



Office of the Washington State Auditor  
Pat McCarthy

## Financial Statements and Federal Single Audit Report

# Kitsap Public Health District

For the period January 1, 2023 through December 31, 2023

*Published September 16, 2024*

Report No. 1035540



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

September 16, 2024

Board of Health  
Kitsap Public Health District  
Bremerton, Washington

**Report on Financial Statements and Federal Single Audit**

Please find attached our report on the Kitsap Public Health District's financial statements and compliance with federal laws and regulations.

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

Sincerely,

Pat McCarthy, State Auditor  
Olympia, WA

***Americans with Disabilities***

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

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# SCHEDULE OF FINDINGS AND QUESTIONED COSTS

## Kitsap Public Health District January 1, 2023 through December 31, 2023

### SECTION I – SUMMARY OF AUDITOR’S RESULTS

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

#### Financial Statements

We issued an unmodified opinion on the fair presentation of the District’s financial statements in accordance with its regulatory basis of accounting. Separately, we issued an adverse opinion on the fair presentation with regard to accounting principles generally accepted in the United States of America (GAAP) because the financial statements are prepared using a basis of accounting other than GAAP.

Internal Control over Financial Reporting:

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

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

#### Federal Awards

Internal Control over Major Programs:

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

We issued an unmodified opinion on the District’s compliance with requirements applicable to each of its major federal programs.

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

## Identification of Major Federal Programs

The following programs were selected as major programs in our audit of compliance in accordance with the Uniform Guidance.

<u>ALN</u>	<u>Program or Cluster Title</u>
93.069	Public Health Emergency Preparedness
93.268	Immunization Cooperative Agreements
93.268	COVID-19 – Immunization Cooperative Agreements
93.323	Epidemiology and Laboratory Capacity for Infectious Diseases (ELC)
93.323	COVID-19 – Epidemiology and Laboratory Capacity for Infectious Diseases (ELC)

The dollar threshold used to distinguish between Type A and Type B programs, as prescribed by the Uniform Guidance, was \$750,000.

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

## SECTION II – FINANCIAL STATEMENT FINDINGS

None reported.

## SECTION III – FEDERAL AWARD FINDINGS AND QUESTIONED COSTS

None reported.

## INDEPENDENT AUDITOR'S REPORT

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

#### **Kitsap Public Health District January 1, 2023 through December 31, 2023**

Board of Health  
Kitsap Public Health District  
Bremerton, Washington

We have audited, in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States, the financial statements of the Kitsap Public Health District, as of and for the year ended December 31, 2023, and the related notes to the financial statements, which collectively comprise the District's financial statements, and have issued our report thereon dated September 9, 2024.

We issued an unmodified opinion on the fair presentation of the District's financial statements in accordance with its regulatory basis of accounting. We issued an adverse opinion on the fair presentation with regard to accounting principles generally accepted in the United States of America (GAAP) because the financial statements are prepared by the District using accounting practices prescribed by state law and the State Auditor's *Budgeting, Accounting and Reporting System* (BARS) manual described in Note 1, which is a basis of accounting other than GAAP. The effects on the financial statements of the variances between the basis of accounting described in Note 1 and accounting principles generally accepted in the United States of America, although not reasonably determinable, are presumed to be material.

### **REPORT ON INTERNAL CONTROL OVER FINANCIAL REPORTING**

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

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

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

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

## **REPORT ON COMPLIANCE AND OTHER MATTERS**

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

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

## **PURPOSE OF THIS REPORT**

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the District's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the District's internal control and compliance. Accordingly, this communication is not suitable for any other purpose. However,

this report is a matter of public record and its distribution is not limited. It also serves to disseminate information to the public as a reporting tool to help citizens assess government operations.

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

Pat McCarthy, State Auditor

Olympia, WA

September 9, 2024



# INDEPENDENT AUDITOR'S REPORT

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

### **Kitsap Public Health District January 1, 2023 through December 31, 2023**

Board of Health  
Kitsap Public Health District  
Bremerton, Washington

## **REPORT ON COMPLIANCE FOR EACH MAJOR FEDERAL PROGRAM**

### **Opinion on Each Major Federal Program**

We have audited the compliance of the Kitsap Public Health District, with the types of compliance requirements identified as subject to audit in the U.S. *Office of Management and Budget (OMB) Compliance Supplement* that could have a direct and material effect on each of the District's major federal programs for the year ended December 31, 2023. The District's major federal programs are identified in the auditor's results section of the accompanying Schedule of Findings and Questioned Costs.

In our opinion, the District complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on each of its major federal programs for the year ended December 31, 2023.

### **Basis for Opinion on Each Major Federal Program**

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

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

## Responsibilities of Management for Compliance

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

## Auditor's Responsibilities for the Audit of Compliance

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

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

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

## REPORT ON INTERNAL CONTROL OVER COMPLIANCE

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

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

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

### Purpose of this Report

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



Pat McCarthy, State Auditor

Olympia, WA

September 9, 2024

# INDEPENDENT AUDITOR'S REPORT

## Report on the Audit of the Financial Statements

### **Kitsap Public Health District January 1, 2023 through December 31, 2023**

Board of Health  
Kitsap Public Health District  
Bremerton, Washington

## **REPORT ON THE AUDIT OF THE FINANCIAL STATEMENTS**

### **Unmodified and Adverse Opinions**

We have audited the financial statements of the Kitsap Public Health District, as of and for the year ended December 31, 2023, and the related notes to the financial statements, as listed in the financial section of our report.

### **Unmodified Opinion on the Regulatory Basis of Accounting (BARS Manual)**

As described in Note 1, the District has prepared these financial statements to meet the financial reporting requirements of state law and accounting practices prescribed by the State Auditor's *Budgeting, Accounting and Reporting System* (BARS) Manual. Those accounting practices differ from accounting principles generally accepted in the United States of America (GAAP). The differences in these accounting practices are also described in Note 1.

In our opinion, the accompanying financial statements referred to above present fairly, in all material respects, the cash and investments of the Kitsap Public Health District, and its changes in cash and investments, for the year ended December 31, 2023, on the basis of accounting described in Note 1.

### **Adverse Opinion on U.S. GAAP**

The financial statements referred to above were not intended to, and in our opinion, they do not, present fairly, in accordance with accounting principles generally accepted in the United States of America, the financial position of the Kitsap Public Health District, as of December 31, 2023, or the changes in financial position or cash flows thereof for the year then ended, because of the significance of the matter discussed below.

## **Basis for Unmodified and Adverse Opinions**

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

## **Matter Giving Rise to Adverse Opinion on U.S. GAAP**

Auditing standards issued by the American Institute of Certified Public Accountants (AICPA) require auditors to formally acknowledge when governments do not prepare their financial statements, intended for general use, in accordance with GAAP. As described in Note 1 of the financial statements, the financial statements are prepared by the District in accordance with state law using accounting practices prescribed by the BARS Manual, which is a basis of accounting other than accounting principles generally accepted in the United States of America. The effects on the financial statements of the variances between the regulatory basis of accounting and accounting principles generally accepted in the United States of America, although not reasonably determinable, are presumed to be material and pervasive.

## **Responsibilities of Management for the Financial Statements**

Management is responsible for the preparation and fair presentation of these financial statements in accordance with the financial reporting provisions of state law and the BARS Manual described in Note 1. This includes determining that the basis of accounting is acceptable for the presentation of the financial statements in the circumstances. Management is also responsible for the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

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

## **Auditor's Responsibilities for the Audit of the Financial Statements**

Our objectives are to obtain reasonable assurance about whether the financial statements are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinions. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with GAAS and

*Government Auditing Standards* will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

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

- Exercise professional judgment and maintain professional skepticism throughout the audit;
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements;
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the District's internal control. Accordingly, no such opinion is expressed;
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements;
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the District's ability to continue as a going concern for a reasonable period of time; and
- We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control-related matters that we identified during the audit.

### **Supplementary Information**

Our audit was conducted for the purpose of forming an opinion on the financial statements that collectively comprise the District's financial statements. The accompanying Schedule of Expenditures of Federal Awards is presented for purposes of additional analysis as required by Title 2 *U.S. Code of Federal Regulations* (CFR) Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). The Schedule of Liabilities is also presented for purposes of additional analysis, as required by the prescribed BARS manual. These schedules are not a required part of the financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the financial statements. The information has been subjected to the auditing procedures applied in the audit of the financial statements and

certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the information is fairly stated, in all material respects, in relation to the financial statements as a whole.

## **OTHER REPORTING REQUIRED BY GOVERNMENT AUDITING STANDARDS**

In accordance with *Government Auditing Standards*, we have also issued our report dated September 9, 2024 on our consideration of the District's internal control over financial reporting and on the tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the District's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the District's internal control over financial reporting and compliance.

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

Pat McCarthy, State Auditor

Olympia, WA

September 9, 2024

## **FINANCIAL SECTION**

### **Kitsap Public Health District January 1, 2023 through December 31, 2023**

#### **FINANCIAL STATEMENTS**

Fund Resources and Uses Arising from Cash Transactions – 2023  
Notes to the Financial Statements – 2023

#### **SUPPLEMENTARY AND OTHER INFORMATION**

Schedule of Liabilities – 2023  
Schedule of Expenditures of Federal Awards – 2023  
Notes to the Schedule of Expenditures of Federal Awards – 2023



**Kitsap Public Health District  
Fund Resources and Uses Arising from Cash Transactions  
For the Year Ended December 31, 2023**

**Beginning Cash and Investments**

308	Beginning Cash and Investments	10,335,542
388 / 588	Net Adjustments	-

**Revenues**

310	Taxes	-
320	Licenses and Permits	1,484,210
330	Intergovernmental Revenues	10,741,853
340	Charges for Goods and Services	4,686,680
350	Fines and Penalties	-
360	Miscellaneous Revenues	330,054
Total Revenues:		17,242,797

**Expenditures**

510	General Government	-
520	Public Safety	-
530	Utilities	-
540	Transportation	-
550	Natural/Economic Environment	-
560	Social Services	15,421,169
570	Culture and Recreation	-
Total Expenditures:		15,421,169
Excess (Deficiency) Revenues over Expenditures:		1,821,628

**Other Increases in Fund Resources**

391-393, 596	Debt Proceeds	-
397	Transfers-In	-
385	Special or Extraordinary Items	-
381, 382, 389, 395, 398	Other Resources	379,790
Total Other Increases in Fund Resources:		379,790

**Other Decreases in Fund Resources**

594-595	Capital Expenditures	38,997
591-593, 599	Debt Service	526,101
597	Transfers-Out	-
585	Special or Extraordinary Items	-
581, 582, 589	Other Uses	377,615
Total Other Decreases in Fund Resources:		942,713

**Increase (Decrease) in Cash and Investments: 1,258,705**

**Ending Cash and Investments**

50821	Nonspendable	-
50831	Restricted	7,153
50841	Committed	3,516,410
50851	Assigned	-
50891	Unassigned	8,070,683
<b>Total Ending Cash and Investments</b>		<b>11,594,246</b>

*The accompanying notes are an integral part of this statement.*

## KITSAP PUBLIC HEALTH DISTRICT

### Notes to the Financial Statements for the year ended December 31, 2023

#### Note 1 – Summary of Significant Accounting Policies

The Kitsap Public Health District was incorporated on November 19, 1947 and operates under the laws of the state of Washington applicable to a local public health agency. The District is a special purpose local government and provides public health services to support its mission. The Health District's mission is to prevent disease and protect and promote the health of all people in Kitsap County. To accomplish this mission, the Health District, in partnership with the community, assesses community health needs, develops health policies, and programs, and assures that necessary health services are available. The Health District operates under various legal mandates for communicable diseases, vital statistics, sewage disposal, food service sanitation, public water supplies, swimming pool operations, solid waste management, general sanitation, schools, camps and parks, and several other public health mandates.

The District reports financial activity in accordance with the *Cash Basis Budgeting, Accounting and Reporting System* (BARS) Manual prescribed by the State Auditor's Office under the authority of Washington State law, Chapter 43.09 RCW. This manual prescribes a financial reporting framework that differs from generally accepted accounting principles (GAAP) in the following manner:

- Financial transactions are recognized on a cash basis of accounting as described below.
- Government-wide statements, as defined in GAAP, are not presented.
- All funds are presented, rather than a focus on major funds.
- The Schedule of Liabilities is required to be presented with the financial statements as supplementary information.
- Supplementary information required by GAAP is not presented.
- Ending balances for proprietary funds are presented using classifications that are different from the ending net position classifications in GAAP.

#### A. Fund Accounting

Financial transactions of the government are reported in individual funds. Each fund uses a separate set of self-balancing accounts that comprises its cash and investments, revenues, and expenditures. The government's resources are allocated to and accounted for in individual funds depending on their intended purpose. Each fund is reported as a separate column in the financial statements, except for fiduciary funds, which are presented by fund types. The total column is presented as "memo only" because any interfund activities are not eliminated. The following fund types are used:

#### GOVERNMENTAL FUND TYPES:

##### General Fund

This fund is the primary operating fund of the government. It accounts for all financial resources except those required or elected to be accounted for in another fund.

#### B. Basis of Accounting and Measurement Focus

Financial statements are prepared using the cash basis of accounting and measurement focus. Revenues are recognized when cash is received, and expenditures are recognized when paid.

#### C. Cash and Investments

See Note 4 – Deposits and Investments.

#### D. Capital Assets

Capital assets are assets with an initial individual cost of more than \$5,000 and an estimated useful life in excess of three years. Capital assets and inventory are recorded as capital expenditures when purchased.

#### E. Compensated Absences

Eligible employees earn 18 to 31 days per year of general leave depending upon the employee's length of service and FTE but may not exceed the maximum accrual of 360 hours of general leave as of December 31st of each year without approval of the Division Director. General leave is payable upon separation or retirement up to a maximum of 240 hours. The liability for general leave as of December 31, 2023 is \$602,201.

Non-exempt employees may opt to receive compensatory time at a rate of time and a half for time worked in excess of 40 hours in lieu of overtime pay. Part-time non-exempt employees working more than their regular workweek, but less than 40 hours per week, earn compensatory time on an hour-for-hour basis. The maximum compensatory time accrual is 40 hours; any additional overtime hours must be paid. The liability for compensatory time as of December 31, 2023 is \$1,123.

Exempt employees receive administrative time off on an hour-for-hour basis for hours worked in excess of their regular workweek, subject to approval. The maximum accrual of administrative time is 40 hours at any time. Unused administrative time off is not paid upon separation or retirement.

Eligible full-time employees earn 6 days of extended leave per year and a prorated percentage thereof for part-time employees for use for qualifying absences such as extended illness. Unused extended leave is not paid upon separation or retirement.

#### F. Long-Term Debt

See Note 6 – Long-term Debt.

#### G. Restricted and Committed Portion of Ending Cash and Investments

Beginning and Ending Cash and Investments are reported as restricted or committed when it is subject to restrictions on use imposed by external parties or due to internal commitments established by the Kitsap Public Health Board. When expenditures that meet restrictions are incurred, the District intends to use the most restricted resources first.

Restrictions and commitments of Ending Cash and Investments consist of:

- \$16 is restricted for payment of Use Taxes payable to the Washington State Department of Revenue due in January 2024.
- \$7,138 is restricted for Foundational Public Health Services between January 1 – June 30, 2024.
- \$3,105,156 committed by Board Policy for Operating Reserve.
- \$150,550 committed by Board Policy for General Leave Payout.
- \$50,000 committed by Board Policy for Insurance Deductibles and Co-Pays.
- \$110,703 committed by Board Policy for Unemployment Insurance Payments.
- \$100,000 committed by Board Policy for Tuberculosis Services.

Note 2 - Budget Compliance

The District adopts an annual appropriated budget for the General Fund. This budget is appropriated at the fund level. The budget constitutes the legal authority for expenditures at that level. Annual appropriations for these funds lapse at the fiscal year end.

The annual appropriated budget is adopted on the same basis of accounting as used for financial reporting.

The appropriated and actual expenditures for the legally adopted budget was as follows:

Fund/Department	Final Appropriated Amounts	Actual Expenditures	Variance
General Fund:	\$ 18,630,937	\$ 16,363,883	\$ 2,267,054
Total General Fund	\$ 18,630,937	\$ 16,363,883	\$ 2,267,054

Budgeted amounts are authorized to be transferred between departments within any fund/object classes within departments; however, any revisions that alter the total expenditures of a fund, or that affect the number of authorized employee positions, salary ranges, hours, or other conditions of employment must be approved by the District’s legislative body.

Actual expenditures for 2023 were less than budgeted. Labor costs for the District were less than budgeted due to difficulty in hiring needed staff and non-labor costs were less primarily due to professional services.

Note 3 – COVID-19 Pandemic

In February 2020, the Governor of the state of Washington declared a state of emergency in response to the spread of COVID-19. Precautionary measures to slow the spread of the virus continued throughout 2021. These measures included limitations on business operations, public events, gatherings, travel, and in-person interactions.

The District’s Emergency Coordination Center (ECC) was activated on February 3, 2020 to coordinate planning and response activities. On March 4, 2020, the District elevated the response

activities and expanded the response team. The size of the response has expanded and contracted through the various phases of the response. The 2023 budget was approved with a COVID Program. It included additional staffing for both contact tracing and vaccine administration. The District received funding to cover the bulk of these expenses for the 2022-2024 fiscal years.

The full extent of the direct or indirect financial impact on the District is unknown at this time.

**Note 4 – Deposits and Investments**

Investments are reported at fair value. Deposits and investments by type at December 31, 2023 are as follows:

Type of deposit or investment	District’s own deposits and investments	Total
Bank deposits	\$ 327,971	\$ 327,971
Kitsap County Investment Pool	11,266,274	11,266,274
Total	\$ 11,594,245	\$ 11,594,245

It is the District’s policy to invest all temporary cash surpluses. The interest on these investments is maintained in the General Fund.

Investments in Kitsap County Investment Pool

The District is a voluntary participant in the Kitsap County Investment Pool, an external investment pool operated by the County Treasurer. The pool is not rated or registered with the SEC. Rather; oversight is provided by the County Finance Committee in accordance with RCW 36.48.070. The District reports its investment in the pool at fair value, which is the same as the value of the pool per share.

Custodial Credit Risk

Custodial credit risk for deposits is the risk that, in event of a failure of a depository financial institution, the District would not be able to recover deposits or would not be able to recover collateral securities that are in possession of an outside party. The District’s deposits are mostly covered by federal depository insurance (FDIC) or by collateral held in a multiple financial institution collateral pool administered by the Washington Public Deposit Protection Commission (PDPC).

All investments are insured, registered or held by the District or its agent in the government’s name.

**Note 5 – Leases**

The District leases a vehicle from Toyota Financial for \$421 per month under a lease agreement that began in May of 2022 and will end in May of 2025. This lease can be cancelled at any time with full payment of the lease along with severe penalties.

The District leases a postage machine from Quadient for \$439 per month under a lease agreement that began in June of 2022 and will end in June of 2025. This lease may be cancelled only if a new lease is entered into up to six months prior to the end of the term of the lease.

The District leased copiers from Canon Financial for \$955 per month under a lease agreement that began in August of 2018 and ended in August of 2023.

The District leases copiers from Canon Financial for \$1,350 per month under a lease agreement that began in December of 2023 and will end in December of 2028.

The total amount paid for leases in 2023 was \$19,445. As of December 31, 2023, the future lease payments are as follows:

Year	Total
2024	\$ 26,513
2025	20,934
2026	16,199
2027	16,199
2028	16,199
Total	\$ 96,044

#### Note 6 - Long-Term Debt

The accompanying Schedule of Liabilities provides more details of the outstanding debt and liabilities of the District and summarizes the District’s debt transactions for year ended December 31, 2023.

The District’s long-term debt consists of general obligation debt for a loan from Kitsap County per Real Estate Contract and Security Agreement # KC-304-04 to purchase 2 units in the condominium property of the Norm Dicks Government Center, \$1 million payable upon execution of the agreement, and the balance payable in monthly installments per Schedule, maturing July 2034.

The debt service payment for the fiscal year being reported and future payment requirements, including interest, are as follows:

Year	Principal	Interest	Total
2024	\$ 200,000	\$ 100,152	\$ 300,152
2025	210,000	92,148	302,148
2026	225,000	83,748	308,748
2027	230,000	74,748	304,748
2028	240,000	65,556	305,556
2029-2033	1,325,000	193,752	1,518,752
2034	290,000	10,512	300,512
Total	\$ 2,720,000	\$ 620,616	\$ 3,340,616

Note 7 – OPEB Plans

The District is a participating employer in the state’s Public Employees Benefits Board (PEBB) program, a defined benefit plan administered by the Washington State Health Care Authority. The plan provides medical, dental, and life insurance benefits for public employees and retirees and their dependents on a pay-as-you-go basis. The plan provides OPEB benefits through both explicit and implicit subsidies. The explicit subsidy is a set dollar amount that lowers the monthly premium paid by members over the age of 65 enrolled in Medicare Parts A and B. PEBB determines the amount of the explicit subsidy annually. The implicit subsidy results from the inclusion of active and non-Medicare eligible retirees in the same pool when determining premiums. There is an implicit subsidy from active employees since the premiums paid by retirees are lower than they would have been if the retirees were insured separately.

The District had 95 active plan members and 3 retired plan members as of December 31, 2023. As of December 31, 2023, the District’s total OPEB liability was \$1,864,666 as calculated using the alternative measurement method. The District contributed \$1,409,572 to the plan for the year ended December 31, 2023.

Note 8 – Pension Plans

A. State Sponsored Pension Plans

Substantially all District’s full-time and qualifying part-time employees participate in the following statewide retirement systems administered by the Washington State Department of Retirement Systems (DRS), under cost-sharing, multiple-employer public employee defined benefit and defined contribution retirement plans PERS 1, PERS 2, and PERS 3.

The State Legislature establishes, and amends, laws pertaining to the creation and administration of all public retirement systems.

The Department of Retirement Systems, 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](http://www.drs.wa.gov)

At June 30, 2023 (the measurement date of the plans), the District’s proportionate share of the collective net pension liabilities, as reported on the Schedule of Liabilities, was as follows:

Plan	Employer Contributions	Allocation %	Liability (Asset)
PERS 1	\$ 360,726	0.052936%	\$ 1,208,387
PERS 2/3	\$ 601,267	0.068386%	(\$ 2,802,925)

Note 9 – Risk Management

Kitsap Public Health District is a member of the Enduris Washington (Pool). Chapter 48.62 RCW provides the exclusive source of local government entity authority to individually or jointly self-insure risks, jointly purchase insurance or reinsurance, and contract for risk management, claims, and administrative services. The Pool was formed on July 10, 1987 pursuant to the provisions of Chapter 48.62 RCW, Chapter 200-100 WAC, and Chapter 39.34 RCW when two counties and two cities in the State of Washington joined together by signing an interlocal governmental agreement to fund their self-insured losses and jointly purchase insurance and administrative services. For the Pool’s fiscal year ending August 31, 2023, there were 518 Enduris members representing a broad array of special purpose districts throughout the state.

The Enduris program provides various forms of joint self-insurance and reinsurance coverage for its members: Liability coverage, which includes General Liability, Automobile Liability, Public Officials’ Errors and Omissions liability, Terrorism liability and Employment Practices liability; Property coverage, which includes Building and Contents, Mobile Equipment, Boiler and Machinery, and Business Interruption/Extra Expense; Automobile Physical Damage coverage; Cyber coverage; Crime blanket coverage; Named Position coverage; and an Identity Fraud reimbursement policy. Pollution and Cyber coverage are provided on a claims-made coverage form. Crime coverage is provided on a discovery form. All other coverage is provided on an occurrence coverage form.

Members are responsible for a coverage deductible or co-pay on each covered loss. Each policy year members receive a Memorandum of Coverage (MOC) outlining the specific coverage, limits, and deductibles/co-pays that apply to them. In certain cases, the Pool may allow members to elect to participate in the programs at limits, coverage, deductibles, and co-pays that are specific to their needs. Enduris is responsible for payment of all covered losses above the member retention, up to the Pool self-insured retention (SIR). Enduris acquires excess/reinsurance from unrelated insurance companies to cover losses above the Pool’s SIR up to the coverage maximum limit of liability. The tables below reflect the Pool’s SIR, reinsurance limits, and member deductibles/co- pays by coverage type.

Coverage	Coverage Type	Pool Self-Insured Retention	Excess/ Reinsurance Limits	Member Deductibles/ Co-Pays <sup>(1)</sup>
<b>Liability:</b>				
General Liability	Per Occurrence	\$1 million	\$20 million	\$1,000 - \$100,000
Automobile Liability	Per Occurrence	\$1 million	\$20 million	\$1,000 - \$100,000
Public Officials Errors and Omissions Liability	Each Wrongful Act Member Aggregate	\$1 million	\$20 million \$20 million	\$1,000 - \$100,000
Terrorism Liability <sup>(2)</sup>	Per Occurrence Pool Aggregate	\$500,000 \$1 million	None	\$1,000 - \$100,000
Employment Practices Liability	Per Occurrence Member Aggregate	\$1 million	\$20 million \$20 million	20% Copay <sup>(3)</sup>

- (1) Members may request or be required to pay a higher deductible than the minimum for certain coverage and certain types of losses require a specific co-pay or deductible
- (2) Terrorism liability is fully funded by the Pool i.e. no excess/reinsurance is procured.
- (3) Members pay a 20% co-pay of costs. By meeting established guidelines, the co-pay may be waived.



Coverage	Coverage Type	Pool Self-Insured Retention	Excess/ Reinsurance Limits	Member Deductibles/ Co-Pays <sup>(1)</sup>
<b>Property <sup>(2)</sup>:</b>				
Buildings and Contents	Per Occurrence	\$250,000	\$1 billion	\$1,000 - \$250,000
Mobile Equipment	Per Occurrence	\$250,000	\$1 billion	\$1,000 - \$250,000
Boiler and Machinery <sup>(3)</sup>	Per Occurrence	Varies	\$100 million	Varies
Business Interruption (BI)/ Extra Expense (EE) <sup>(4)</sup>	Per Occurrence	\$250,000	\$100 million (BI)/ \$50 million (EE)	\$1,000 - \$250,000
<b>Sublimit <sup>(5)</sup>:</b>				
Flood	Per Occurrence	\$250,000	\$50 million (shared by Pool members)	\$1,000 - \$250,000
Earthquake	Per Occurrence	5% of indemnity, subject to a \$250,000 minimum	\$10 million (shared by Pool members)	\$1,000 - \$250,000
Terrorism Primary	Per Occurrence Pool Aggregate	\$250,000	\$100 million per occurrence \$200 million aggregate	\$1,000 - \$250,000
Terrorism Excess	Per Occurrence APIP Per Occurrence APIP Aggregate	\$500,000	\$600 million/ Pool aggregate \$1.1 billion/ per occurrence APIP program \$1.4 billion/ APIP program aggregate	\$0
Automobile Physical Damage <sup>(6)</sup>	Per Occurrence	\$25,000; \$100,000 for Emergency Vehicles; \$250,000 for Emergency Vehicles valued >\$750,000	\$1 billion	\$250 - \$1,000
Crime Blanket <sup>(7)</sup>	Per Occurrence	\$50,000	\$1 million	\$1,000
Named Position <sup>(8)</sup>	Per Occurrence	\$50,000	\$1 million	\$1,000
Cyber <sup>(9)</sup>	Each Claim APIP Aggregate	\$100,000	\$2 million \$40 million	20% Copay
Identity Fraud Expense Reimbursement <sup>(10)</sup>	Member Aggregate	\$0	\$25,000	\$0

- (1) Members may request or be required to pay a higher deductible than the minimum for certain coverage and certain types of losses require a specific co-pay or deductible.
- (2) Property coverage for each member is based on a detailed property schedule. Scheduled items are covered to the extent of the cost of repair or replacement according to the excess/reinsurance policy terms. Under the Alliant Property Insurance Program (APIP) Reinsurance carriers cover insured losses over \$250,000 to the limit of \$1 billion except for certain types of sub-limited property losses such as flood, earthquake, and terrorism.
- (3) Boiler and Machinery self-insured retention for the Pool varies depending on motor horsepower.
- (4) Business Interruption/ Extra expense coverage is based on scheduled revenue-generating locations/operations. A limited number of members are scheduled, and the rest are limited to \$500,000 of coverage with a \$2.5 million Pool maximum for undeclared exposure. The waiting period (deductible) is typically 24 hours but there are exceptions specific to the type of exposure covered.
- (5) This sub-limit list is simplified and is not all-inclusive. In addition, sub-limits are often shared or aggregated by all pool members and, in a few cases, are shared by all APIP members. Deductibles often vary by coverage sub-limit.
- (6) Auto Physical Damage coverage includes comprehensive, named perils and collision. Coverage for each member is based on a detailed vehicle schedule.
- (7) Crime Blanket coverage (also referred to as "Employee Dishonesty Coverage with Faithful Performance" of \$2,500 is provided to each member. Members may elect to "buy up" the level of coverage from \$5,000 to \$2 million.
- (8) Named Position coverage is optional. Members may elect to schedule various employees, directors, and commissioners, with individual limits of between \$5,000 and \$1 million.
- (9) Cyber coverage is included under the Pool's Property program. Members are subject to a 20% co-pay per loss and the Pool's SIR is tiered between \$50,000 and \$100,000 depending on the insured/member's property TIV with an 8-hour waiting period. By meeting established guidelines, the co-pay may be waived. The reinsurance maximum limit of liability is \$2 million, with various declared sub-limits.
- (10) Enduris purchases Identity Fraud Expense Reimbursement coverage. Member claims do not have a deductible. There is a \$25,000 limit per member.

Members make an annual contribution to fund the Pool. Since Enduris is a cooperative program, there is joint liability among the participating members. There were no claim settlements above the insurance coverage in any of the last three policy years.

Upon joining the Pool, members are contractually obligated to remain in the Pool for a minimum of one year. They must give notice 60 days before renewal to terminate participation. The Interlocal Governmental Agreement (formerly known as the Master Agreement) is automatically renewed each year unless provisions for withdrawal or termination are applied. Even after termination, a member is still responsible for contributing to Enduris for any unresolved, unreported, and in-process claims for the period they were a signatory to the Interlocal Governmental Agreement.

Its member participants fully fund Enduris. Members file claims with the Pool, which determines coverage and administers the claims.

The Pool is governed by a Board of Directors comprising seven board members. The Pool's members elect the Board, and the positions are filled on a rotating basis. The Board meets quarterly and is responsible for overseeing the business affairs of Enduris and providing policy direction to the Pool's Executive Director.

**Kitsap Public Health District  
Schedule of Liabilities  
For the Year Ended December 31, 2023**

ID. No.	Description	Due Date	Beginning Balance	Additions	Reductions	Ending Balance
<b>General Obligation Debt/Liabilities</b>						
263.83	KITSAP COUNTY REAL ESTATE CONTRACT KC-304-04	12/1/2034	3,041,668	-	321,664	2,720,004
<b>Total General Obligation Debt/Liabilities:</b>			<b>3,041,668</b>	<b>-</b>	<b>321,664</b>	<b>2,720,004</b>
<b>Revenue and Other (non G.O.) Debt/Liabilities</b>						
259.12	GENERAL LEAVE LIABILITY (1)		653,762	-	51,561	602,201
264.30	NET PENSION LIABILITY		1,562,865	-	354,478	1,208,387
264.40	OPEB LIABILITIES		2,570,952	-	706,286	1,864,666
263.57	POSTAGE MACHINE	6/18/2025	13,163	-	5,265	7,898
263.57	VEHICLE	5/26/2025	11,781	-	4,628	7,153
263.57	COPIERS	8/26/2023	9,552	-	9,552	-
263.57	COPIERS	12/11/2028	-	80,993	-	80,993
<b>Total Revenue and Other (non G.O.) Debt/Liabilities:</b>			<b>4,822,075</b>	<b>80,993</b>	<b>1,131,770</b>	<b>3,771,298</b>
<b>Total Liabilities:</b>			<b>7,863,743</b>	<b>80,993</b>	<b>1,453,434</b>	<b>6,491,302</b>

**Kitsap Public Health District  
Schedule of Expenditures of Federal Awards  
For the Year Ended December 31, 2023**

Federal Agency (Pass-Through Agency)	Federal Program	ALN Number	Other Award Number	Expenditures			Passed through to Subrecipients	Note
				From Pass- Through Awards	From Direct Awards	Total		
<b>SNAP Cluster</b>								
FOOD AND NUTRITION SERVICE, AGRICULTURE, DEPARTMENT OF (via Washington Department of Health)	State Administrative Matching Grants for the Supplemental Nutrition Assistance Program	10.561	CLH31014	112,713	-	112,713	-	1,2,4
			<b>Total SNAP Cluster:</b>	<b>112,713</b>	<b>-</b>	<b>112,713</b>	<b>-</b>	
ASSISTANT SECRETARY FOR COMMUNITY PLANNING AND DEVELOPMENT, HOUSING AND URBAN DEVELOPMENT, DEPARTMENT OF (via Washington Department of Health)	Housing Opportunities for Persons with AIDS	14.241	CLH31014	119,706	-	119,706	-	1,2,4
ASSISTANT SECRETARY FOR COMMUNITY PLANNING AND DEVELOPMENT, HOUSING AND URBAN DEVELOPMENT, DEPARTMENT OF (via Washington Department of Health)	COVID 19 - Housing Opportunities for Persons with AIDS	14.241	CLH31014	8,017	-	8,017	-	1,4
			<b>Total ALN 14.241:</b>	<b>127,723</b>	<b>-</b>	<b>127,723</b>	<b>-</b>	
ENVIRONMENTAL PROTECTION AGENCY, ENVIRONMENTAL PROTECTION AGENCY (via Hood Canal Coordinating Council)	Geographic Programs - Puget Sound Action Agenda: Technical Investigations and Implementation Assistance Program	66.123	2346/2363	11,044	-	11,044	-	1,2,4

The accompanying notes are an integral part of this schedule.

**Kitsap Public Health District  
Schedule of Expenditures of Federal Awards  
For the Year Ended December 31, 2023**

Federal Agency (Pass-Through Agency)	Federal Program	ALN Number	Other Award Number	Expenditures			Passed through to Subrecipients	Note
				From Pass- Through Awards	From Direct Awards	Total		
ENVIRONMENTAL PROTECTION AGENCY, ENVIRONMENTAL PROTECTION AGENCY (via Washington Department of Health)	Beach Monitoring and Notification Program Implementation Grants	66.472	CLH31014	24,997	-	24,997	-	1,2,4
CENTERS FOR DISEASE CONTROL AND PREVENTION, HEALTH AND HUMAN SERVICES, DEPARTMENT OF (via Washington Department of Health)	Public Health Emergency Preparedness	93.069	CLH31014	301,349	-	301,349	-	1,2,4
FOOD AND DRUG ADMINISTRATION, HEALTH AND HUMAN SERVICES, DEPARTMENT OF (via Association of Food & Drug Officials)	Food and Drug Administration Research	93.103	U2FFD007358	7,869	-	7,869	-	1,4
CENTERS FOR DISEASE CONTROL AND PREVENTION, HEALTH AND HUMAN SERVICES, DEPARTMENT OF (via Washington Department of Health)	Project Grants and Cooperative Agreements for Tuberculosis Control Programs	93.116	CLH31014	2,468	-	2,468	-	1,2,4
CENTERS FOR DISEASE CONTROL AND PREVENTION, HEALTH AND HUMAN SERVICES, DEPARTMENT OF (via Washington Department of Health)	Injury Prevention and Control Research and State and Community Based Programs	93.136	CLH31014	74,716	-	74,716	-	1,2,4

*The accompanying notes are an integral part of this schedule.*

**Kitsap Public Health District  
Schedule of Expenditures of Federal Awards  
For the Year Ended December 31, 2023**

Federal Agency (Pass-Through Agency)	Federal Program	ALN Number	Other Award Number	Expenditures			Passed through to Subrecipients	Note
				From Pass- Through Awards	From Direct Awards	Total		
CENTERS FOR DISEASE CONTROL AND PREVENTION, HEALTH AND HUMAN SERVICES, DEPARTMENT OF (via Washington Department of Health)	Immunization Cooperative Agreements	93,268	CLH31014	27,843	-	27,843	-	1,2,4
CENTERS FOR DISEASE CONTROL AND PREVENTION, HEALTH AND HUMAN SERVICES, DEPARTMENT OF (via Washington Department of Health)	Immunization Cooperative Agreements	93,268	CLH31014	1,463	-	1,463	-	1,2,4
CENTERS FOR DISEASE CONTROL AND PREVENTION, HEALTH AND HUMAN SERVICES, DEPARTMENT OF (via Washington Department of Health)	Immunization Cooperative Agreements	93,268	CLH31014	27,904	-	27,904	-	1,2,4
CENTERS FOR DISEASE CONTROL AND PREVENTION, HEALTH AND HUMAN SERVICES, DEPARTMENT OF (via Washington Department of Health)	COVID 19 - Immunization Cooperative Agreements	93,268	CLH31014	324,337	-	324,337	-	1,2,4
CENTERS FOR DISEASE CONTROL AND PREVENTION, HEALTH AND HUMAN SERVICES, DEPARTMENT OF (via Washington Department of Health)	Immunization Cooperative Agreements	93,268	0069-41987	4,753	-	4,753	-	3
<b>Total ALN 93.268:</b>				<b>386,300</b>	<b>-</b>	<b>386,300</b>	<b>-</b>	

The accompanying notes are an integral part of this schedule.

**Kitsap Public Health District  
Schedule of Expenditures of Federal Awards  
For the Year Ended December 31, 2023**

Federal Agency (Pass-Through Agency)	Federal Program	ALN Number	Other Award Number	Expenditures			Passed through to Subrecipients	Note
				From Pass- Through Awards	From Direct Awards	Total		
CENTERS FOR DISEASE CONTROL AND PREVENTION, HEALTH AND HUMAN SERVICES, DEPARTMENT OF (via Washington Department of Health)	Epidemiology and Laboratory Capacity for Infectious Diseases (ELC)	93.323	CLH31014	83,970	-	83,970	-	1,2,4
CENTERS FOR DISEASE CONTROL AND PREVENTION, HEALTH AND HUMAN SERVICES, DEPARTMENT OF (via Washington Department of Health)	COVID 19 - Epidemiology and Laboratory Capacity for Infectious Diseases (ELC)	93.323	CLH31014	295,562	-	295,562	-	1,2,4
<b>Total ALN 93.323:</b>				<b>379,532</b>	<b>-</b>	<b>379,532</b>	<b>-</b>	
CENTERS FOR DISEASE CONTROL AND PREVENTION, HEALTH AND HUMAN SERVICES, DEPARTMENT OF (via Washington Department of Health)	COVID 19 - Public Health Emergency Response: Cooperative Agreement for Emergency Response: Public Health Crisis Response	93.354	CLH31014	12,286	-	12,286	-	1,2,4
CENTERS FOR DISEASE CONTROL AND PREVENTION, HEALTH AND HUMAN SERVICES, DEPARTMENT OF (via Washington Department of Health)	National and State Tobacco Control Program	93.387	CLH31014	26,724	-	26,724	-	1,2,4

*The accompanying notes are an integral part of this schedule.*

**Kitsap Public Health District  
Schedule of Expenditures of Federal Awards  
For the Year Ended December 31, 2023**

Federal Agency (Pass-Through Agency)	Federal Program	ALN Number	Other Award Number	Expenditures			Passed through to Subrecipients	Note
				From Pass- Through Awards	From Direct Awards	Total		
CENTERS FOR DISEASE CONTROL AND PREVENTION, HEALTH AND HUMAN SERVICES, DEPARTMENT OF (via Washington Department of Health)	State Physical Activity and Nutrition (SPAN)	93.439	CLH31014	61,338	-	61,338	-	1,2,4
<b>Medicaid Cluster</b>								
CENTERS FOR MEDICARE AND MEDICAID SERVICES, HEALTH AND HUMAN SERVICES, DEPARTMENT OF (via Washington Healthcare Authority)	Medical Assistance Program	93.778	K4648/2118	271,176	-	271,176	-	1,2,4, 5
				<b>Total Medicaid Cluster:</b>	<b>271,176</b>	<b>271,176</b>	<b>-</b>	
HEALTH RESOURCES AND SERVICES ADMINISTRATION, HEALTH AND HUMAN SERVICES, DEPARTMENT OF (via Washington Department of Health)	Maternal and Child Health Services Block Grant to the States	93.994	CLH31014	156,456	-	156,456	-	1,2,4
				<b>Total Federal Awards Expended:</b>	<b>1,956,691</b>	<b>1,956,691</b>	<b>-</b>	

The accompanying notes are an integral part of this schedule.



## **Kitsap Public Health District**

### **Notes to the Schedule of Expenditures of Federal Awards For the Year Ended December 31, 2023**

#### Note 1 – Basis of Accounting

This schedule is prepared on the same basis of accounting as the District's financial statements. The District uses a cash basis of accounting where revenues are recognized when cash is received, and expenditures are recognized when paid.

#### Note 2 – Federal Indirect Cost Rate(s)

The District has not elected to use the 10-percent de minimis indirect cost rate allowed under the Uniform Guidance. The amount expended includes \$346,932 claimed as an indirect cost recovery using an approved indirect cost rate of 30.08 percent for Administration, 30.08 percent for Community Health, and 36.00 percent for Environmental Health.

#### Note 3 – Noncash Awards

The amount of vaccine reported on the Schedule is the value of vaccine received by the district during the current year and priced as prescribed by the Washington State Department of Health.

#### Note 4 – Program Costs

The amounts shown as current year expenditures represent only the federal award portion of the program costs. Entire program costs, including the District's portion, are more than shown. Such expenditures are recognized following the cost principles contained in Title 2 U.S. Code of Federal Regulations Part 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards, wherein certain types of expenditures are not allowable or are limited as to reimbursement.

#### Note 5 – Expenditures from Prior Years

The amounts shown as current year expenditures were incurred in prior periods.

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

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

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