt Service Funds	Equipment Acquisition Fund	Park Reserve Fund	Transportation Benefit District Capital Fund	Cemetery Reserve Fund	Facilities Fund	Total Non-Major Capital Project Funds
$ 5,673	$ 5,673	$ 250,105	$ 280,563	$ 200	$ 27,974	$ 401,987	$ 960,829
4,428	4,428	120,556	359,722	-	27,142	1,682,603	2,190,024
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
-	-	-	254,038	-	-	226,057	480,095
-	-	-	-	-	-	-	-
10,101	**10,101**	**370,661**	**894,324**	**200**	**55,116**	**2,310,646**	**3,630,947**
-	**-**	**-**	**-**	**-**	**-**	**-**	**-**
-	-	257	233,921	-	-	192,915	427,094
-	-	-	5,617	-	-	1,443	7,061
-	-	-	16,774	-	-	-	16,774
-	**-**	**257**	**256,312**	**-**	**-**	**194,359**	**450,928**
-							
-	**-**	**-**	**-**	**-**	**-**	**-**	**-**
-	-	-	-	-	-	-	-
10,101	10,101	-	-	-	-	-	-
-	-	370,404	638,012	200	55,116	2,116,288	3,180,019
10,101	**10,101**	**370,404**	**638,012**	**200**	**55,116**	**2,116,288**	**3,180,019**
$ 10,101	**$ 10,101**	**$ 370,661**	**$ 894,324**	**$ 200**	**$ 55,116**	**$ 2,310,646**	**$ 3,630,947**

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COMBINING BALANCE SHEET *(continued)*
NONMAJOR GOVERNMENTAL FUNDS
DECEMBER 31, 2024

	Permanent Fund	
	Bernice Borgen Beautification Trust Fund	**Total Non-Major Governmental Funds**
Assets		
Cash and Cash Equivalents	4,942	$ 2,580,540
Investments	-	9,631,671
Receivables *(net allowance for uncollectibles)*		
Taxes	-	466,594
Accounts	-	6,902
Intergovernmental	-	480,095
Cash and Investments - Restricted	94,989	94,989
Total Assets	**99,932**	**13,260,791**
Deferred Outflows of Resources	**-**	**-**
Liabilities		
Accounts Payable	-	507,134
Payroll	-	31,650
Custodial Accounts	-	24,685
Total Liabilities	**-**	**563,469**
Deferred Inflows of Resources	**-**	**-**
Fund Balances		
Nonspendable Fund Balance	91,016	91,016
Restricted Fund Balance	8,916	8,809,180
Assigned Fund Balance	-	3,797,126
Total Fund Balance	**99,932**	**12,697,322**
Total Liabilities, Deferred Inflows of Resources and Fund Balances	**$ 99,932**	**$ 13,260,791**

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COMBINING STATEMENT OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCES
NONMAJOR GOVERNMENTAL FUNDS
FOR THE YEAR ENDED DECEMBER 31, 2024

	Special Revenue Funds					
	City Street Fund	Transportation Benefit District Operations	Capital Improvements Fund	Transportation Development Fund	Park Development Fund	Affordable Housing Fund
Revenues						
Taxes	$ 332,209	$ 554,062	$ 1,178,970	$ -	$ -	$ 707,249
Intergovernmental	252,363	-	-	-	-	-
Interest and Other Earnings	8,871	3,934	86,001	37,585	21,711	34,083
Licenses and Permits	20,550	-	-	-	-	-
Charges for Services	-	-	-	255,090	125,551	-
Fines and Forfeitures	-	-	-	-	-	-
Miscellaneous	10,128	-	-	-	-	-
Total Revenues	**624,122**	**557,996**	**1,264,970**	**292,674**	**147,263**	**741,332**
Expenditures						
Current:						
Security of Persons & Property	-	-	-	-	-	-
Transportation	1,314,052	5,699	-	-	-	-
Economic Environment	-	-	-	-	-	73,359
Culture and Recreation	-	-	-	-	-	-
Debt Service:						
Principal	-	-	-	-	-	-
Interest & Other Charges	-	-	-	-	-	-
Capital Outlay	-	-	-	-	-	-
Total Expenditures	**1,314,052**	**5,699**	**-**	**-**	**-**	**73,359**
Excess (deficiency) of Revenues over (under) expenditures	(689,931)	552,297	1,264,970	292,674	147,263	667,973
Other Financing Sources (Uses)						
Transfers In	896,000	410,870	-	-	-	-
Transfers Out	-	-	(1,480,000)	-	(160,000)	(714,184)
Leases - as lessee	-	-	-	-	-	-
SBITA	-	-	-	-	-	-
Total Other Financing Sources and Uses	**896,000**	**410,870**	**(1,480,000)**	**-**	**(160,000)**	**(714,184)**
Net Change in Fund Balances	206,070	963,167	(215,030)	292,674	(12,737)	(46,211)
Fund Balances - Beginning of Year	374,594	244,766	2,950,599	1,643,238	733,069	1,251,005
Fund Balances - End of Year	**580,663**	**1,207,933**	**2,735,570**	**$ 1,935,913**	**$ 720,331**	**$ 1,204,793**

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COMBINING STATEMENT OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCES (continued)
NONMAJOR GOVERNMENTAL FUNDS
FOR THE YEAR ENDED DECEMBER 31, 2024

	Special Revenue Funds					
	Historic Downtown Poulsbo Association Fund	Paths and Trails Fund	Drug Enforcement Fund	Transient Occupancy Fund	Police Restricted Fund	Total Non-Major Special Revenue Funds
Revenues						
Taxes	$ -	$ -	$ -	$ 379,034	$ -	$ 3,151,523
Intergovernmental	-	1,188	-	-	23,298	276,850
Interest and Other Earnings	1,835	722	1,311	12,985	5,590	214,628
Licenses and Permits	-	-	-	-	-	20,550
Charges for Services	-	-	-	-	-	380,641
Fines and Forfeitures	-	-	-	-	731	731
Miscellaneous	76,272	-	906	-	-	87,306
Total Revenues	**78,107**	**1,910**	**2,217**	**392,019**	**29,619**	**4,132,229**
Expenditures						
Current:						
Security of Persons & Property	-	-	15,384	-	8,285	23,668
Transportation	-	-	-	-	-	1,319,751
Economic Environment	-	-	-	269,470	-	342,829
Culture and Recreation	90,268	-	-	-	-	90,268
Debt Service:						-
Principal	-	-	-	-	-	-
Interest & Other Charges	-	-	-	-	-	-
Capital Outlay	-	-	-	-	-	-
Total Expenditures	**90,268**	**-**	**15,384**	**269,470**	**8,285**	**1,776,517**
Excess (deficiency) of Revenues over (under) expenditures	(12,161)	1,910	(13,167)	122,549	21,334	2,355,712
Other Financing Sources (Uses)						
Transfers In	-	-	-	10,000	-	1,316,870
Transfers Out	-	-	-	-	-	(2,354,184)
Leases - as lessee	-	-	-	-	-	-
SBITA	-	-	-	-	-	-
Total Other Financing Sources and Uses	**-**	**-**	**-**	**10,000**	**-**	**(1,037,314)**
Net Change in Fund Balances	(12,161)	1,910	(13,167)	132,549	21,334	1,318,398
Fund Balances - Beginning of Year	97,782	25,262	49,091	519,899	199,566	8,088,871
Fund Balances - End of Year	**$ 85,621**	**$ 27,173**	**$ 35,924**	**$ 652,448**	**$ 220,900**	**$ 9,407,270**

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COMBINING STATEMENT OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCES (continued)
NONMAJOR GOVERNMENTAL FUNDS
FOR THE YEAR ENDED DECEMBER 31, 2024

	Debt Service Funds		Capital Project Funds					
	Non-Voted GO Debt Fund	Total Non-Major Debt Service Funds	Equipment Acquisition Fund	Park Reserve Fund	TBD Capital Fund	Cemetery Reserve Fund	Facilities Fund	Total Non-Major Capital Project Funds
Revenues								
Taxes	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
Intergovernmental	-	-	24,825	643,252	-	-	548,376	1,216,454
Interest and Other Earnings	159	159	7,681	12,940	-	976	56,311	77,909
Licenses and Permits	-	-	-	-	-	-	-	-
Charges for Services	-	-	-	-	-	2,400	-	2,400
Fines and Forfeitures	-	-	-	-	-	-	-	-
Miscellaneous	-	-	-	102,298	-	-	290	102,587
Total Revenues	**159**	**159**	**32,506**	**758,490**	**-**	**3,376**	**604,977**	**1,399,350**
Expenditures								
Current:								
Security of Persons & Property	-	-	-	-	-	-	-	-
Transportation	-	-	-	-	-	-	-	-
Economic Environment	-	-	-	-	-	-	-	-
Culture and Recreation	-	-	-	-	-	-	-	-
Debt Service:								
Principal	953,320	953,320	-	-	-	-	-	-
Interest & Fiscal Charges	227,614	227,614	-	-	-	-	-	-
Capital Outlay	-	-	995,857	1,094,638	-	-	1,096,342	3,186,837
Total Expenditures	**1,180,933**	**1,180,933**	**995,857**	**1,094,638**	**-**	**-**	**1,096,342**	**3,186,837**
Excess of Revenues over (under) Expenditures	(1,180,774)	(1,180,774)	(963,351)	(336,148)	-	3,376	(491,365)	(1,787,487)
Other Financing Sources (Uses)								
Transfers In	1,183,239	1,183,239	377,195	622,000	-	-	739,184	1,738,379
Transfers Out	-	-	-	(18,474)	-	-	-	(18,474)
Leases - as lessee	-	-	237,562	-	-	-	33,199	270,761
SBITA	-	-	248,631	-	-	-	-	248,631
Total Other Financing Sources and Uses	**1,183,239**	**1,183,239**	**863,388**	**603,526**	**-**	**-**	**772,383**	**2,239,297**
Net Change in Fund Balances	2,465	2,465	(99,963)	267,378	-	3,376	281,018	451,810
Fund Balances - Beginning of Year	7,637	7,637	470,368	370,633	200	51,739	1,835,269	2,728,209
Fund Balances - Ending of Year	**$ 10,101**	**$ 10,101**	**$ 370,404**	**$ 638,012**	**$ 200**	**$ 55,116**	**$ 2,116,288**	**$ 3,180,019**

Draft

COMBINING STATEMENT OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCES (continued)
NONMAJOR GOVERNMENTAL FUNDS
FOR THE YEAR ENDED DECEMBER 31, 2024

	Permanent Fund	
	Bernice Borgen Beautification Trust Fund	**Total Non-Major Governmental Funds**
Revenues		
Taxes	$ -	$ 3,151,523
Intergovernmental	-	1,493,303
Interest and Other Earnings	1,934	294,629
Licenses and Permits	-	20,550
Charges for Services	-	383,041
Fines and Forfeitures	-	731
Miscellaneous	-	189,893
Total Revenues	**1,934**	**5,533,671**
Expenditures		
Current:		
Security of Persons & Property	-	23,668
Transportation	-	1,319,751
Economic Environment	-	342,829
Culture and Recreation	-	90,268
Debt Service:		
Principal	-	953,320
Interest & Fiscal Charges	-	227,614
Capital Outlay	-	3,186,837
Total Expenditures	**-**	**6,144,286**
Excess (deficiency) of Revenues over (under) expenditures	1,934	(610,615)
Other Financing Sources (Uses)		
Transfers In	-	4,238,488
Transfers Out	-	(2,372,658)
Leases - as lessee	-	270,761
SBITA	-	248,631
Total Other Financing Sources and Uses	**-**	**2,385,222**
Net Change in Fund Balances	1,934	1,774,607
Fund Balances - Beginning of Year	97,998	10,922,715
Fund Balances - End of Year	**$ 99,932**	$ **12,697,322**

Draft

CITY STREET FUND
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
BUDGET AND ACTUAL
FOR THE YEAR ENDED DECEMBER 31, 2024

	Final Budgeted Amounts	Actual Amounts	Variance with Final Budget - Positive (Negative)
Revenues			
Sales Tax - Transportation	$ 250,000	$ 332,209	$ 82,209
License and Permits	25,606	20,550	(5,056)
Intergovernmental	343,607	252,363	(91,244)
Interest and Other Earnings	1,450	8,871	7,421
Miscellaneous	5,500	10,128	4,628
Total Revenues	**626,163**	**624,122**	**(2,041)**
Expenditures			
Transportation:			
Street Maintenance	1,514,004	1,314,052	199,952
Total Expenditures	**1,514,004**	**1,314,052**	**199,952**
Excess of Revenues Over (Under) Expenditures	(887,841)	(689,931)	197,910
Other Financing Sources (Uses)			
Transfers In	896,000	896,000	0
Total Other Financing Sources (Uses)	**896,000**	**896,000**	**0**
Net Change in Fund Balance	8,159	206,070	197,911
Fund Balance - Beginning of Year	374,594	374,594	(0)
Fund Balance - End of Year	**$ 382,753**	**$ 580,663**	**$ 197,910**

Draft

TRANSPORTATION BENEFIT DISTRICT FUND
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
BUDGET AND ACTUAL
FOR THE YEAR ENDED DECEMBER 31, 2024

	Final Budgeted Amounts	Actual Amounts	Variance with Final Budget - Positive (Negative)
Revenues			
Transportation Benefit Dist. Sales & Use Tax	$ 250,000	$ 332,209	$ 82,209
Transportation Benefit Dist License Tab Fees	90,000	221,852	131,852
Interest and Other Earnings	-	3,934	3,934
Total Revenues	**340,000**	**557,996**	**217,996**
Expenditures			
Repairs & Maintenance	265,309	5,699	259,610
Total Expenditures	**265,309**	**5,699**	**259,610**
Excess of Revenues Over (Under) Expenditures	74,691	552,297	477,606
Other Financing Sources (Uses)			
Transfers In	410,870	410,870	-
Total Other Financing Sources (Uses)	**410,870**	**410,870**	**-**
Net Change in Fund Balance	485,561	963,167	477,606
Fund Balance - Beginning of Year	244,766	244,766	(0)
Fund Balance - End of Year	**$ 730,327**	**$ 1,207,933**	**$ 477,606**

Draft

CAPITAL IMPROVEMENT FUND
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
BUDGET AND ACTUAL
FOR THE YEAR ENDED DECEMBER 31, 2024

	Final Budgeted Amounts	Actual Amounts	Variance with Final Budget - Positive (Negative)
Revenues			
Taxes:			
Excise Tax	$ 700,000	$ 1,178,970	$ 478,970
Interest and Other Earnings	6,000	86,001	80,001
Total Revenues	**706,000**	**1,264,970**	**558,970**
Excess of Revenues Over (Under) Expenditures	706,000	1,264,970	(558,970)
Other Financing Sources (Uses)			
Transfers Out	(2,370,000)	(1,480,000)	890,000
Total Other Financing Sources (Uses)	**(2,370,000)**	**(1,480,000)**	**890,000**
Net Change in Fund Balance	(1,664,000)	(215,030)	1,448,970
Fund Balance - Beginning of Year	2,950,599	2,950,599	0
Fund Balance - End of Year	**$ 1,286,599**	**$ 2,735,570**	**$ 1,448,971**

Draft

TRANSPORTATION DEVELOPMENT FUND
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
BUDGET AND ACTUAL
FOR THE YEAR ENDED DECEMBER 31, 2024

	Final Budgeted Amounts	Actual Amounts	Variance with Final Budget - Positive (Negative)
Revenues			
Growth Mgmt Act Impact	$ -	$ 250,392	$ 250,392
SEPA Mitigation	100,000	4,698	(95,302)
Interest and Other Earnings	500	37,585	37,085
Total Revenues	**100,500**	**292,674**	**192,174**
Excess of Revenues Over (Under) Expenditures	100,500	292,674	(192,174)
Other Financing Sources (Uses)			
Transfers Out	(1,083,284)	-	1,083,284
Total Other Financing Sources (Uses)	**(1,083,284)**	-	**1,083,284**
Net Change in Fund Balance	(982,784)	292,674	1,275,458
Fund Balance - Beginning of Year	1,443,238	1,643,238	200,000
Fund Balance - End of Year	**$ 460,454**	**$ 1,935,913**	**$ 1,475,459**

Draft

PARK DEVELOPMENT FUND
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
BUDGET AND ACTUAL
FOR THE YEAR ENDED DECEMBER 31, 2024

	Final Budgeted Amounts	Actual Amounts	Variance with Final Budget - Positive (Negative)
Revenues			
Growth Mgmt Act Impact	$ -	$ 125,551	$ 125,551
Interest and Other Earnings	1,000	21,711	20,711
Total Revenues	**1,000**	**147,263**	**146,263**
Excess of Revenues Over (Under) Expenditures	1,000	147,263	(146,263)
Other Financing Sources (Uses)			
Transfers Out	(361,986)	(160,000)	(201,986)
Total Other Financing Sources (Uses)	**(361,986)**	**(160,000)**	**(201,986)**
Net Change in Fund Balance	(360,986)	(12,737)	348,249
Fund Balance - Beginning of Year	733,069	733,069	(0)
Fund Balance - End of Year	**$ 372,083**	**$ 720,331**	**$ 348,248**

Draft

AFFORDABLE HOUSING FUND
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
BUDGET AND ACTUAL
FOR THE YEAR ENDED DECEMBER 31, 2024

	Final Budgeted Amounts	Actual Amounts	Variance with Final Budget - Positive (Negative)
Revenues			
Affordable House Sales & Use Tax	$ 635,000	$ 707,249	$ 72,249
Interest and Other Earnings	-	34,083	34,083
Total Revenues	**635,000**	**741,332**	**106,332**
Expenditures			
Wages & Benefits	61,103	50,643	10,460
Supplies	-	43	(43)
Professional Services	138,000	22,673	115,327
Transfer Out	714,184	714,184	-
Total Expenditures	**913,287**	**787,543**	**125,744**
Excess of Revenues Over (Under) Expenditures	(278,287)	(46,211)	(232,076)
Net Change in Fund Balance	(278,287)	(46,211)	232,076
Fund Balance - Beginning of Year	1,251,005	1,251,005	(0)
Fund Balance - End of Year	**$ 972,718**	**$ 1,204,793**	**$ 232,075**

Draft

HISTORIC DOWNTOWN POULSBO ASSOCIATION FUND
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
BUDGET AND ACTUAL
FOR THE YEAR ENDED DECEMBER 31, 2024

	Final Budgeted Amounts	Actual Amounts	Variance with Final Budget - Positive (Negative)
Revenues			
Special Assessments	$ 48,000	$ 47,544	$ (456)
Gifts and Pledges	42,000	28,728	(13,272)
Interest and Other Earnings	350	1,835	1,485
Total Revenues	**90,350**	**78,107**	**(12,243)**
Expenditures			
Bad Debt Expense	500	-	500
Office & Operating Supplies	2,300	1,529	771
Small Tools & Minor Equipment	200	-	200
Professional Services	8,700	17,322	(8,622)
Advertising	52,700	30,861	21,839
Communication	1,000	472	528
Postage	300	219	81
Insurance	2,500	2,059	441
Repairs and Maintenance	33,700	28,021	5,679
Miscellaneous	10,000	9,785	215
Total Expenditures	**111,900**	**90,268**	**21,632**
Excess of Revenues Over (Under) Expenditures	(21,550)	(12,161)	(9,389)
Net Change in Fund Balance	(21,550)	(12,161)	9,389
Fund Balance - Beginning of Year	97,782	97,782	(0)
Fund Balance - End of Year	**$ 76,232**	**$ 85,621**	**$ 9,389**

Draft

PATH AND TRAILS RESERVE FUND
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
BUDGET AND ACTUAL
FOR THE YEAR ENDED DECEMBER 31, 2024

	Final Budgeted Amounts	Actual Amounts	Variance with Final Budget - Positive (Negative)
Revenues			
Intergovernmental	$ 1,061	$ 1,188	$ 127
Interest and Other Earnings	-	722	722
Total Revenues	**1,061**	**1,910**	**849**
Expenditures			
Miscellaneous	-	-	-
Total Expenditures	**-**	**-**	**-**
Excess of Revenues Over (Under) Expenditures	1,061	1,910	849
Other Financing Sources (Uses)			
Transfers In	-	-	-
Transfers Out	-	-	-
Total Other Financing Sources (Uses)	**-**	**-**	**-**
Net Change in Fund Balance	1,061	1,910	849
Fund Balance - Beginning of Year	25,262	25,262	0
Fund Balance - End of Year	**$ 26,323**	**$ 27,173**	**$ 850**

Draft

DRUG ENFORCEMENT FUND
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
BUDGET AND ACTUAL
FOR THE YEAR ENDED DECEMBER 31, 2024

	Final Budgeted Amounts	Actual Amounts	Variance with Final Budget - Positive (Negative)
Revenues			
Interest and Other Earnings	$ 150	$ 1,311	$ 1,161
Contributions and Donations	-	906	906
Total Revenues	**150**	**2,217**	**2,067**
Expenditures			
Special Unit Program	3,000	500	2,500
K-9 Program	15,000	14,884	116
Total Expenditures	**18,000**	**15,384**	**2,616**
Excess of Revenues Over (Under) Expenditures	(17,850)	(13,167)	4,683
Net Change in Fund Balance	(17,850)	(13,167)	4,683
Fund Balance - Beginning of Year	44,027	49,091	5,064
Fund Balance - End of Year	**$ 26,177**	**$ 35,924**	**$ 9,747**

Draft

TRANSIENT OCCUPANCY TAX FUND
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
BUDGET AND ACTUAL
FOR THE YEAR ENDED DECEMBER 31, 2024

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	Final Budgeted Amounts	Actual Amounts	Variance with Final Budget - Positive (Negative)
Revenues			
Hotel/Motel Tax	$ 201,500	$ 379,034	$ 177,534
Intergovernmental	-	-	-
Interest and Other Earnings	500	12,985	12,485
Total Revenues	**202,000**	**392,019**	**190,019**
Expenditures			
Blue Star Banner Program	1,000	1,000	-
Poulsbo Chamber of Commerce	32,000	32,000	-
City of Poulsbo Event Coordinator	116,735	111,307	5,429
Cross the Divide	1,500	1,500	-
Poulsbo Historical Society	32,500	32,500	-
SEA Discovery Center	36,500	36,500	-
Visit Kitsap Peninsula	4,000	4,000	-
Historic Downtown Poulsbo Association	36,300	26,402	9,898
Poulsbo Blues & Jazz Festival	5,000	5,000	-
Winery Alliance of Bainbridge Island	4,000	4,000	-
Poulsbo Community Orchestra	1,500	564	936
Poulsbo Film Festival	15,000	14,697	303
Total Expenditures	**286,035**	**269,470**	**16,565**
Excess of Revenues Over (Under) Expenditures	(84,035)	122,549	206,584
Other Financing Sources (Uses)			
Transfers In	10,000	10,000	-
Total Other Financing Sources (Uses)	**10,000**	**10,000**	**-**
Net Change in Fund Balance	(74,035)	132,549	206,584
Fund Balance - Beginning of Year	519,899	519,899	0
Fund Balance - End of Year	**$ 445,864**	**$ 652,448**	**$ 206,584**

Draft

POLICE RESTRICTED FUND
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
BUDGET AND ACTUAL
FOR THE YEAR ENDED DECEMBER 31, 2024

	Final Budgeted Amounts	Actual Amounts	Variance with Final Budget - Positive (Negative)
Revenues			
Vessel Registration	$ 7,800	$ 6,225	$ (1,575)
Intergovernmental	24,240	17,073	(7,167)
Fines & Forfeitures	-	731	731
Interest and Other Earnings	500	5,590	5,090
Total Revenues	**32,540**	**29,619**	**(2,921)**
Expenditures			
Marine Safety	8,580	5,115	(3,465)
Criminal Justice	3,500	3,170	(330)
Miscellaneous	1,500	-	(1,500)
Total Expenditures	**13,580**	**8,285**	**(5,295)**
Excess of Revenues Over (Under) Expenditures	18,960	21,334	2,374
Net Change in Fund Balance	18,960	21,334	2,374
Fund Balance - Beginning of Year	199,565	199,565	0
Fund Balance - End of Year	**$ 218,525**	**$ 220,899**	**$ 2,374**

Draft

NON-VOTED GENERAL OBLIGATION DEBT FUND
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
BUDGET AND ACTUAL
FOR THE YEAR ENDED DECEMBER 31, 2024

	Final Budgeted Amounts	Actual Amounts	Variance with Final Budget - Positive (Negative)
Revenues			
Interest and Other Earnings	$ 250	$ 159	$ (91)
Total Revenues	**250**	**159**	**(91)**
Expenditures			
Debt Service:			
General Obligation Bond-Principal	956,314	953,320	2,994
Interest and Other Costs	227,406	227,614	(208)
Total Expenditures	**1,183,720**	**1,180,933**	**2,787**
Excess of Revenues Over (Under) Expenditures	(1,183,470)	(1,180,774)	2,696
Other Financing Sources (Uses)			
Transfers In	1,184,238	1,183,239	999
Total Other Financing Sources (Uses)	**1,184,238**	**1,183,239**	**999**
Net Change in Fund Balance	768	2,465	1,697
Fund Balance - Beginning of Year	7,637	7,637	-
Fund Balance - End of Year	**$ 8,405**	**$ 10,101**	**$ 1,697**

Draft

EQUIPMENT ACQUISITION FUND
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
BUDGET AND ACTUAL
FOR THE YEAR ENDED DECEMBER 31, 2024

	Final Budgeted Amounts	Actual Amounts	Variance with Final Budget - Positive (Negative)
Revenues			
Interest and Other Earnings	$ 500	$ 7,681	$ 7,181
Total Revenues	**25,500**	**32,506**	**7,006**
Expenditures			
Central Services Capital Outlay	101,575	279,874	(178,299)
Mental Health Capital Outlay	25,000	22,568	2,432
Parks Capital Outlay	-	4,803	(4,803)
Police Capital Outlay	511,800	440,414	71,386
Public Works Capital Outlay	311,000	248,198	62,802
Total Expenditures	**949,375**	**995,857**	**(46,482)**
Excess of Revenues Over (Under) Expenditures	(923,875)	(963,351)	(39,476)
Other Financing Sources (Uses)			
Transfers In	377,195	377,195	0
Issuance of Long Term Debt	326,575	486,193	159,618
Total Other Financing Sources (Uses)	**703,770**	**863,388**	**159,618**
Net Change in Fund Balance	(220,105)	(99,963)	120,142
Fund Balance - Beginning of Year	470,368	470,368	$ (0)
Fund Balance - End of Year	**$ 250,263**	**$ 370,404**	**$ 120,141**

*Negative change in fund balance is due to non-cash accounting entry only

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PARK RESERVE FUND
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
BUDGET AND ACTUAL
FOR THE YEAR ENDED DECEMBER 31, 2024

	Final Budgeted Amounts	Actual Amounts	Variance with Final Budget - Positive (Negative)
Revenues			
Intergovernmental:			
State Grants	$ 715,586	$ 362,974	$ (352,612)
Federal Grants	345,328	280,278	(65,050)
Contributions & Donations	245,512	102,298	(143,214)
Interest and Other Earnings	-	12,940	12,940
Total Revenues	**1,306,426**	**758,490**	**(547,936)**
Expenditures			
Capital Outlay:			-
Play for All Raab Park	1,570,731	638,100	932,630
Rotary Morrow Community Park	450,800	347,060	103,740
Oyster Plant Park	35,000	42,381	(7,381)
Nelson Park Caretaker House	18,474	10,493	7,981
Parks & Recreation Building Repair	255,899	35,999	219,900
Raab Park Skate Park Refresh	47,605	20,605	27,000
Muriel Iverson Williams Waterfront Park	800,000	-	800,000
Total Expenditures	**3,178,509**	**1,094,638**	**3,178,509**
Excess of Revenues Over (Under) Expenditures	(1,872,083)	(336,148)	1,535,935
Other Financing Sources (Uses)			
Transfers In	823,986	622,000	201,986
Transfers Out	(18,474)	(18,474)	-
Proceeds from Long Term Debt	3,300,000	-	3,300,000
Total Other Financing Sources (Uses)	**4,105,512**	**603,526**	**(3,501,986)**
Net Change in Fund Balance	2,233,429	267,378	(1,966,051)
Fund Balance - Beginning of Year	370,633	370,633	0
Fund Balance - End of Year	**$ 2,604,062**	**$ 638,012**	**$ (1,966,051)**

Draft

TRANSPORTATION BENEFIT DISTRICT CAPITAL FUND
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
BUDGET AND ACTUAL
FOR THE YEAR ENDED DECEMBER 31, 2024

	Final Budgeted Amounts	Actual Amounts	Variance with Final Budget - Positive (Negative)
Expenditures			
Capital Outlay:	-	-	-
Total Expenditures	**-**	**-**	**-**
Excess of Revenues Over (Under) Expenditures	-	-	-
Other Financing Sources (Uses)			
Transfers In	-	-	-
Total Other Financing Sources (Uses)	**-**	**-**	**-**
Net Change in Fund Balance	-	-	-
Fund Balance - Beginning of Year	200	200	-
Fund Balance - End of Year	**$ 200**	**$ 200**	**$ -**

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STREET RESERVE FUND
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
BUDGET AND ACTUAL
FOR THE YEAR ENDED DECEMBER 31, 2024

	Final Budgeted Amounts	Actual Amounts	Variance with Final Budget Positive (negative)
Revenues			
Intergovernmental	$ 8,116,142	$ 1,235,438	$ (6,880,704)
Interest and Other Earnings	-	24,988	24,988
Total Revenues	**8,116,142**	**1,260,426**	**(6,855,716)**
Expenditures			
Transportation:			
Street Maintenance	11,784,523	943,102	10,841,421
Total Expenditures	**11,784,523**	**943,102**	**10,841,421**
Excess of Revenues Over (Under) Expenditures	(3,668,381)	317,324	(3,985,705)
Other Financing Sources (Uses)			
Transfers In	2,855,284	882,000	1,973,284
Transfers Out	(410,870)	(410,870)	-
Total Other Financing Sources (Uses)	**2,444,414**	**471,130**	**1,973,284**
Net Change in Fund Balance	(1,223,967)	788,454	2,012,421
Fund Balance Beginning of Year	35,138	35,138	(0)
Fund Balance End of Year	**$ (1,188,829)**	**$ 823,591**	**$ 2,012,420**

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CEMETERY RESERVE FUND
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
BUDGET AND ACTUAL
FOR THE YEAR ENDED DECEMBER 31, 2024

	Final Budgeted Amounts	Actual Amounts	Variance with Final Budget - Positive (Negative)
Revenues			
Cemetery Services (Gravesites)	$ 7,000	$ 2,400	$ (4,600)
Intergovernmental	-	-	-
Interest and Other Earnings	100	976	876
Total Revenues	**7,100**	**3,376**	**(3,724)**
Expenditures			
Construction Capital Asset	-	-	-
Total Expenditures	**-**	**-**	**-**
Excess of Revenues Over (Under) Expenditures	7,100	3,376	(3,724)
Net Change in Fund Balance	7,100	3,376	(3,724)
Fund Balance - Beginning of Year	51,739	51,739	0
Fund Balance - End of Year	**$ 58,839**	**$ 55,116**	**$ (3,723)**

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FACILITIES FUND
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
BUDGET AND ACTUAL
FOR THE YEAR ENDED DECEMBER 31, 2024

	Final Budgeted Amounts	Actual Amounts	Variance with Final Budget - Positive (Negative)
Revenues			
Integovernmental:			
State Grants	$ 144,535	$ 144,535	$ -
Federal Grants	713,618	276,501	(437,117)
Local Grants	1,700,000	127,340	(1,572,660)
Interest and Other Earnings	2,500	56,311	53,811
Miscellaneous	-	290	290
Total Revenues	**2,560,653**	**604,977**	**(1,955,676)**
Expenditures			
Construction Capital Asset	5,930,456	1,096,342	4,834,114
Total Expenditures	**5,930,456**	**1,096,342**	**4,834,114**
Excess of Revenues Over (Under) Expenditures	(3,369,803)	(491,365)	2,878,438
Other Financing Sources (Uses)			
Transfers In	739,184	739,184	(0)
Transfers Out	-	-	-
Issuance of Long Term Debt	2,500,000	33,199	(2,466,801)
Sale of Capital Assets	-	-	-
Premium on Bonds Sold	-	-	-
Total Other Financing Sources (Uses)	**3,239,184**	**772,383**	**(2,466,801)**
Net Change in Fund Balance	(130,619)	281,018	411,637
Fund Balance - Beginning of Year	1,835,269	1,835,269	-
Fund Balance - End of Year	**$ 1,704,650**	**$ 2,116,287**	**$ 411,637**

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STATISTICAL SECTION

This part of the City of Poulsbo's annual comprehensive financial report presents detailed information as a context for understanding what the information in the financial statements, note disclosures and required supplementary information say about the government's overall financial health. This information is unaudited.

Contents

Financial Trends

These schedules contain trend information to help the reader understand how the government's financial performance and well-being have changed over time.

Revenue Capacity

These schedules contain information to help the reader assess the government's most significant local revenue sources, property tax and sales tax.

Debt Capacity

These schedules present information to help the reader assess the affordability of the government's current levels of outstanding debt and the government's ability to issue additional debt in the future.

Demographic and Economic Information

These schedules offer demographic and economic indicators to help the reader understand the environment within which the government's financial activities take place.

Operating Information

These schedules contain service and infrastructure data to help the reader understand how the information in the government's financial report relates to the services the government provides and the activities it performs.

Data Sources:

Unless otherwise noted, the information in these schedules is derived from the annual comprehensive financial reports for the relevant year.

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NET POSITION BY COMPONENT
Last Ten Fiscal Years

	2015	2016	2017	2018
Governmental Activities				
Net Investment in Capital Assets	$ 67,037,545	$ 67,834,718	$ 67,195,884	$ 69,608,469
Restricted	1,931,830	2,416,841	3,754,620	4,144,728
Unrestricted	2,935,244	3,367,677	4,796,265	3,604,459
Total Governmental Activities Net Position	71,904,619	73,619,236	75,746,769	77,357,656
Business-type Activities				
Net Investment in Capital Assets	50,368,250	52,652,252	56,724,089	63,613,785
Restricted	313,400	313,400	-	-
Unrestricted	13,818,164	14,827,869	14,542,041	15,377,138
Total Business-type Activities Net Position	64,499,813	67,793,521	71,266,130	78,990,924
Primary Government				
Net Investment in Capital Assets	117,405,795	120,486,970	123,919,973	133,222,255
Restricted	2,245,230	2,730,241	3,754,620	4,144,728
Unrestricted	16,753,408	18,195,546	19,338,306	18,981,597
Total Primary Government Net Position	$ 136,404,432	$ 141,412,756	$ 147,012,899	$ 156,348,579

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NET POSITION BY COMPONENT (*continued*)
Last Ten Fiscal Years

2019	2020	2021	2022	2023	2024
$ 71,251,169	$ 73,665,321	$ 76,707,923	$ 81,591,322	$ 84,625,843	$ 88,795,402
5,388,184	5,463,498	9,734,617	10,770,897	12,293,263	13,739,041
3,884,922	3,966,882	5,107,479	8,422,712	10,051,733	13,406,783
80,524,275	83,095,701	91,550,019	100,784,931	106,970,839	115,941,226
63,420,295	63,259,392	68,313,429	74,119,319	77,514,994	85,892,229
-	-	235,679	523,090	688,604	817,848
18,838,075	22,987,735	22,366,111	25,010,941	30,922,026	30,461,880
82,258,369	86,247,127	90,915,218	99,653,350	109,125,625	117,171,957
134,671,464	136,924,714	145,021,351	155,710,642	162,140,837	174,687,631
5,388,184	5,463,498	9,970,296	11,293,987	12,981,868	14,556,889
22,722,996	26,954,616	27,473,590	33,433,653	40,973,759	43,868,663
$ 162,782,644	$ 169,342,828	$ 182,465,236	$ 200,438,281	$ 216,096,464	$ 233,113,183

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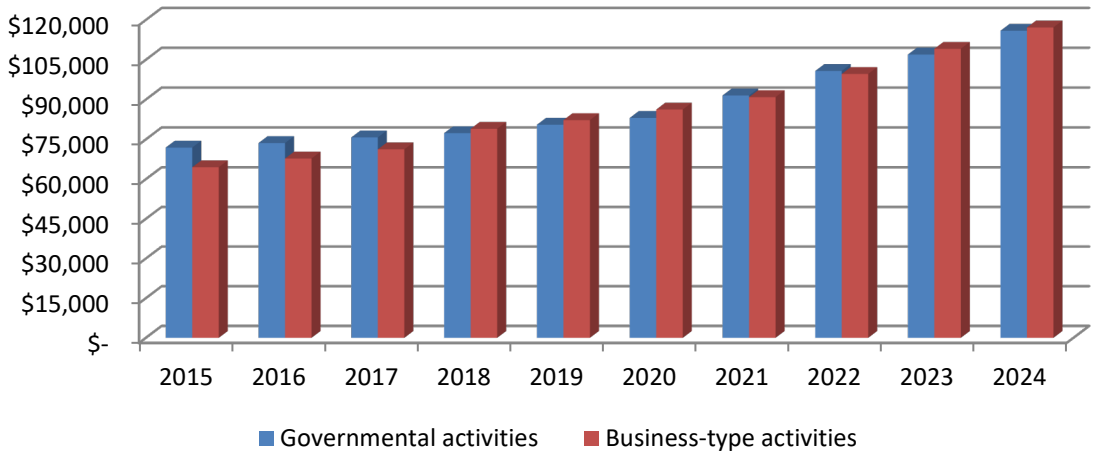
Total Net Position
(In thousands)



CHANGES IN NET POSITION
Last Ten Fiscal Years

	2015	2016	2017	2018	2019
Expenses					
Governmental Activities:					
General Government	$ 1,539,405	$ 1,776,629	$ 1,386,987	$ 2,810,801	$ 2,768,497
Judicial	370,046	383,968	401,814	434,608	433,486
Security of Persons & Property	3,146,848	3,327,528	3,495,629	4,280,502	4,046,487
Utilities & Environment	481,077	506,396	524,341	210,947	102,289
Transportation	2,703,349	2,922,462	2,998,467	2,797,834	3,555,833
Economic Environment	963,163	999,731	1,031,024	1,189,609	1,115,517
Mental & Physical Health	29,772	131,162	245,572	344,875	458,461
Culture & Recreation	1,422,703	1,469,255	1,400,013	1,811,980	1,595,771
Interest on Long-Term Debt	458,869	391,781	378,391	251,599	437,737
Total Governmental Activities Expenses	11,115,232	11,908,913	11,862,238	14,132,756	14,514,078
Business-Type Activities:					
Water	1,670,634	1,692,690	1,625,472	1,982,786	1,791,832
Sewer	2,531,582	2,686,558	2,716,954	3,024,655	3,374,255
Solid Waste	1,493,671	1,759,556	2,096,082	2,331,314	2,342,826
Storm Drain	1,433,190	1,676,166	1,647,010	1,750,631	1,520,262
Total Business-Type Activities	7,129,077	7,814,970	8,085,518	9,089,387	9,029,175
Total Primary Government Expenses	18,244,309	19,723,883	19,947,756	23,222,143	23,543,253
Program Revenues					
Governmental Activities:					
Charges for Services					
General Government	360,990	370,369	415,833	357,834	392,318
Judicial	117,154	279,232	58,842	74,442	86,419
Security of Persons & Property	143,892	133,347	123,696	142,503	208,418
Utilities & Environment	4,715	3,400	4,800	6,400	5,600
Transportation	93,439	82,592	144,829	166,074	117,394
Economic Environment	907,245	1,087,421	949,198	773,100	775,932
Mental & Physical Health	-	-	-	-	-
Culture & Recreation	525,247	535,811	575,614	600,286	641,844
Operating Grants and Contributions	605,198	710,043	977,832	975,732	1,598,363
Capital Grants and Contributions	5,027,389	1,633,211	2,403,489	3,354,870	1,894,309
Revenues	7,785,269	4,835,426	5,654,133	6,451,242	5,720,597
Business-Type Activities:					
Charges for Services:					
Water	1,831,511	1,857,036	1,960,128	2,089,015	2,082,860
Sewer	3,287,822	3,460,657	3,626,637	3,947,885	4,242,423
Solid Waste	1,614,036	1,793,421	1,922,024	2,391,489	2,665,747
Storm Drain	1,521,196	1,621,933	1,706,057	1,744,877	1,811,029
Operating Grants and Contributions	115,058	84,948	8,195	-	-
Capital Grants and Contributions	5,784,476	2,234,980	2,291,492	6,398,378	1,052,865
Revenues	14,154,100	11,052,975	11,514,533	16,571,644	11,854,924
Total Primary Government Program Revenues	$ 21,939,368	$ 15,888,401	$ 17,168,666	$ 23,022,886	$ 17,575,521

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CHANGES IN NET POSITION *(continued)*
Last Ten Fiscal Years

	2020	2021	2022	2023	2024
Expenses					
Governmental Activities:					
General Government	$ 3,138,251	$ 2,325,866	$ 3,212,742	$ 4,288,487	$ 4,011,763
Judicial	440,026	449,644	667,401	597,550	521,070
Security of Persons & Property	4,062,697	4,663,437	4,385,199	4,402,872	4,893,692
Utilities & Environment	(20,889)	83,108	(3,517)	38,950	505
Transportation	3,615,492	7,462,013	4,855,285	4,361,676	4,025,991
Economic Environment	1,168,146	1,149,898	1,395,329	1,565,154	1,595,327
Mental & Physical Health	482,409	474,789	483,966	914,414	1,003,410
Culture & Recreation	1,414,757	1,410,376	1,720,258	1,874,121	2,133,361
Interest on Long-Term Debt	295,919	281,997	279,577	273,236	240,493
Total Governmental Activities Expenses	14,596,807	18,301,128	16,996,239	18,316,461	18,425,612
Business-Type Activities:					
Water	2,091,673	2,064,473	2,417,665	2,726,432	2,957,230
Sewer	3,608,388	3,888,041	3,921,821	4,288,233	5,291,280
Solid Waste	2,495,220	2,669,074	3,157,154	3,644,020	3,768,635
Storm Drain	1,619,323	1,750,967	1,896,933	2,123,488	2,403,987
Total Business-Type Activities	9,814,604	10,372,555	11,393,573	12,782,173	14,421,133
Total Primary Government Expenses	24,411,411	28,673,683	28,389,812	31,098,634	32,846,744
Program Revenues					
Governmental Activities:					
Charges for Services					
General Government	318,684	342,511	389,309	403,576	365,228
Judicial	45,288	16,834	35,815	32,410	126,445
Security of Persons & Property	187,897	151,796	136,839	133,502	127,531
Utilities & Environment	8,552	8,600	6,000	3,614	2,400
Transportation	166,260	202,779	185,838	213,803	195,063
Economic Environment	596,895	987,356	1,008,018	1,708,933	985,789
Mental & Physical Health	-	-	4,837	312,524	102,714
Culture & Recreation	256,323	327,543	502,212	582,260	740,581
Operating Grants and Contributions	2,086,040	7,298,800	3,177,278	3,593,063	1,484,759
Capital Grants and Contributions	3,077,912	4,875,702	7,281,854	1,826,533	6,356,255
Revenues	6,743,850	14,211,922	12,728,000	8,810,219	10,486,765
Business-Type Activities:					
Charges for Services:					
Water	2,097,405	2,203,889	2,344,817	2,693,230	2,798,986
Sewer	4,343,457	4,442,162	4,797,794	5,181,481	5,638,104
Solid Waste	2,711,827	2,825,592	3,091,020	3,454,888	3,757,093
Storm Drain	1,859,422	1,906,644	2,070,444	2,315,403	2,364,705
Operating Grants and Contributions	24,966	47,515	11,456	20,517	88,703
Capital Grants and Contributions	2,506,252	3,503,550	7,809,657	7,724,467	6,924,318
Revenues	13,543,329	14,929,353	20,125,188	21,389,987	21,571,909
Total Primary Government Program	$ 20,287,179	$ 29,141,275	$ 32,853,188	$ 30,200,206	$ 32,058,674

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CHANGES IN NET POSITION *(continued)*
Last Ten Fiscal Years

	2015	2016	2017	2018	2019
Net (Expense)/Revenue					
Governmental Activities	$ (3,329,963)	$ (7,073,487)	$ (6,208,105)	$ (7,681,515)	$ (8,793,481)
Business-Type Activities	7,025,023	3,238,005	3,429,015	7,482,257	2,825,749
Total Primary Government Net Expense	3,695,060	(3,835,482)	(2,779,090)	(199,257)	(5,967,732)
General Revenues and Other Changes in Net Position					
Governmental Activities:					
Taxes:					
Property Taxes	2,191,189	2,264,194	2,400,282	2,505,945	2,568,117
Retail Sales & Use Taxes	3,393,849	3,742,485	3,985,840	4,516,544	4,628,686
Business Taxes	2,038,443	1,841,119	1,827,400	1,782,092	1,788,092
Excise Taxes	748,026	866,886	916,383	956,626	1,022,463
Investment Earnings	40,329	76,833	107,482	274,289	482,508
Gain (loss) on Disposal of Capital Assets	12,182	15,309	(751,097)	(181,869)	5,624
Total Governmental Activities	8,424,018	8,806,826	8,486,289	9,853,627	10,495,490
Business-Type Activities					
Investment Earnings	30,716	54,780	61,650	195,444	361,686
Gain (loss) on Disposal of Capital Assets	14,211	922	(18,442)	(5,347)	5
Total Business-Type Activities	44,927	55,702	43,208	190,097	361,691
Total Primary Government	8,468,945	8,862,528	8,529,497	10,043,724	10,857,182
Change in Net Position					
Governmental Activities	5,094,055	1,733,339	2,278,185	2,172,112	1,702,009
Business-Type Activities	7,069,950	3,293,707	3,472,223	7,672,354	3,187,440
Total Primary Government	$ 12,164,004	$ 5,027,046	$ 5,750,408	$ 9,844,467	$ 4,889,450

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CHANGES IN NET POSITION *(continued)*
Last Ten Fiscal Years

	2020	2021	2022	2023	2024
Net (Expense)/Revenue					
Governmental Activities	$ (7,852,956)	$ (4,089,207)	$ (4,268,240)	$ (9,506,242)	$ (7,938,846)
Business-Type Activities	3,728,725	4,556,798	8,731,616	8,607,814	7,150,777
Total Primary Government Net Expense	(4,124,231)	467,592	4,463,376	(898,429)	(788,070)
General Revenues and Other Changes in Net					
Governmental Activities:					
Taxes:					
Property Taxes	2,682,753	2,735,494	2,835,984	2,903,668	3,039,074
Retail Sales & Use Taxes	4,626,093	5,581,499	6,831,113	7,577,801	7,802,707
Business Taxes	1,906,282	2,354,992	2,535,258	2,745,974	3,436,430
Excise Taxes	866,083	1,218,287	1,269,493	1,217,905	1,493,330
Investment Earnings	330,550	(14,645)	(148,441)	1,136,259	1,190,597
Gain (loss) on Disposal of Capital Assets	12,620	694,400	0	31,892	7,048
Total Governmental Activities	10,424,382	12,570,026	13,323,408	15,613,499	16,969,187
Business-Type Activities					
Investment Earnings	305,903	111,292	6,517	864,332	912,916
Gain (loss) on Disposal of Capital Assets	(45,870)	-	-	128	-
Total Business-Type Activities	260,033	111,292	6,517	864,461	912,916
Total Primary Government	10,684,415	12,681,319	13,329,925	16,477,960	17,882,104
Change in Net Position					
Governmental Activities	2,571,425	8,480,820	9,055,168	6,107,257	9,030,341
Business-Type Activities	3,988,758	4,668,090	8,738,133	9,472,274	8,063,693
Total Primary Government	$ 6,560,184	$ 13,148,910	$ 17,793,301	$ 15,579,531	$ 17,094,034

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GOVERNMENTAL ACTIVITIES TAX REVENUES BY SOURCE
Last Ten Fiscal Years

Fiscal Year	Property Tax	Sales/Use Tax	Utility Tax	Business & Occupation Tax*	Excise Tax	Total Taxes
2015	2,191,189	3,393,849	2,038,443	-	748,026	8,371,508
2016	2,264,194	3,742,485	1,841,119	-	866,886	8,714,683
2017	2,400,282	3,985,840	1,827,400	-	916,383	9,129,905
2018	2,505,945	4,516,544	1,782,092	-	956,626	9,761,207
2019	2,568,117	4,628,686	1,788,092	-	1,022,463	10,007,359
2020	2,682,753	4,626,093	1,906,282	-	866,083	10,081,212
2021	2,735,494	5,581,499	2,354,992	-	1,218,287	11,890,272
2022	2,835,984	6,831,113	2,535,258	-	1,269,493	13,471,848
2023	2,903,668	7,577,801	2,745,974	-	1,217,905	14,445,348
2024	$ 3,039,074	$ 7,802,707	$ 2,929,396	$ 507,034	$ 1,493,330	$ 15,771,542

*Note: Business & Occupation Tax became effective July 1, 2024.

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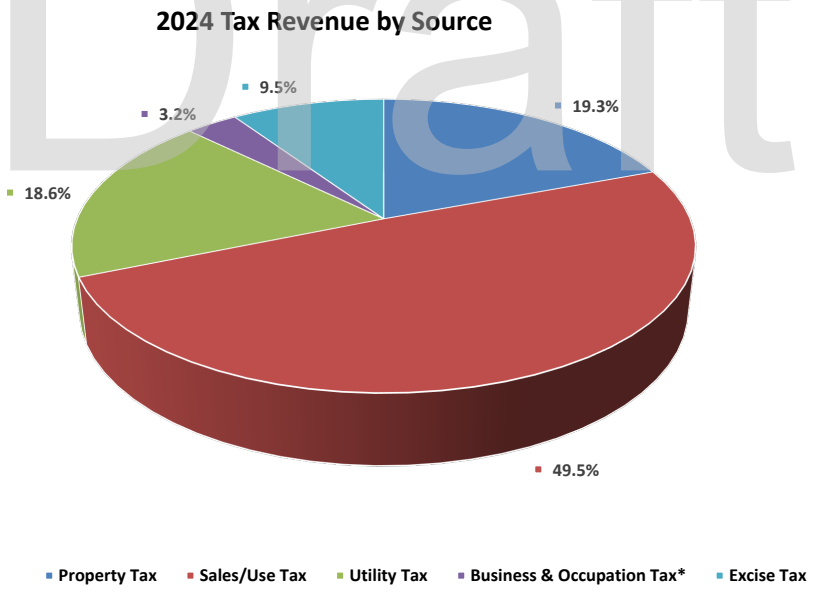

FUND BALANCES OF GOVERNMENTAL FUNDS
Last Ten Fiscal Years

	General Fund					All Other Governmental Funds			
Fiscal Year	Non-spendable	Restricted*	Assigned	Unassigned	Total General Fund	Non-spendable	Restricted	Assigned	Total All Other Governmental Funds
2015	12,692	-	1,518,604	1,643,946	3,175,241	91,016	1,819,915	2,036,907	3,947,838
2016	7,597	-	2,174,924	1,106,077	3,288,597	91,016	2,325,825	2,188,399	4,605,240
2017	7,533	42,756	2,348,381	2,627,341	5,026,011	91,016	3,620,848	2,752,819	6,464,684
2018	8,782	60,505	3,770,848	1,117,506	4,957,641	91,016	3,998,998	3,378,467	7,468,481
2019	8,782	60,505	3,770,848	1,020,412	4,860,547	91,016	4,397,539	2,744,846	7,233,401
2020	8,500	101,007	375,000	3,628,424	4,112,931	91,016	4,172,667	3,221,202	7,484,885
2021	8,500	784,662	375,000	4,590,207	5,758,369	91,016	6,521,263	3,339,010	9,951,289
2022	8,117	1,163,880	375,000	5,313,707	6,860,704	91,016	6,455,484	3,651,306	10,197,806
2023	6,337	344,262	375,000	8,147,116	8,872,715	91,016	7,698,043	3,168,794	10,957,853
2024	$ 10,336	$ 184,670	$ 375,000	$ 9,541,200	$ 10,111,207	$ 91,016	$ 8,809,180	$ 4,620,717	$ 13,520,913

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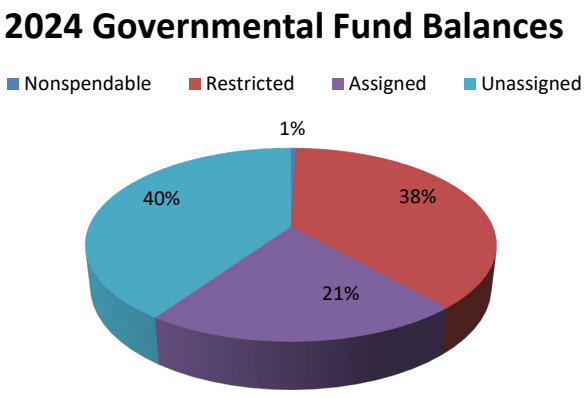
**Note: General Fund did not have restricted prior to 2017*



CHANGES IN FUND BALANCES OF GOVERNMENTAL FUNDS
Last Ten Fiscal Years

	2015	2016	2017	2018
Revenues				
Taxes	$ 8,345,893	$ 8,677,430	$ 9,082,043	$ 9,765,124
Licenses and Permits	830,042	901,185	989,990	754,106
Intergovernmental Revenues	1,066,034	1,050,282	970,537	1,580,658
Charges for Services	3,590,226	2,974,396	3,990,077	1,763,017
Fines and Forfeitures	83,442	70,774	58,820	68,691
Interest & Other Earnings	45,143	82,219	113,488	280,830
Miscellaneous & Special Assessments - Capital	227,560	186,840	207,430	166,732
Total Revenues	14,188,341	13,943,125	15,412,384	14,379,158
Expenditures				
General Government	2,850,202	3,108,256	3,220,759	2,717,964
Security of Persons and Property	2,924,101	3,152,296	3,468,946	3,748,307
Utilities and Environment	501,104	532,379	547,718	153,233
Transportation	1,409,078	1,446,570	1,528,998	1,113,363
Economic Environment	969,480	1,010,489	1,055,026	1,095,645
Mental and Physical Health	29,772	131,162	244,847	331,552
Culture and Recreation	1,193,366	1,223,569	1,197,913	1,429,228
Capital Outlay	1,395,507	1,479,311	1,825,198	1,789,001
Debt Service				
Principal	8,815,383	709,368	729,368	728,777
Interest & Other Charges	426,681	373,098	360,614	351,116
Issuance Costs	-	-	-	-
Total Expenditures	20,514,675	13,166,499	14,179,387	13,458,186
Excess of Revenues				
Over (Under) Expenditures	(6,326,334)	776,626	1,232,998	920,972
Other Financing Sources (Uses)				
Proceeds of Long Term Debt	7,320,000	-	422,038	-
Premium on Bonds Sold	774,756	-	39,280	-
Disposal of Capital Assets	19,461	-	905,113	23,394
Comp for Impairment of Cap Assets	-	7,649	-	
Insurance Recoveries	7,461	5,206	770	-
Net Transfers In (Out)	-	-	-	-
Leases	-	-	-	-
SBITA	-	-	-	-
Total Other Financing Sources (Uses)	8,121,678	12,855	1,367,201	23,394
Net Change in Fund Balances	$ 1,795,343	$ 789,481	$ 2,600,199	$ 944,366
Debt Service as a Percentage of				
Noncapital Expenditures	48.34%	9.26%	8.82%	9.25%

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CHANGES IN FUND BALANCES OF GOVERNMENTAL FUNDS
Last Ten Fiscal Years

2019	2020	2021	2022	2023	2024
$ 10,012,103	$ 10,060,147	$ 11,906,709	$ 13,470,268	$ 14,434,235	$ 15,686,845
663,860	618,486	860,217	933,320	1,348,875	886,044
2,730,122	3,877,521	10,829,472	3,450,535	3,580,155	4,525,639
1,496,359	1,095,946	1,663,431	2,107,189	2,809,202	1,765,704
77,783	48,600	43,878	32,615	29,342	125,622
489,366	336,463	(8,709)	(142,103)	1,136,259	1,190,892
250,265	129,665	162,123	351,695	478,711	360,065
15,719,858	16,166,828	25,457,122	20,203,519	23,816,780	24,540,812
3,017,865	3,468,268	3,532,906	3,634,058	4,694,979	4,181,912
3,935,891	4,029,727	3,632,679	4,297,563	4,401,940	4,894,950
146,715	36,143	34,783	38,776	37,110	36,244
2,044,061	2,105,772	7,091,434	3,195,549	2,782,628	2,142,995
1,166,843	1,235,471	1,236,534	1,461,021	1,657,574	1,660,141
472,604	519,778	546,309	498,661	946,673	1,010,332
1,390,180	1,223,592	1,166,355	1,489,974	1,698,891	1,920,675
2,583,026	3,036,937	6,602,702	4,112,014	3,966,149	4,129,939
973,053	797,383	2,119,946	821,905	1,118,339	1,149,139
325,818	292,650	289,092	269,757	265,291	237,748
-	-	8,596	-	-	-
16,056,055	16,745,721	26,261,334	19,819,278	21,569,573	21,364,074
(336,198)	(578,893)	(804,213)	384,241	2,247,206	3,176,738
-	69,477	4,111,701	692,752	404,966	270,761
-	-	-	29,845	-	-
5,624	13,284	829,856	925	31,892	7,048
-	-	-	-	-	-
-	-	1,000	2,254	21,644	25,632
-	-	-	-	-	-
-	-	-	59,091	66,350	72,742
-	-	-	-	-	248,631
5,624	82,761	4,942,557	784,867	524,852	624,814
$ (330,574)	$ (496,132)	$ 4,138,344	$ 1,169,107	$ 2,772,058	$ 3,801,552
9.64%	7.95%	12.30%	6.95%	7.86%	8.05%

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GOVERNMENTAL REVENUES BY SOURCE
Last Ten Fiscal Years

Fiscal Year	REVENUES						
	Taxes	Licenses and Permits	Inter-gov Charges	Charges for Services	Fines and Forfeits	Misc.	Total Revenues
2015	8,345,893	830,042	1,066,034	3,590,226	83,442	272,703	14,188,341
2016	8,677,430	901,185	1,050,282	2,974,396	70,774	269,059	13,943,125
2017	9,082,043	989,990	970,537	3,990,077	58,820	320,918	15,412,384
2018	9,765,124	754,106	1,580,658	1,763,017	68,691	447,561	14,379,157
2019	10,012,103	663,860	2,730,122	1,496,359	77,783	739,631	15,719,858
2020	10,060,147	618,486	3,877,521	1,095,946	48,600	466,127	16,166,828
2021	11,906,709	860,217	10,829,472	1,663,431	43,878	153,414	25,457,122
2022	13,470,268	933,320	3,450,535	2,107,189	32,615	45,076	20,039,003
2023	14,434,235	1,348,875	3,580,155	2,809,202	29,342	458,711	22,660,521
2024	$ 15,686,845	$ 886,044	$ 4,525,639	$ 1,765,704	$ 125,622	$ 1,550,957	$ 24,540,812

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GOVERNMENTAL REVENUES BY SOURCE *(continued)*
Last Ten Fiscal Years

OTHER FINANCING SOURCES (USES)					
Capital Related Debt Issues	Insurance Recovery	Sale of Capital Assets	Net Transfers in (out)	Total Other Financing Sources & Uses	Total Revenues and Other Sources
8,094,756	7,461	19,461	-	8,121,678	22,310,018
-	5,206	7,649	-	12,855	13,955,980
461,318	770	905,113	-	1,367,201	16,779,585
-	-	23,394	-	23,394	14,402,551
-	-	5,624	-	5,624	15,725,481
69,477	-	13,284	-	82,761	16,249,589
4,111,701	1,000	829,856	-	4,942,557	30,399,679
692,752	2,254	925	-	695,930	20,734,933
404,966	21,644	31,892	-	458,502	23,119,023
$ 519,392	$ 25,632	$ 7,048	$ -	$ 552,072	$ 25,092,884

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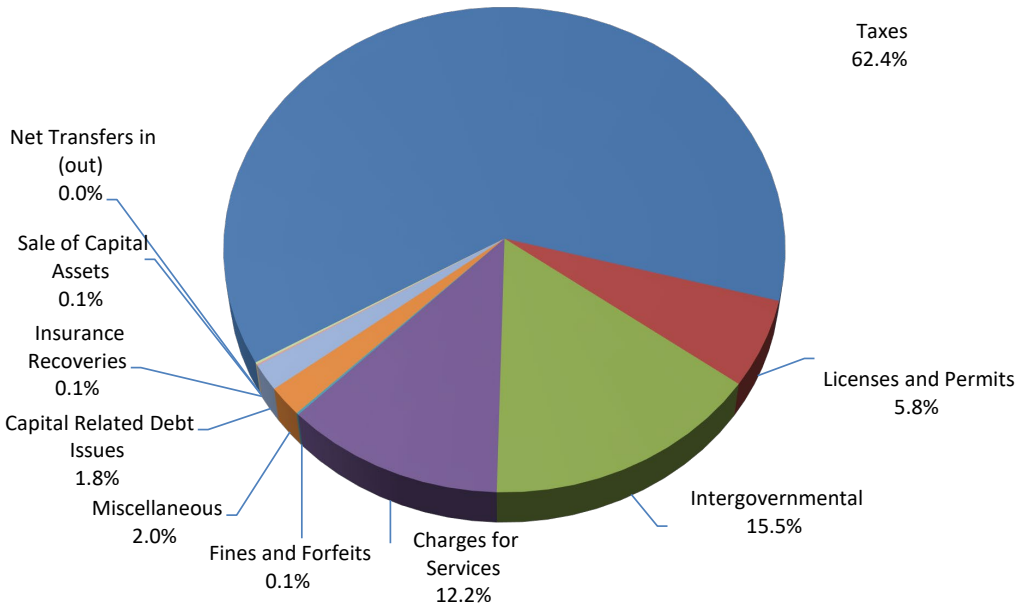
2024 General Government Revenue by Source



ASSESSED VALUE AND ESTIMATED ACTUAL VALUE OF TAXABLE PROPERTY
Last Ten Fiscal Years

Fiscal Year Ended December 31	Real Property	Personal Property	Less: Tax Exempt Real Property	Total Taxable Assessed Value[1]	Total Direct Tax Rate	Estimated Actual Taxable Value	Assessed Value as a Percentage of Actual Value
2015	1,335,212,301	54,281,382	45,525,120	1,343,968,563	1	1,428,234,392	94.1%
2016	1,342,718,272	52,165,101	48,779,870	1,346,103,503	1	1,514,177,169	88.9%
2017	1,485,086,384	52,521,843	49,652,896	1,487,955,331	1	1,668,111,358	89.2%
2018	1,645,103,807	55,724,013	67,759,506	1,633,068,314	2	1,832,848,837	89.1%
2019	1,893,965,005	54,924,918	74,376,647	1,874,513,276	1	2,073,576,633	90.4%
2020	2,066,622,461	56,796,090	92,734,271	2,030,684,280	1	2,236,436,432	90.8%
2021	2,191,081,537	57,152,821	73,800,926	2,174,433,432	1	2,405,346,717	90.4%
2022	2,412,405,943	57,494,771	76,187,416	2,393,713,298	1	2,698,662,117	88.7%
2023	2,853,764,872	48,182,123	79,832,786	2,822,114,209	1	3,203,307,842	88.1%
2024	$ 3,135,750,623	$ 65,380,937	$ 92,343,356	$ 2,987,976,388	1.025	$ 3,418,737,286	87.4%

Source: Kitsap County Assessor's Office

[1] *Figure represents current year assessed value payable in following year*

Draft

PROPERTY TAX RATES -DIRECT AND OVERLAPPING GOVERNMENTS
Last Ten Fiscal Years

Fiscal Year	Operating	Total City	Kitsap County	School		Other Overlapping Rates					Total Overlapping Rates	Total Direct & Overlapping
				State School	NK School District	Port of Poulsbo	Fire District #18	Public Utility	Kitsap Regional Library	Poulsbo Library		
2015	1.710	1.710	1.202	2.177	4.349	0.308	2.186	0.083	0.390	-	10.695	12.405
2016	1.686	1.686	1.166	2.355	4.327	0.302	2.169	0.081	0.382	-	10.783	12.469
2017	1.580	1.580	1.086	2.117	3.929	0.284	2.064	0.074	0.353	-	9.907	11.486
2018	1.520	1.520	1.020	3.021	2.685	0.269	1.936	0.068	0.432	-	9.431	10.951
2019	1.373	1.373	0.930	2.662	2.537	0.243	2.031	0.064	0.394	-	8.860	10.234
2020	1.325	1.325	0.871	2.980	2.433	0.235	1.960	0.060	0.369	-	8.908	10.233
2021	1.262	1.262	0.839	3.009	2.423	0.223	1.885	0.058	0.356	-	8.792	10.053
2022	1.174	1.174	0.768	2.775	2.245	0.208	1.769	0.053	0.325	-	8.143	9.317
2023	1.031	1.031	0.652	2.482	2.317	0.183	1.874	0.045	0.276	-	7.829	8.860
2024	1.025	1.025	0.642	2.330	2.339	0.179	1.880	0.044	0.272	-	7.686	8.711

Source: Kitsap County Assessor's Office - Statement of Assessments

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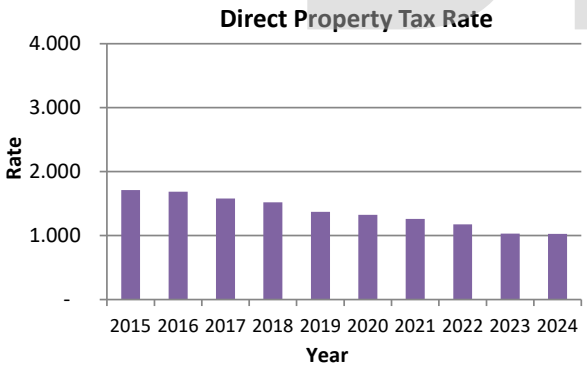

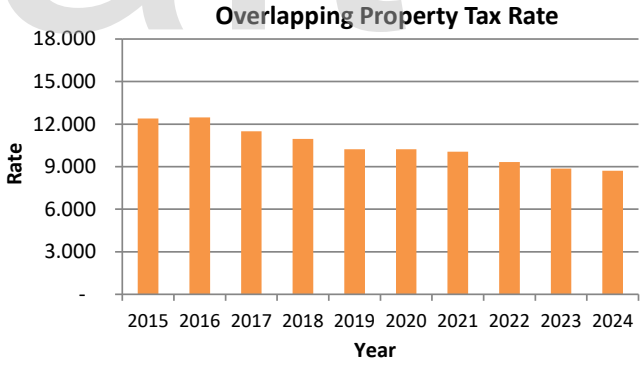

PRINCIPAL TAXPAYERS
Current Year and Ten Years Ago

	2024				2015			
Taxpayer	Assessed Valuation		Rank	% of Total Assessed Valuation	Taxpayer	Assessed Valuation	Rank	% of Total Assessed Valuation
KITSAP OLHAVA LLC	$	45,400,850	1	1.42%	MUFG UNION BANK NA	$ 22,224,700	1	1.73%
PEN GLEN LLC 1	$	40,842,320	2	1.28%	WAL MART TRS LLC STORE 5272 POULSBO WA	$ 16,660,390	2	1.30%
LIBERTY RIDGE APTS LLC	$	39,838,750	3	1.24%	LAURELHURST APARTMENTS CO	$ 12,940,280	3	1.01%
TWO BROTHERS INVESTMENT III LL(	$	31,405,670	4	0.98%	SAFEWAY INC	$ 12,111,974	4	0.94%
WALMART TRS LLC STORE 5272 POULSBO WA	$	24,163,160	5	0.75%	LIBERTY RIDGE APTS LLC	$ 11,315,950	5	0.88%
LAURELHURST APARTMENTS CO	$	21,729,820	6	0.68%	PUGET SOUND ENERGY ELEC	$ 10,696,729	6	0.83%
THE LANDING AT COLLEGE MARKETPLACE LLC	$	21,282,650	7	0.66%	HD DEVELOPMENT OF MARYLAND	$ 10,041,060	7	0.78%
LITTLE VALLEY STORAGE LLC	$	21,074,030	8	0.66%	POULSBO RETIREMENT CENTER	$ 8,927,090	8	0.70%
SCANDIA KNOLLS ASSOCIATES LLP	$	15,984,710	9	0.50%	HATTALAND	$ 8,680,100	9	0.68%
POULSBO RETIREMENT CENTER	$	15,385,380	10	0.48%	COLLEGE MARKETPLACE LLC	$ 8,346,210	10	0.65%
Totals:	**$**	**277,107,340**		**8.66%**	**Totals:**	**$ 121,944,483**		**9.51%**

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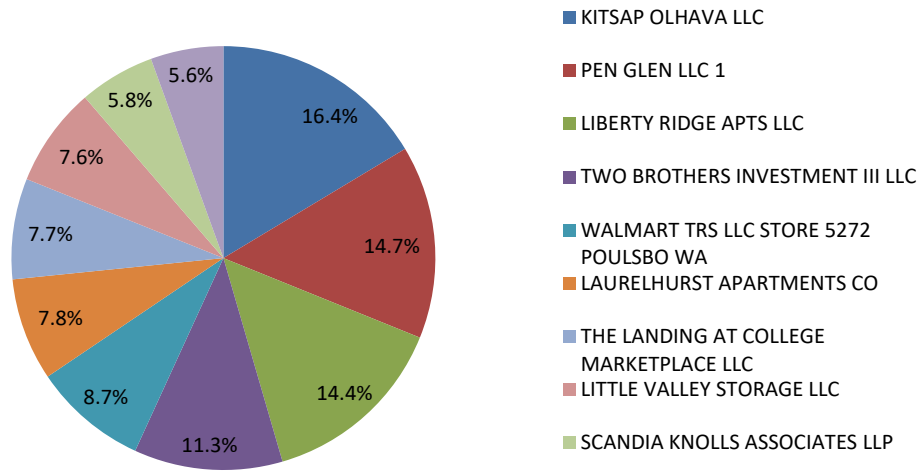
Source: Kitsap County Assessor's Office

Assessed Value of Top Ten 2024 Taxpayers



PROPERTY TAX LEVIES AND COLLECTIONS
LAST TEN FISCAL YEARS

Fiscal Year	Total Tax Levy	Collected within the Fiscal Year of the Levy		Delinquent Tax Collected	Total Collections to Date		Outstanding Delinquent Taxes (ODT)	ODT As % of Current Levy
		Amount	% of Levy		Amount	% of Levy		
2015	2,192,765.00	2,171,628.54	99.04%	20,254.52	$ 2,191,883.06	99.96%	881.94	0.04%
2016	2,269,562.00	2,244,248.25	98.88%	20,311.24	$ 2,264,559.49	99.78%	5,002.51	0.22%
2017	2,351,831.00	2,323,187.52	98.78%	26,278.01	$ 2,349,465.53	99.90%	2,365.47	0.10%
2018	2,482,716.00	2,439,955.20	98.28%	38,798.68	$ 2,478,753.88	99.84%	3,962.12	0.16%
2019	2,577,202.00	2,572,366.24	99.81%	2,456.91	$ 2,574,823.15	99.91%	2,378.85	0.09%
2020	2,690,158.00	2,668,392.45	99.19%	16,680.74	$ 2,685,073.19	99.81%	5,084.81	0.19%
2021	2,743,226.00	2,878,681.57	104.94%	(138,976.37)	$ 2,739,705.20	99.87%	3,520.80	0.13%
2022	2,810,867.00	2,815,726.26	100.17%	(5,880.21)	$ 2,809,846.05	99.96%	1,020.95	0.04%
2023	2,909,983.00	2,878,681.57	98.92%	24,902.44	$ 2,903,584.01	99.78%	6,398.99	0.22%
2024	$ 3,062,997.00	$ 3,023,888.50	98.72%	$ 19,265.20	$ 3,043,153.70	99.35%	$ 19,843.30	0.65%

Source: Kitsap County Treasurer and Assessor's Office

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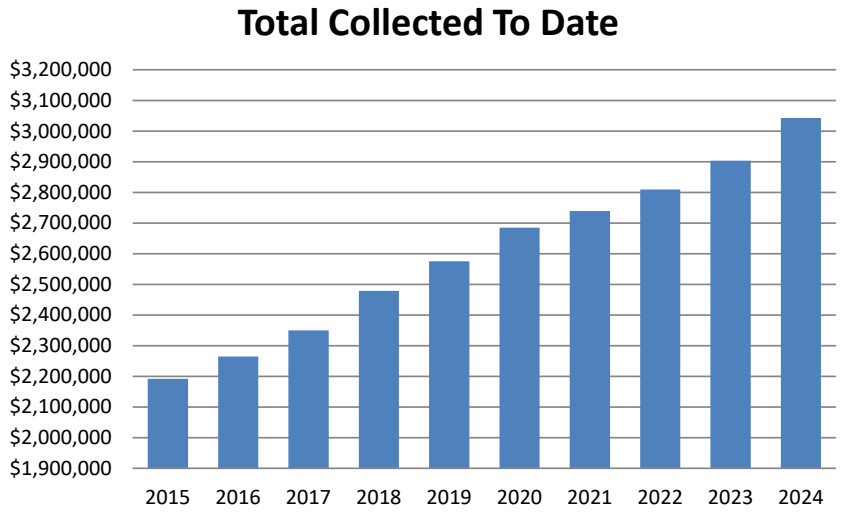

SALES TAX RATE DIRECT AND OVERLAPPING GOVERNMENTS
Last Ten Fiscal Years

	2015	2016	2017 [2]	2018	2019	2020	2021 [3]	2022 [4]	2023 [5]	2024
Basic Sales Tax Rates										
City of Poulsbo	1.0%	1.0%	1.0%	1.0%	1.0%	1.0%	1.0%	1.0%	1.1%	1.1%
Housing & Related Services	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.1%	0.1%	0.1%	0.1%
Washington State	6.5%	6.5%	6.5%	6.5%	6.5%	6.5%	6.5%	6.5%	6.5%	6.5%
Kitsap Transit	0.8%	0.8%	1.1%	1.1%	1.1%	1.1%	1.1%	1.1%	1.1%	1.1%
Criminal Justice	0.1%	0.1%	0.1%	0.1%	0.1%	0.1%	0.1%	0.1%	0.1%	0.1%
County Jail Expansion	0.1%	0.1%	0.1%	0.1%	0.1%	0.1%	0.1%	0.1%	0.1%	0.1%
Emergency Communication	0.1%	0.1%	0.1%	0.1%	0.1%	0.1%	0.1%	0.2%	0.2%	0.2%
Mental and Physical Health	0.1%	0.1%	0.1%	0.1%	0.1%	0.1%	0.1%	0.1%	0.1%	0.1%
Total Basic Combined Sales Tax Rate	8.6%	8.7%	9.0%	9.0%	9.0%	9.0%	9.1%	9.2%	9.3%	9.3%
Special Sales Tax Rates										
Hotel/Motel [1]	2.0%	2.0%	2.0%	2.0%	2.0%	2.0%	2.0%	2.0%	2.0%	2.0%

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[1] In effect since 1998, this 2% Hotel/Motel Tax was approved by Ordinance 98-03 in accordance with RCW 82.08

[2] Effective April 2017, Kitsap County increased the rate three tenths of one percent (.3%) for Kitsap Transit Passenger-only Ferry Services

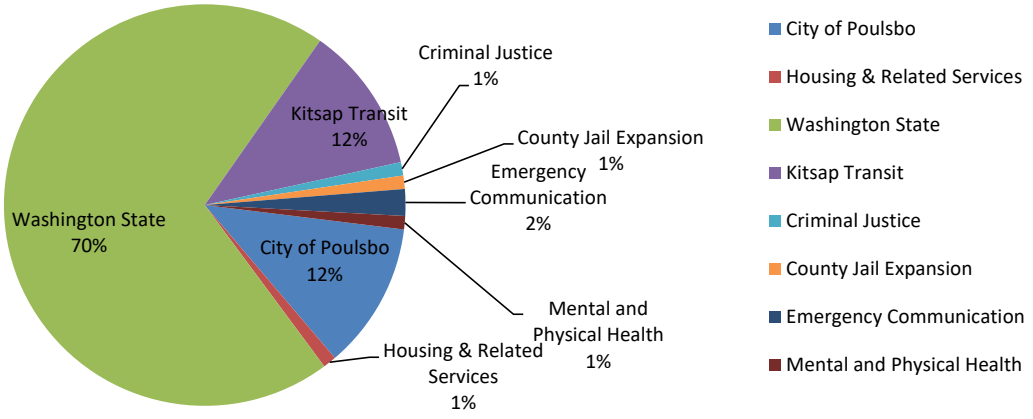
[3] Effective January 2021, City of Poulsbo increased one tenth of one percent (.1%) for Housing & Related Services

[4] Effective April 2022, the City of Poulsbo increased one tenth of one percent (.1%) for emergency communication systems and facilities and housing and related services.

[5] Effective April 2023, City of Poulsbo increased the rate one tenth of one percent (.1%) for transportation services

Source: Washington State Department of Revenue Local Sales and Use Tax Rates

Sales Tax Distribution - 2024



RETAIL SALES TAX REVENUE BY SECTOR
Last Ten Fiscal Years

	2015	2016	2017	2018	2019
Major Industry Sector					
Accommodation and Food Svcs.	$ 362,577	$ 408,529	$ 430,016	$ 453,404	$ 460,455
Admin, Supp, Remed Svcs	51,911	59,866	67,589	115,668	129,176
Agriculture, Forestry Fishing	539	4,958	4,298	4,185	4,022
Arts, Entertain, Recreation	16,785	9,799	11,271	12,266	12,413
Company Management	6	199	164	227	1
Construction	300,625	343,021	416,871	585,113	471,783
Educational Services	5,942	5,168	3,684	4,200	3,311
Finance and Insurance	12,935	20,383	15,396	16,769	17,341
Health Care and Social Assistance	14,789	18,045	26,120	28,120	50,343
Information	97,189	110,385	116,592	118,706	129,983
Manufacturing	35,145	59,717	46,118	53,081	63,609
Mining	589	39	204	71	554
Other Services	87,482	93,947	104,885	96,686	107,901
Prof, Scientific and Technical Svcs	46,226	53,170	54,208	64,847	69,236
Public Administration	27,064	35,571	39,483	3,209	1,519
Real Estate, Rental, Leasing	56,902	65,509	70,718	73,200	83,737
Retail Trade	1,953,167	1,988,786	2,107,661	2,297,269	2,420,781
Transportation and Warehousing	2,656	4,277	4,281	4,185	3,856
Unknown	12,511	16,833	4,755	58,209	37,197
Utilities	3,209	2,312	2,844	4,152	4,565
Wholesale Trade	131,638	165,808	167,400	197,853	208,987
Total Retail Sales Tax Revenues	**$ 3,219,887**	**$ 3,466,322**	**$ 3,694,558**	**$ 4,191,420**	**$ 4,280,770**

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Sources: City of Poulsbo Finance Department and Washington State Department of Revenue

RETAIL SALES TAX REVENUE BY SECTOR *(continued)*
Last Ten Fiscal Years

	2020	2021	2022	2023	2024
Major Industry Sector					
Accommodation and Food Svcs.	$ 391,995	$ 532,903	$ 583,624	$ 641,371	$ 672,031
Admin, Supp, Remed Svcs	164,274	186,008	208,263	214,953	225,616
Agriculture, Forestry Fishing	2,548	2,175	2,657	1,528	1,476
Arts, Entertain, Recreation	9,996	13,098	17,226	18,177	17,225
Company Management	303	286	235	368	522
Construction	443,927	566,613	871,855	865,019	888,505
Educational Services	3,491	5,924	8,651	8,548	8,016
Finance and Insurance	17,975	23,169	28,105	10,910	20,833
Health Care and Social Assistance	19,097	18,078	32,271	21,818	25,740
Information	139,833	159,558	175,513	180,780	193,235
Manufacturing	45,134	67,599	76,119	89,103	79,088
Mining	2,037	1,912	(16)	455	1,121
Other Services	93,439	107,707	104,562	109,461	112,174
Prof, Scientific and Technical Svcs	64,343	88,327	92,814	113,880	114,729
Public Administration	1,513	1,069	1,178	402	743
Real Estate, Rental, Leasing	74,869	121,282	125,235	118,630	122,053
Retail Trade	2,543,855	2,890,725	2,874,539	2,821,583	2,789,268
Transportation and Warehousing	7,817	18,567	19,246	31,559	36,512
Unknown	51,471	58,633	59,850	80,733	56,438
Utilities	4,585	5,079	482	10,175	14,011
Wholesale Trade	202,401	228,165	251,533	237,273	292,682
Total Retail Sales Tax Revenues	**$ 4,284,903**	**$ 5,096,877**	**$ 5,533,945**	**$ 5,576,726**	**$ 5,672,018**

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RATIOS OF OUTSTANDING DEBT BY TYPE
Last Ten Fiscal Years

	Governmental Activities				Business-Type Activities							
Fiscal Year	General Obligation Bonds*	Leases	Subscriptions	PWTF Loans	Water Bonds	Sewer Bonds*	Solid Waste Bonds	Storm Drain Bonds	Subscriptions	Total Primary Government	Percentage of Personal Income[1]	Per Capita[2]
2015	10,703,313			371,841	205,040	726,960	-	-	-	12,007,154	2.50%	1,207
2016	10,020,267			297,473	104,500	370,500	-	-	-	10,792,740	2.11%	1,057
2017	9,778,540			223,105	-	-	-	-	-	10,001,645	1.80%	952
2018	9,068,544			148,737	-	7,445,551	-	-	-	16,662,832	2.70%	1,536
2019	8,121,622			74,368	-	7,191,774	-	-	-	15,387,764	2.33%	1,376
2020	7,415,640			-	-	6,927,996	-	-	-	14,288,055	1.99%	1,193
2021	9,336,481			-	475,045	7,129,263	746,499	407,181	-	18,094,469	2.51%	1,508
2022	8,554,635	160,402		-	453,158	6,363,158	712,106	388,421	-	16,631,881	2.07%	$ 1,366
2023	8,052,236	186,347	191,285	-	431,049	6,502,712	677,362	369,470	-	16,410,462	2.00%	$ 1,323
2024	$ 7,052,171	$ 360,310	$ 290,499	$ -	$ 408,707	$ 6,171,593	$ 642,254	$ 350,320	$ 17,021	$ 15,292,876	1.70%	$ 1,175

** Includes Unamortized Premium / Discount*

Note: Details regarding the City's outstanding debt can be found in the notes to the financial statements.

[1] *See the Schedule of Demographic and Economic Statistics for personal income and population data.*

[2] *Percentage of Personal Income data only available through 2023.*

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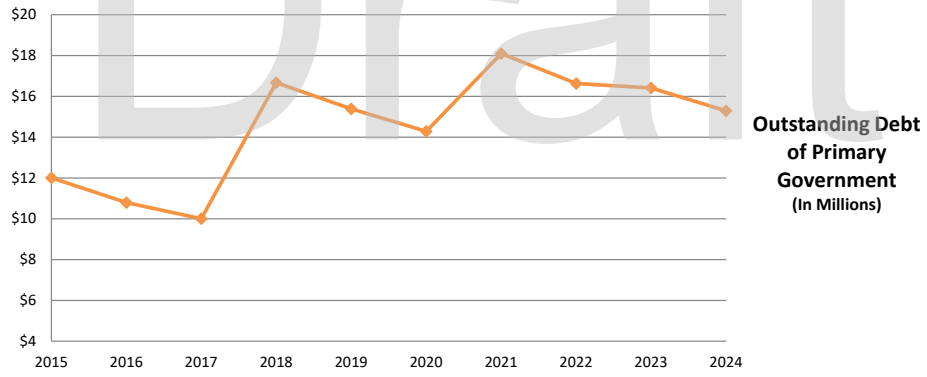

RATIOS OF GENERAL BONDED DEBT OUTSTANDING
Last Ten Fiscal Years

Fiscal Year	General Obligation Bonds	Less: Amounts Available in Debt Service Fund	Total	% of Estimated Actual Taxable Value[1] of Property	Per Capita[2]
2015	10,703,313	4,337	10,698,976	0.75%	1,075
2016	10,020,267	11,872	10,008,395	0.66%	980
2017	9,778,540	11,963	9,766,577	0.59%	929
2018	9,068,544	11,788	9,056,756	0.40%	835
2019	8,121,622	11,960	8,116,866	0.39%	726
2020	7,415,640	11,407	7,404,233	0.22%	641
2021	11,440,251	12,361	11,427,890	0.33%	952
2022	11,466,549	7,728	11,458,820	0.34%	941
2023	10,392,829	7,637	10,385,193	0.30%	838
2024	$ 9,265,046	$ 10,101	$ 9,254,945	0.27%	711

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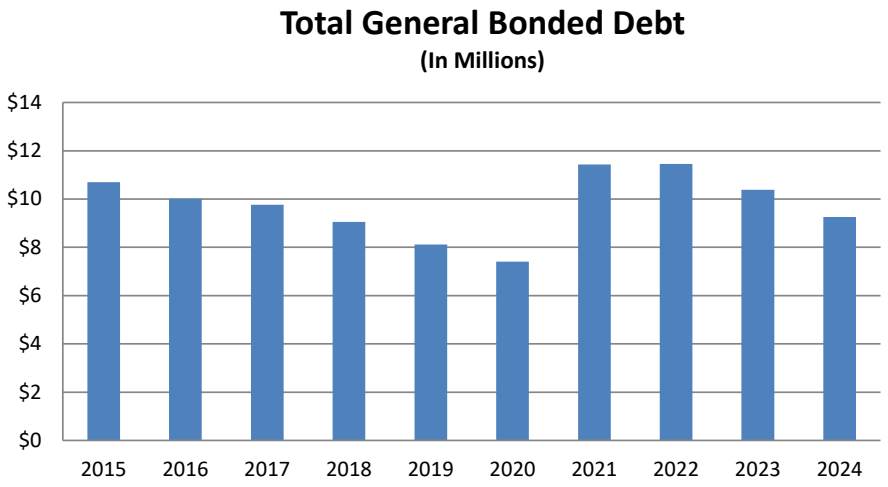
Note: Details regarding the City's outstanding debt can be found in the Notes to the Financial Statements.

[1] *See the Schedule of Assessed Value and Estimated Actual Value of Taxable Property for property value data.*

[2] *Population data can be found in the Schedule of Demographic and Economic Statistics.*

[3] *General Obligation Bonds include amounts in both Governmental and Business type funds*



DIRECT AND OVERLAPPING GOVERNMENTAL ACTIVITIES DEBT
December 31, 2024

Governmental Unit	Debt Outstanding	Estimated % of Applicable assessed value[1]	Estimated Share of Overlapping Debt
Kitsap County	$ 61,611,923	4.97%	$ 3,063,586
North Kitsap School District #400	-	23.49%	-
North Kitsap Fire District #18	3,905,000	43.08%	1,682,295
Public Utility District No. 1	12,080,000	4.97%	600,665
Subtotal, Overlapping Debt	77,596,923		5,346,546
City of Poulsbo Direct Debt [(2)]	$ 7,702,981		$ 7,702,981
Total Direct and Overlapping Debt			$ 13,049,527

Sources: Assessed value data used to estimate applicable percentages provided by the Kitsap County Assessor's Office. Debt outstanding data provided by the Kitsap County Treasurer's Office.

Note: Overlapping governments are those that coincide, at least in part, with the geographic boundaries of the city. This schedule estimates the portion of the outstanding debt of those overlapping governments that is borne by the residents and businesses of the City of Poulsbo. This process recognizes that, when considering the government's ability to issue and repay long-term debt, the entire debt burden borne by the residents and businesses should be taken into account. However, this does not imply that every taxpayer is a resident, and therefore responsible for repaying the debt of each overlapping government.

[1] The percentage of overlapping debt applicable is estimated using taxable assessed property vales. Applicable percentages were estimated by determining the portion of the unit's taxable assessed value that is within the City's boundaries and dividing it by the units total taxable assessed value.

[2] Direct Debt for the City of Poulsbo includes: Limited Tax General Obligation Bonds, Unamortized Premium/Discount, Leases, and Subscription Based Internet Technology Agreements (SBITAs)

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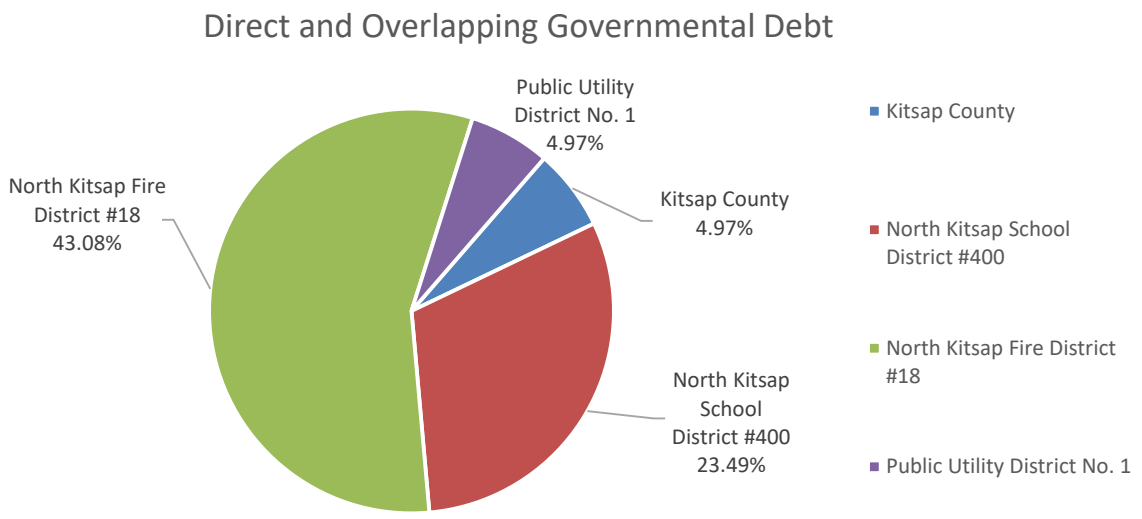

LEGAL DEBT MARGIN INFORMATION
Last Ten Fiscal Years

	2015	2016	2017	2018
Debt Limit	$ 100,957,763	$ 111,596,650	$ 122,480,124	$ 122,480,124
Total net debt applicable to limit	9,925,663	9,283,128	9,050,075	8,395,842
Legal debt margin	$ 91,032,100	$ 102,313,522	$ 113,430,049	$ 114,084,281
Total net debt applicable to the limit as a % of debt limit	9.83%	8.32%	7.39%	6.85%

Sources: Assessed value data used to estimate applicable percentages provided by the Kitsap County Auditor's Office.

Note: Under state finance law, the City of Poulsbo's voters may approve debt issues of up to 7.5% of assessed valuation. This 7.5% debt capacity is allocated evenly among general government, parks/open space, and utilities resulting in a 2.5% limit for each. Within the general government limit, the City Council has the authority to issue bonds without voter approval for a combined total up to 1.5% of the City's assessed valuation.

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LEGAL DEBT MARGIN INFORMATION *(continued)*
Last Ten Fiscal Years

2019	2020	2021	2022	2023	2024
$ 140,588,496	$ 167,732,732	$ 180,401,004	$ 179,528,497	$ 211,658,566	$ 224,098,229
7,504,190	6,788,418	10,938,570	10,553,751	10,385,193	9,254,944
$ 133,084,306	$ 160,944,314	$ 169,462,434	$ 168,974,746	$ 201,273,373	$ 214,843,285
5.34%	4.05%	6.06%	5.88%	4.91%	4.13%

Legal Debt Margin Calculation for Fiscal Year 2024

Assessed value	$ 2,987,976,388
Debt Limit (7.5% of total assessed value)	224,098,229
Debt Applicable to Limit:	
General Obligation Bonds	9,265,045
Less: Amount set aside for repayment of GO Debt	10,101
Total Net Debt Applicable to Limit	9,254,944
Legal Debt Margin	$ 214,843,285

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PLEDGED-REVENUE COVERAGE
Last Ten Fiscal Years

	Water and Sewer Revenue Bonds					
Fiscal Year	Charges for Services & Other	Less: Operating Expenses	Net Available Revenue	Debt Service		Coverage
				Principal	Interest	
2015	5,119,333	4,132,273	987,060	443,000	42,510	203%
2016	5,317,488	4,338,074	979,414	457,000	24,271	204%
2017	5,585,996	4,341,634	1,244,362	475,000	8,194	258%
2018	5,864,959	4,817,405	1,047,554	100,000	148,469	422%
2019	7,141,036	1,796,028	5,345,008	225,000	285,650	1047%
2020	6,340,636	5,452,049	888,587	235,000	276,421	174%
2021	6,645,913	5,668,704	977,209	245,000	264,629	192%
2022	7,141,036	6,064,070	1,076,966	255,000	252,338	212%
2023	7,773,501	6,781,100	992,400	270,000	239,975	195%
2024	$ 5,634,679	$ 5,080,054	$ 554,625	$ 280,000	$ 231,827	108%

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Note: Details regarding the government's outstanding debt can be found in the Notes to the Financial Statements. Charges for services and other includes plan checking fees but not tap fees and interest. Operating Expenses include depreciation but not interest.

2024 Net Available Revenue and Debt Service amounts represent the sewer fund only

DEMOGRAPHIC AND ECONOMIC STATISTICS
Last Ten Fiscal Years

Fiscal Year	Poulsbo Population	County Population	Kitsap County Personal Income* [1]	Poulsbo Personal Income [1]	Per Capita Income*	Kitsap County Unemployment Rate**	School Enrollment [2] ***
2015	9,950	258,200	12,473,946	480,696	48,450	5.4%	3,141
2016	10,210	262,590	13,163,570	511,825	50,131	5.5%	3,099
2017	10,510	264,300	13,988,937	556,276	52,009	4.8%	3,118
2018	10,850	267,120	15,174,970	616,384	54,197	4.6%	3,103
2019	11,180	270,100	15,982,626	661,554	57,197	4.6%	3,097
2020	11,975	275,611	16,559,291	719,483	60,704	7.7%	2,408
2021	12,000	277,700	18,610,871	804,215	67,845	5.0%	2,713
2022	12,180	280,900	18,936,661	821,105	68,198	4.3%	2,738
2023	12,400	283,200	$ 20,502,625	$ 897,714	$ 73,841	4.1%	2,779
2024	13,010	286,100	$ -	$ -	$ -	4.6%	2,849

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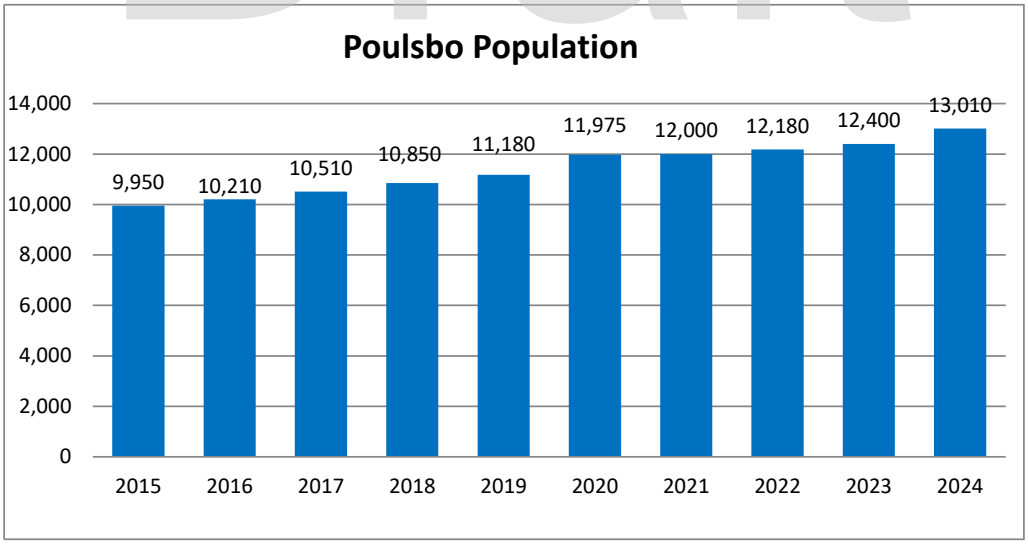
[1] *Thousands of Dollars and information only available through 2023*

[2] *Totals for only schools in city limits*

** Source: US Bureau of Economic Analysis-Kitsap County based on population of City only available through 2023*

*** Source: Washington State Employment Security Department-Kitsap County*

**** Source: North Kitsap School District & Office of Superintendent of Public Instruction WA State*



PRINCIPAL EMPLOYERS
Current Year and Nine Years Ago

		2024			2015		
Taxpayer	**Type of Business**	**TOTAL EMPLOYEES [1]**	**Rank**	**% of Total City Employment**	**TOTAL EMPLOYEES [1]**	**Rank**	**% of Total City Employment**
North Kitsap School District	Public Education	857	1	10.88%	826	1	13.05%
Martha & Mary Health Services	Social Services	372	2	4.72%	565	2	8.93%
Walmart [1]	Retail Trade	325	3	4.13%	336	3	5.31%
Town & Country Market [1]	Retail Trade	233	4	2.96%	240	4	3.79%
Watson Furniture Group	Manufacturing	225	5	2.86%	-		0.00%
Gateway Fellowship & School/Christ Memorial Childrens Learning Center	Religious & Private Education	197	6	2.50%	152	5	2.40%
Safeway/Albertsons	Retail Trade	170	7	2.16%	115	6	1.82%
Home Depot	Retail Trade	125	8	1.59%	96	8	1.52%
City of Poulsbo [1]	Municipal Government	110	9	1.40%	90	9	1.42%
Liberty Shores / Harbor House	Healthcare	105	10	1.33%	102	7	1.61%
Marine View Beverage/Columbia Distributing	Distribution	-	-	0.00%	82	10	1.30%
Subtotal of Ten Largest Employers		2,719		34.53%	2,604		41.14%
All Other Employers		5,156		65.47%	3,725		58.86%
Total Poulsbo Employment		7,875		100.00%	6,329		100.00%

[1] *Full and part-time employees are tracked*

Source: Washington State Employment Security Department
City of Poulsbo Finance Department
Kitsap Economic Development Alliance
Town & Country Market
Masterworks.com
Liberty Shores/Harbor House
North Kitsap School District - Values only provided through 2023
Poulsbo Safeway
US Census Bureau

Draft

FULL-TIME EQUIVALENT CITY GOVERNMENT EMPLOYEES BY FUNCTION
Last Ten Fiscal Years

Function		2015	2016	2017	2018	2019	2020	2021	2022	2023	2024
General Government:	Executive (Mayor)	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00
	Clerk's Department	2.00	2.00	2.00	2.83	3.00	3.00	2.25	2.00	4.00	4.00
	Finance Department	7.00	8.00	8.00	7.83	8.00	8.00	8.17	8.00	9.00	9.50
	Information Services	1.50	1.50	1.50	1.50	1.50	1.50	2.00	2.00	2.00	2.00
	Personnel	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00
	Prosecutor	1.00	1.00	1.00	1.00	1.00	1.21	1.00	1.00	-	-
	Risk Management	0.50	0.50	1.00	1.00	1.00	1.33	1.00	1.00	-	-
	Central Services	2.55	2.55	2.52	2.52	2.52	2.52	2.23	2.02	3.02	3.02
Judicial:	Municipal Court	3.39	3.39	3.39	3.48	3.52	3.52	3.77	4.02	3.52	3.52
Security:	Police Department	20.82	21.50	23.00	23.25	24.33	24.33	22.09	21.50	25.00	25.99
Physical Environ.:	Engineering	6.45	6.33	10.30	7.30	9.30	9.30	7.00	6.75	8.00	8.50
Transportation:	Streets	3.15	2.70	2.64	2.64	2.64	2.64	2.64	2.64	3.64	3.64
Economic Environ.:	Planning & Building	7.92	8.00	5.00	8.00	8.00	8.00	7.59	7.00	8.00	8.00
Culture & Recreation:	Parks & Recreation	6.17	6.17	6.17	6.17	6.17	6.17	3.65	4.47	5.75	6.50
	Parks & Cemetery	2.30	2.25	2.22	2.22	3.22	3.22	2.64	2.22	3.22	3.22
Mental & Physical Health	Mental Health	-	-	4.00	3.17	4.00	4.00	1.00	2.00	3.50	3.50
Utilities & Environ.:	Water	5.90	5.90	5.82	5.90	5.87	5.87	5.72	5.72	5.97	5.97
	Sewer	3.65	3.65	3.63	3.71	3.68	3.68	3.53	3.53	3.78	3.78
	Solid Waste	4.32	4.32	4.62	4.62	4.62	4.62	5.54	4.87	6.12	6.12
	Storm Drain	5.87	6.20	5.93	5.86	5.83	5.83	5.93	5.93	6.18	6.18
	General Facilities	-	-	-	-	-	-	-	-	-	-
	Administration	3.48	4.10	4.32	4.32	4.32	4.32	4.32	4.32	4.57	4.57
Total Number of Full-Time Equivalent Employees:		89.97	92.06	99.06	99.32	104.52	105.06	94.07	93.00	107.27	110.02

Source: City of Poulsbo,
Human Resources

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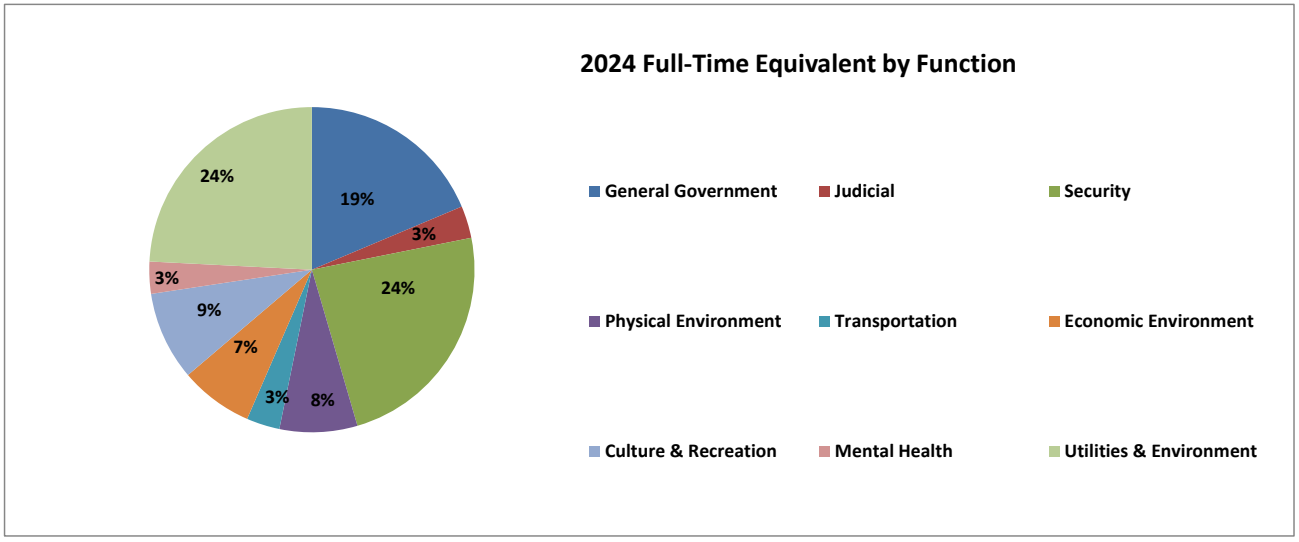

PRINCIPAL CUSTOMER BY AMOUNT BILLED
FOR THE YEAR ENDED DECEMBER 31, 2024

Individual Water Customers

Customer	Type of Business	Amount Billed
1800 Poulsbo LLC	Mobile Home Park	$ 29,986
Hostmark Village Cove	Apartments	19,271
Vikings Crests Owners Association	Condominiums	16,090
Car Wash Enterprises Inc	Car Wash	15,207
Poulsbo Holdings LLC	Car Wash	14,573
Martha & Mary Health Services	Senior Assisted Living	12,959
Town & Country Markets Inc	Grocery Store	11,951
Car Wash Enterprises Inc	Car Wash	11,211
Emeritus Senior Living Site 0642	Senior Assisted Living	10,799
Market Place Hospitality LLC	Hotel	10,738
Total of Ten Largest Water Customers		**$ 152,786**

Individual Sewer Customers

Customer	Type of Business	Amount Billed
1800 Poulsbo LLC	Mobile Home Park	$ 101,443
Hostmark Village Cove	Apartments	60,977
Car Wash Enterprises Inc	Car Wash	51,712
Poulsbo Holdings LLC	Car Wash	49,269
Vikings Crests Owners Association	Condominiums	47,545
Martha & Mary Health Services	Senior Assisted Living	41,980
Town & Country Markets Inc	Grocery Store	38,847
Car Wash Enterprises Inc	Car Wash	37,467
Emeritus Senior Living Site 0642	Senior Assisted Living	31,547
Market Place Hospitality LLC	Hotel	30,694
Total of Ten Largest Sewer Customers		**$ 491,481**

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CAPITAL ASSETS STATISTICS BY FUNCTION
Last Ten Fiscal Years

	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024
Governmental Functions										
General Government										
Number of City vehicles (not listed below)	12	12	9	10	11	11	11	9	9	9
Generators	2	4	4	4	4	4	4	4	4	4
Public Safety										
Number of police vehicles	24	25	26	25	26	26	26	28	30	32
Number of police boats	1	1	1	1	1	1	1	1	1	1
Transportation										
Number of vehicles (not specified below)	6	7	6	8	8	8	8	8	8	8
Number of street sweepers	2	2	2	2	2	2	2	2	2	2
Number of dump trucks	6	6	7	7	7	7	7	7	7	7
Construction equipment	11	13	15	14	16	16	16	17	16	16
Miles of streets	**56	56	56	56	56	55	56	59	60	67
Number of traffic signals	9	9	9	9	9	9	9	9	9	9
Number of bridges	1	1	1	1	1	1	1	1	1	1
Culture and Recreation										
Number of vehicles	-	-	-	-	-	-	-	-	-	1
Number of boats[1]	34	13	13	13	12	30	30	30	30	30
Number of neighborhood parks[2]	11	9	9	9	9	9	9	9	9	9
Number of community parks[2]	5	2	2	2	2	2	2	3	3	3
Number of regional parks[2]		3	3	3	4	4	4	4	4	4
Number of natural/open space sites[2]		6	6	6	6	6	6	6	6	6
Miles of trails[2]		6	6	6	6	6	6	6	6	6
Total park acreage[3]		127	127	129	130	130	130	141	141	141
Maintenance equipment	6	8	10	9	11	11	11	11	11	11
Number of indoor recreational facilities	1	1	1	1	1	1	1	1	1	1
Economic Environment										
Number of building dept vehicles	1	1	2	1	1	1	1	1	1	1
Physical Environment										
Number of engineering dept vehicles	1	1	1	1	1	2	2	6	7	4
Business-Type Functions										
Water										
Generators	2	3	3	3	3	3	3	4	5	5
Miles of water mains	**67	67	68	69	69	72	73	77	81	84
Number of vehicles	5	6	9	10	10	9	9	8	8	8
Number of hydrants	**538	538	551	615	633	658	666	***736	751	761
Sewer										
Generators	4	7	7	8	8	7	7	7	7	7
Number of vehicles	4	4	3	4	4	4	4	4	4	4
Number of construction vehicles	2	3	3	3	3	3	3	3	3	5
Sewer inspection camera	2	2	1	1	1	1	1	1	1	1
Treatment plants (Pumping Stations)	9	9	9	9	9	9	9	9	9	9
Miles of sewer mains	**53	53	54	56	57	58.5	59.5	66	66	67
Solid Waste										
Number of vehicles			1	1	2	2	2	2	3	3
Number of garbage trucks	5	5	6	5	5	5	5	6	6	6
Storm Drain										
Number of vehicles	2	3	3	3	3	3	3	3	3	3
Number of vacuum trucks	1	1	1	1	1	1	1	1	1	1
Maintenance equipment	-	-	-	-	-	-	-	-	1	1

[1] Information added to report in 2016.

[2] Park data was previously categorized as Neighborhood or Community only. The data has been updated to be consistent with the categories and information reported in the City's 2016 Comprehensive Parks, Recreation, and

[3] Includes total acres for all Neighborhood Parks, Community Parks, Regional Parks, Natural/Open Space, and Trails.

***In 2015 the City completed an update of GIS mapping for all water mains, sewer mains, hydrants, and streets. The data reflects this updated mapping as well as any increases in 2015.*

****In 2022 it was discovered Public Works Department wasn't getting proper notification of new hydrants. 2022 numbers were updated from current GIS mapping*

Source: City of Poulsbo Fixed Asset Module, City of Poulsbo Departments, City 2016 & 2021 Comprehensive Plan

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OPERATING INDICATORS BY FUNCTION
Last Ten Fiscal Years

		2015	2016	2017	2018	2019
Governmental Functions						
General Government	Number of:					
	Bargaining groups represented	2	2	2	2	2
	City council meetings	40	40	37	41	33
	Public records requests processed	130	275	303	624	710
	Pages of ordinances codified	150	254	379	235	278
	Business licenses issued	1,825	1,944	1,913	2,261	1,814
	Passports processed	715	742	692	544	580
	Claims for damages filed against the City	12	9	15	5	11
	Tort litigations initiated against the City	2	1	1	-	2
	Criminal case referrals from City police	220	337	437	411	415
	Criminal hearings	2,645	3,124	3,575	4,750	4,543
	Civil asset forfeiture referrals from City police	2	2	9	14	5
	Code enforcement referrals	*	1	1	1	-
Public Safety	Number of:					
	Calls for service	12,429	12,215	12,852	13,238	11,647
	Traffic stops	2,612	1,879	2,584	3,477	2,107
	Incident reports filed	1,774	1,751	1,967	1,742	1,948
	Infractions issued by officers	962	732	730	1,101	564
	Responses to motor vehicle accidents	382	403	433	402	436
	Reportable motor vehicle accidents	197	208	201	186	200
	Driving impaired citations issued	28	38	50	59	44
	Parking complaints dispatched	176	274	256	154	207
	Parking infractions issued	363	436	240	176	165
Transportation	Miles of streets maintained	**56	56	56	56	56
	Miles of sidewalks maintained	50	64	64	65	65
	Number of hours spent street sweeping	354	310	350	581	480
	Number of street signs maintained	2,290	3,000	3,100	3,170	3,170
Culture and Recreation	Number of parks maintained	17	17	17	18	19
	Total acreage of parks/open space maintained	67	67	67	71	71
Economic Environment	Number of:					
	New single family building permits issued	99	113	104	75	51
	New commercial building permits issued	2	2	10	1	4
	Existing single family building permits issued	128	146	22	6	35
	Existing commercial building permits issued	9	5	27	33	61
	All other building permits	314	347	226	368	323
Physical Environment	Number of:					
	Right of way permits issued	57	51	66	78	65
	Clearing & grading apps & permits issued	5	18	18	5	2
	Land use pre-applications reviewed	14	25	22	33	36
	Land use commercial applications reviewed	12	14	19	20	17
	Land use residential applications reviewed	17	7	8	11	24
	Land use un-classified[1] applications reviewed	4	6	10	16	9
Business-Type Functions						
Water	Number of active water service customers	3,500	3,837	3,951	4,013	4,100
	Miles of watermain lines maintained	67	67	68	68	70
	Average number of water meters read monthly	3,410	3,828	3,950	4,082	4,165
Sewer	Number of active sewer services customers	3,400	3,561	3,682	3,803	3,895
	Miles of sewermain lines maintained	53	53	54	56	57
	Number of pump stations maintained	9	9	9	9	9
Solid Waste	Number of:					
	Residential garbage accounts	3,040	3,196	3,399	3,500	3,584
	Multi-family units	1,022	1,022	1,040	1,076	1,163
	Commercial accounts	315	334	341	344	384
	Tons of waste to landfill	5,600	5,979	6,207	6,409	6,446
	Free dumpsters for residential clean-up provided	315	300	271	278	288
Storm Drain	Number of detention ponds maintained	29	29	29	29	31

** A new indicator being tracked and previous information is not available*

*** In 2015 the City completed an update of GIS mapping for all water mains, sewer mains, hydrants, and streets. The data reflects this updated mapping as well as any increases in 2015 .*

[1] Un-Classified includes Light Industrial, Park, Business Park, Office Commercial Industrial a

Source: Internal Operating Statistics

Draft

OPERATING INDICATORS BY FUNCTION

Last Ten Fiscal Years

2020	2021	2022	2023	2024
2	2	2	2	2
38	37	36	35	38
620	565	679	829	1,050
151	385	200	143	249
2,110	1,927	872	941	1,081
155	331	684	693	687
7	7	8	24	19
-	1	1	2	2
282	156	157	236	350
6,465	3,134	3,104	2,220	2,269
4	-	2	-	3
-	-	1	3	12
8,425	8,706	9,436	13,933	13,925
653	420	706	2,216	3,113
1,495	1,211	1,634	1,331	1,495
239	145	314	336	1,022
301	347	120	331	257
148	150	120	147	158
25	10	26	29	21
173	129	150	95	216
152	66	91	24	122
55	56	***59	60	67
66	67	67	75	82
448	562	566	816	892
3,180	3,200	3,200	3,300	3,400
19	22	22	22	22
71	72	72	136	138
12	74	72	175	64
7	8	4	5	4
139	222	248	221	231
73	65	63	59	73
81	83	81	53	91
97	92	113	69	77
9	16	13	17	10
20	17	26	25	17
21	5	9	54	6
26	12	18	23	8
7	11	13	26	38
4,139	4,191	4,270	4,454	4,541
72	73	77	81	84
4,209	4,248	4,390	4,550	4,601
3,916	3,966	4,041	4,178	4,290
59	60	66	66	67
9	9	9	8	8
3,599	3,636	3,687	3,820	3,935
1,181	1,219	1,289	1,335	1,383
336	349	352	350	350
6,420	6,783	6,802	6,960	7,036
291	273	251	255	298
32	34	36	39	41

Draft