

Skagit County Washington

Comprehensive

Annual Financial Report



Fiscal Year Ending December 31, 2016

SKAGIT COUNTY WASHINGTON

COMPREHENSIVE ANNUAL FINANCIAL REPORT

FISCAL YEAR ENDED DECEMBER 31, 2016

Jeanne Youngquist, Skagit County Auditor
Barbara Leander, Chief Deputy Auditor

Jana Robbins
Chief Accountant

Anna Fohn
Senior Accountant

Crystal Burress
Calina Armstrong
Debbie Barney

Debra Gatti
Sunrise Zimmermann

Skagit County
700 South Second St. Room 201
Mount Vernon, WA 98273

Cover Photo Courtesy of:
LaConner Chamber of Commerce / Pamela Headridge Photography

SKAGIT COUNTY WASHINGTON COMPREHENSIVE ANNUAL FINANCIAL REPORT

Year Ended December 31, 2016

TABLE OF CONTENTS

INTRODUCTORY SECTION

Table of Contents	i
Letter of Transmittal.....	iv
List of Elected Officials	x
Organizational Chart.....	xi

FINANCIAL SECTION

Independent Auditor's Opinion	1
Management's Discussion and Analysis	4

BASIC FINANCIAL STATEMENTS

Description of Basic Financial Statements	15
Statement of Net Position	16
Statements of Activities	17
Balance Sheet- Governmental Funds	18
Reconciliation of the Balance Sheet of Governmental Funds to the Statement of Net Position	19
Statement of Revenues, Expenditures, and Changes in Fund Balance- Governmental Funds	20
Reconciliation of the Statement of Revenue, Expenditures and Changes in Fund Balances Governmental Funds to the Statement of Activities	21
Statement of Net Position- Proprietary Funds	22
Statement or Revenues, Expenses, and Changes in Fund Net Position- Proprietary Funds	23
Statement of Cash Flows- Proprietary Funds	24
Statement of Fiduciary Net Position- Fiduciary Funds	26
Notes to Financial Statements.....	27

REQUIRED SUPPLEMENTARY INFORMATION

Schedule of Revenues Budget (GAAP Basis) and Actual – General Fund	66
Schedule of Expenditures Budget (GAAP Basis) and Actual – General Fund	67
Schedule of Revenues, Expenditures, and Changes in Fund Balances- Budget to Actual Mental Health Fund.....	72
Schedule of Revenues, Expenditures, and Changes in Fund Balances- Budget to Actual Road Fund	73
Notes to Required Supplementary Information	77
Schedule of Proportionate Share of the Net Pension Liability	75
Schedule of Employer Contributions	77
Schedule of Funding Progress – LEOFF 1 Retiree Medical Benefits	80

INDIVIDUAL AND COMBINING STATEMENTS AND SCHEDULES

Combining Balance Sheet Nonmajor Governmental Funds	83
Combining Statement of Revenues, Expenditures, and Changes in Fund Balance- Nonmajor Governmental Funds	84
Description of Nonmajor Special Revenue Funds.....	85
Combining Balance Sheet- Nonmajor Special Revenue Funds.....	87
Combining Statement of Revenues, Expenditures, and Changes in Fund Balance- Nonmajor Special Revenue Funds.....	96
Schedule of Revenues, Expenditures, and Changes in Fund Balance- Budget and Actual- Nonmajor Special Revenue Funds.....	105
Description of Nonmajor Debt Service Funds	137
Combining Balance Sheet- Nonmajor Debt Service Funds	138
Combining Statement of Revenues, Expenditures, and Changes in Fund Balance- Nonmajor Debt Service Funds	139
Schedule of Revenues, Expenditures, and Changes in Fund Balance- Budget to Actual Debt Service Funds	140
Description of Nonmajor Capital Project Funds	141
Combining Balance Sheet- Nonmajor Capital Project Funds	142
Combining Statement of Revenues, Expenditures, and Changes in Fund Balance- Nonmajor Capital Project Funds.....	143
Schedules of Revenues, Expenditures, and Changes in Fund Balance- Budget and Actual- Nonmajor Capital Project Funds.....	144

NONMAJOR ENTERPRISE FUNDS

Description of Nonmajor Enterprise Funds	150
--	-----

INTERNAL SERVICE FUNDS

Description of Internal Service Funds.....	152
Combining Statement of Net Position- Internal Service Funds	153
Combining Statement of Revenues, Expenses and Changes in Funds Net Position- Internal Service Funds	154

Combining Statement of Cash Flows- Internal Service Funds.....	155
--	-----

AGENCY FUNDS

Description of Agency Funds.....	158
Combining Balance Sheet- Agency Funds.....	159
Combining Statement of Changes in Assets and Liabilities- Agency Funds	163

STATISTICAL SECTION

Statistical Descriptions	174
Net Position by Component.....	175
Changes in Net Position by Function	177
Change in Net Position.....	178
Fund Balances of Government Funds.....	180
Changes in Fund Balances of Government Funds	182
Assessed and Estimated Value of Taxable Property	185
Property Tax Rates- Direct and Overlapping	186
Property Tax Levies and Collections	187
Special Assessment Collections.....	188
Ratio of Net General Bonded Debt to Assessed Value.....	189
Limitations of Indebtedness.....	190
Ratio of Outstanding Debt by Type	191
Computation of Direct and Overlapping Debt.....	192
Ratio of Annual Debt Service Expenditures for General Bonded Debt.....	193
Demographic Statistics.....	194
Top Ten Taxpayers	195
Principal Employers.....	196
Full-Time Equivalent County Government Employee by Function.....	197
Miscellaneous Statistical Report.....	198

COMPLIANCE SECTION

Schedule of Expenditures of Federal Awards	201
Notes to Schedule of Expenditures of Federal Awards.....	215
Schedule of State and Local Financial Assistance.....	216
Notes to Schedule of State and Local Financial Assistance	228

THIS PAGE INTENTIONALLY LEFT BLANK



About Skagit County

(pronounced "skäjet")

Skagit County is located in the northwest portion of Washington State, USA. between Seattle, Washington and Vancouver, B.C. Canada. The majestic Cascade Mountains stand to the east, overlooking a fertile valley boasting a variety of agricultural crops. Running through the valley is the powerful Skagit River flowing westward toward the beautiful San Juan Islands. World famous tulip fields blanket the valley in the spring. Flocks of Canadian geese, snow geese and trumpeter swans can be seen here in the winter. Bald eagles soar overhead year round and great blue herons stand along the shorelines.



Jeanne Youngquist
Auditor

Barbara Leander
Chief Deputy

June 28, 2017

To the Honorable Board of Commissioners and Citizens of Skagit County

We hereby submit the Comprehensive Annual Financial Report (CAFR) of Skagit County for the fiscal year ending December 31, 2016 in accordance with the provisions of Chapter 36.22 of the Revised Code of Washington. The financial statements are presented in conformity with generally accepted accounting principles (GAAP) and audited in accordance with generally accepted auditing standards by the Office of the Washington State Auditor.

The annual report is presented in compliance with the reporting model as required by the Governmental Accounting Standards Board (GASB) Statement 34. The report includes government-wide financial statements based on full accrual accounting with capital assets, infrastructure and long-term debt reporting. The fund financial statements are presented using the modified accrual method.

GAAP requires that management provide a narrative introduction, overview and analysis to accompany the basic financial statements in the form of Management, Discussion and Analysis (MD&A). This letter of transmittal is designed to complement the MD&A and should be read in conjunction with it. Skagit County's MD&A can be found immediately following the report of the State Auditor.

This annual report consists of management's representations concerning the finances of the County. Consequently, responsibility for the accuracy of the data and the completeness and fairness of the presentation, including all disclosures, rests with the management of Skagit County. The County has established a comprehensive internal control framework to provide a reasonable basis for making these representations. Management of the County has established internal controls that are designed to both protect the government's assets from loss, theft or misuse and to compile sufficient reliable information for the presentation of the County's financial statements in conformity with GAAP. Because the cost of internal controls should not outweigh their benefits, the County's internal controls have been designed to provide reasonable assurance that the financial statements will be free from material misstatements. To the best of our knowledge and belief, the data presented is accurate in all material respects and disclosures.

The Comprehensive Annual Financial Report is developed to provide meaningful financial information to legislative bodies, creditors, investors and citizens. It is presented in three sections: introductory, financial, and statistical. The introductory section includes this transmittal letter and a presentation of the County's organizational structure and elected officials. The financial section includes the independent auditor's report, the management discussion and analysis, government wide financial statements, fund financial statements and combining and individual fund financial statements and schedules. The statistical section presents various financial and demographic information generally representing (presented on) multiple years.

The Office of the Washington State Auditor conducts an annual audit of the financial statements of Skagit County as required by state law. The goal of the independent audit is to provide reasonable assurance

that the financial statements of the County for the financial year ended December 31, 2016, are free from material misstatement. The independent audit involved examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements and assessing the overall financial statement presentation. The auditor concluded, based upon the audit, that there was a reasonable basis for rendering an unqualified opinion that Skagit County's financial statements for the fiscal year ended December 31, 2016 are fairly presented in conformity with GAAP. The independent auditor's report is presented as the first component of the financial section of this report.

The auditor's examination is conducted in accordance with generally accepted auditing standards, Government Auditing Standards, issued by the Comptroller of the United States and the provisions of OMB Circular A-133, Audits of State, Local Governments and Non-Profit Organizations.

The County is required to undergo an annual single audit in conformity with the provisions of the Single Audit Act of 1984 and U.S. Office of Management and Budget (OMB) (Circular A-133, Audits of State, Local Governments and Non-Profit Organizations). Information related to the single audit act, including the schedule of expenditures of federal awards and state/local financial assistance, findings and recommendations and auditor's reports on the internal control structure and compliance with applicable laws and regulations, will be issued in a separate Single Audit Report.

Profile of Skagit County

Skagit County, a first-class county, was incorporated on November 28, 1883, under the Revised Code of Washington 36.04.290. The County is governed by a Commissioner form of government; three commissioners elected to serve the three census driven equally populated districts of our county. Locally elected officials include the County Assessor, Auditor, Clerk, Coroner, Prosecuting Attorney, Sheriff, Treasurer, four Superior Court Judges, and two District Court Judges. These elected officials govern the County and establish policies on the basis of the County's needs and preferences. The Commissioners act as the legislative body and appoint an Administrator. The administrator acts independently but works closely with a management team that includes the Budget and Finance Director and the Human Resource Director/Risk Manager. Some of the services provided by the county include: Road construction and maintenance, solid waste management, planning and development services, parks and recreation, judicial administration, law enforcement, public health, social services, general administrative services, passport, vehicle and vessel licensing, historic recording and maintenance of all legal land documents, as well as election services.

As required by GAAP, the financial statements present Skagit County, the primary government and its discretely presented component unit, Central Valley Ambulance Authority (CVAA). GASB Statement 14 establishes the standards for defining and reporting on the financial reporting entity and applies to the primary government as well as to separately issued financial statements of governmental component units. Please refer to Note I in the Notes to the Financial Statements section for more specific information regarding the County's two component units.

Skagit County nestles between Whatcom County to the north and Snohomish County to the south, the majestic Cascade Mountains to the East, straddling the powerful Skagit and Samish rivers to fan out into one of the most fertile river deltas as it reaches to the west to the scenic and famed San Juan Islands. From the glacier-covered peaks of the Cascade Mountains and the forested uplands, through the fertile farm lands to the wild shorelines, Skagit County provides a cherished environment attractive to families and individuals seeking to reside in a more rural setting, within commuting distance of urbanized employment. Interstate 5 and Hwy 20 intersect within Skagit County providing rapid and convenient transportation.

Skagit County encompasses a 1,735 square mile land base, of which 156,085 acres are devoted to parkland, (national, state and county) and 364,582 acres of National Forest Land. Skagit County remains a pristine, beautiful place to live and enjoy the outdoors. The beautiful natural water areas, lakes, streams, rivers and saltwater beaches support backpacking, hiking and camping as well as the festivals, tours and special events continue to attract tourists to the area. Skagit County is known for its festivals,

including the famous annual Tulip Festival, Festival of Family Farms, Skagit Eagle Festival, drawing tourists from near and far. Other local rural and urban festivals and tours also enjoy the success of returning participants and tourists.

The region provides a rich base for successful businesses, musicians, artists, authors, and commuters; a community attractive to weekenders and new populations resulting in steady growth.

The county is home to approximately 100,000 acres of the most productive and valuable farmland in the world. Agriculture remains the number one industry producing upwards of 90 crops, having a global impact and a supported future. Our Nation, State of Washington, citizens of Skagit County and Washington State University have invested in a world class, state of the art research station in Mount Vernon providing new, improved and sustainable sources of food and natural resources production. Skagit County is a major producer of cabbage, table beet, and spinach seed, with seven vegetable seed companies marketing worldwide. More tulip, daffodil, and iris bulbs are produced in Skagit County than in any county in the United States. Skagit County ranks fifth in dairy production and produces 95% of the red potatoes in Washington State. Organic acreage in Skagit County is on the increase. More than 5,820 acres of certified organic land is in production with a value of \$13,339,494 - the highest in Western Washington.

Thousands of Trumpeter and Whistling swans, Snow geese and thousands of mallard and other ducks utilize Skagit farmland for food and habitat. Skagit County farmland also hosts one of the highest concentrations of raptors in North America.

Financial Policies

The annual budget for Skagit County serves as a basis for the County's financial planning and control and is adopted in accordance with the provisions of the Revised Code of Washington (RCW) Chapter 36.40. Each County department and separate funds are required to submit requests for appropriations to the County Auditor's Office by the third Wednesday in August. A compilation of the requests is submitted to the Board of County Commissioners by the first Tuesday in September. The Commissioners schedule a budget hearing, which must begin between the first Monday in October and the first Monday in December. The hearing may be continued from day to day for no more than five days. At the conclusion of the hearing, the Commissioners adopt the budget.

The annual appropriated budget is adopted at the department level within each fund. For management purposes, expenditures are further segregated by "object class" of expenditure. Object class refers to a segmentation of expenditures into five categories. These categories are salaries and wages, personnel benefits, supplies, other services and charges, and capital expenditures. Expenditures may not exceed appropriations at the department level and the budgets constitute legal authority for expenditures at that level. All appropriations lapse thirty days after the close of each fiscal year. All expenditures incurred prior to year-end, but not paid until this thirty-day period are considered expenditures against the budget for the prior year and are reported as accounts payable.

Budget status reports are used to compare the budgeted amounts with actual revenues and expenditures. As a management control device, revenues and expenditures can be monitored at fund, department, division, activity, project, or object class level.

Skagit County has established fiscal policies as guidelines for its budgetary process and they are, in part:

1. The General Fund budget shall be balanced within available revenue sources. A minimum reserve balance of 12% shall be targeted for the General Fund.
2. The Insurance Services Fund shall be managed to maintain the County's self-insured status. A minimum reserve balance of 25% shall be maintained for the Fund.
3. Growth in the General Fund, Road Fund and Conservation Futures Fund tax levies shall not exceed 101% of the prior year levy plus taxes collected on new construction.

4. Strategies to reduce and control expenditures and increase revenues and proposed efficiencies submitted by Elected Officials and Department Heads will be considered during the budget review process.
5. Departments shall provide budget monitoring reports as requested by the Board of County Commissioners to assist with projections for current and future years.
6. Internal Service Funds shall be funded at a level to maintain the financial stability of those funds and to meet required service levels for department programs.
7. Departments that provide services to other agencies shall analyze the costs for providing these services including direct and indirect overhead to ensure that reimbursement rates for these services cover all appropriate costs.
8. Opportunities to cooperate with other agencies to provide services should be evaluated and implemented, where possible, to gain efficiency, decrease expenses and avoid duplication of services.

The County is self-insured for a wide range of loss exposures including property, liability, and worker's compensation. The County manages risk through a variety of methods including insurance, loss prevention, loss control and comprehensive safety programs. There is a county-wide effort to control losses and reduce costs.

The County has developed a 6-year Capital Facilities Plan, which is updated annually. This document is Skagit County's plan for capital facility development, maintenance, and financing. The Plan includes a list of existing capital facilities as well as forecasts future needs that include clearly identified probable sources of public money for such purposes.

Economic Condition

Skagit County's economic base includes: agriculture, food processing, lumber and wood products, oil refining, tourism, and marine related industries. Included within the marine related industries are fishing, fish processing, ship and boat building and repair. Exports within the agricultural area have continued to be strong.

As is the case throughout the nation, Skagit County's local economy has been directly impacted by the current global recession, and subsequent slow recovery. Economic conditions have a direct impact on the County's revenues and the demand for County services. Because of this, the information presented in the financial statements is best understood while taking the nation's current economic environment into consideration.

The County will continue to face challenges in meeting growing demands for services and employee related costs in an environment of limited revenues. The County is focused on improving efficiencies and effectiveness via innovative solutions that lead to providing the essential infrastructure and services prioritized by its citizens.

Major Initiatives

The recently completed Anacortes Ferry Dock Rehabilitation & Guemes Island Ferry Dock Repair project has been selected by the American Public Works Association (APWA) as one of their Public Works Projects of the Year for 2012. This was a national competition. The project was mainly funded with a grant from the Department of Transportation.

In 2005, the County entered into an Interlocal agreement with the city of Mount Vernon to build a new arterial roadway, connecting the Anderson Road/I-5 freeway interchange to South LaVenture Road. The project will provide an alternative route to access the rapidly developing portions of eastern Mount Vernon to the surrounding County areas. Funded in part by the County, by the City of Mount Vernon, and by federal, state and local grant funding, the project was completed in 2013.

In 2013, the County entered into an interlocal agreement with the major cities and other partners in the County to share the costs of a new jail facility. A sales tax initiative was passed by the voters to help fund the facility. In 2014, the County created a new enterprise fund called the Jail Fund. This fund issued bonds for the planning and constructing a 400 bed regional jail facility. The County purchased the land in 2014 and is now preparing construction documents for the facility. The estimated completion date for the jail facility is set for the Summer of 2017. The County continued the construction of the new jail facility in 2016. The project is currently on schedule.

In 2016, the County issued bonds for necessary facility upgrades on the administrative building, as well as refunding the 2006 bond issue. The refunding resulted in an economic gain for the County. Construction on the administrative building is projected to be completed in August of 2017.

In 2016, the County completed the design and permitting phase of the Burlington Northern Overpass project consisting of replacing an existing 1,183 foot long timber trestle overpass built in 1936. The design includes construction of a three span pre-stressed concrete bridge, structural earth walls, curb and gutter, sidewalks, and a storm-water system. The construction on this project is scheduled to begin in 2017 with an estimated completion date in late 2018.

Acknowledgements

The Government Finance Officers Association of the United States and Canada (GFOA) awarded the Certificate of Achievement for Excellence in financial reporting to Skagit County for its Comprehensive Annual report for the fiscal year ended December 31, 2015. This was the fourth consecutive year that the government has achieved this prestigious award. In order to be awarded a Certificate of Achievement, the County must publish an easily readable and efficiently organized comprehensive annual report. This report 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 financial report continues to meet the Certificate of Achievement Program requirements and we are submitting it to the GFOA to determine its eligibility for another certificate.

Preparation of this report could not have been accomplished without the professional, efficient and dedicated work of the entire staff of the Auditor's Office. In addition, acknowledgement is made for the invaluable contributions of the Treasurer's Office, the Public Works accounting division, and the Budget and Finance Director's office.

We would also like to express our appreciation for the professional efforts of our local State Auditor's Office team and the direction and advice provided by them and to the Board of County Commissioners for their efforts in working for the betterment of the County.

Sincerely,



Barbara Leander
Chief Deputy Auditor



Government Finance Officers Association

**Certificate of
Achievement
for Excellence
in Financial
Reporting**

Presented to

**Skagit County
Washington**

For its Comprehensive Annual
Financial Report
for the Fiscal Year Ended

December 31, 2015

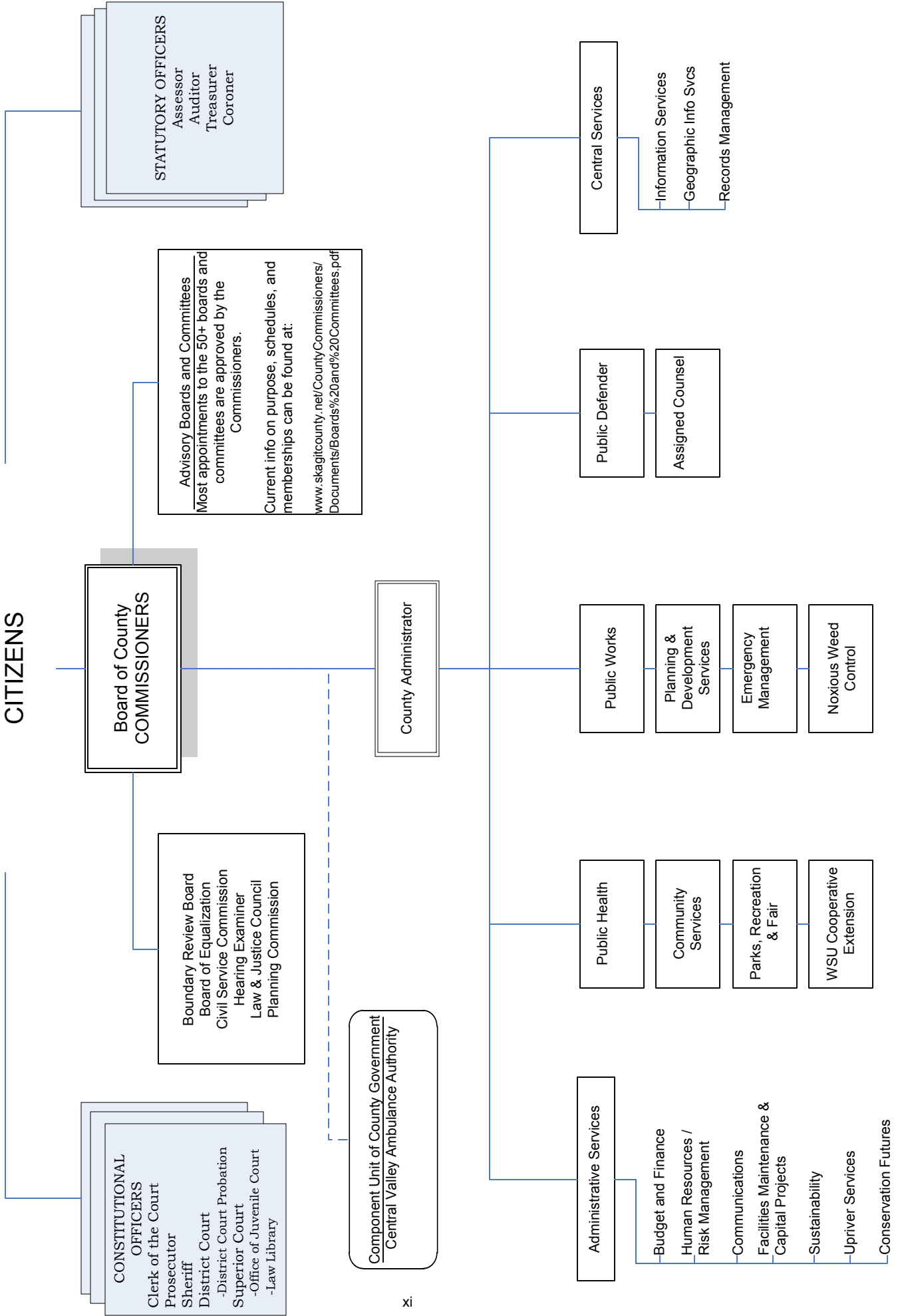
Executive Director/CEO

SKAGIT COUNTY, WASHINGTON ELECTED OFFICIALS

	TERM EXPIRES
COUNTY COMMISSIONERS	
DISTRICT NUMBER 1	RON WESEN DECEMBER 2020
DISTRICT NUMBER 2	KENNETH DAHLSTEDT DECEMBER 2020
DISTRICT NUMBER 3	LISA JANICKI DECEMBER 2018
SUPERIOR COURT JUDGES	
	BRIAN STILES DECEMBER 2020
	MICHAEL RICKERT DECEMBER 2020
	DAVID SVAREN DECEMBER 2020
	DAVE NEEDY DECEMBER 2020
DISTRICT COURT JUDGES	
	WARREN GILBERT DECEMBER 2018
	DIANNE E GODDARD DECEMBER 2018
	THOMAS L VERGE DECEMBER 2018
ASSESSOR	DAVE THOMAS DECEMBER 2018
AUDITOR	JEANNE YOUNGQUIST DECEMBER 2018
CLERK	MAVIS BETZ DECEMBER 2018
CORONER	HAYLEY THOMPSON DECEMBER 2018
PROSECUTING ATTORNEY	RICHARD WEYRICH DECEMBER 2018
SHERIFF	WILL REICHARDT DECEMBER 2018
TREASURER	KATIE JUNGQUIST DECEMBER 2018

SKAGIT COUNTY

CITIZENS





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

INDEPENDENT AUDITOR'S REPORT ON FINANCIAL STATEMENTS

June 28, 2017

Board of Commissioners
Skagit County
Mount Vernon, Washington

REPORT ON THE FINANCIAL STATEMENTS

We have audited the accompanying financial statements of the governmental activities, the business-type activities, the aggregate discretely presented component units, each major fund and the aggregate remaining fund information of Skagit County, Washington, as of and for the year ended December 31, 2016, and the related notes to the financial statements, which collectively comprise the County's basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes 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.

Auditor's Responsibility

Our responsibility is to express opinions on these financial statements based on our audit. We conducted our audit 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. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the County's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the County's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

Opinion

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, the aggregate discretely presented component units, each major fund and the aggregate remaining fund information of Skagit County, Washington, as of December 31, 2016, and the respective changes in financial position thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Other Matters

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis on pages 4 through 14, budgetary comparison information on pages 66 through 75, pension plan information on pages 76 through 80, and information on postemployment benefits other than pensions on page 81 and be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Supplementary and Other Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the County's basic financial statements. The accompanying information listed as combining financial statements and schedules on pages 83 through 173 is presented for purposes of additional analysis and is not a required part of the basic financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the financial statements. This information has been subjected to auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the 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 basic financial statements taken as a whole.

The information identified in the table of contents as the Introductory Section, Statistical Section, and Compliance Section is presented for purposes of additional analysis and is not a required part of the basic financial statements of the County. Such information has not been subjected to the auditing procedures

applied in the audit of the basic financial statements and, accordingly, we do not express an opinion or provide any assurance on it.

OTHER REPORTING REQUIRED BY GOVERNMENT AUDITING STANDARDS

In accordance with *Government Auditing Standards*, we will also issue our report dated June 28, 2017, on our consideration of the County’s internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements and other matters. That report will be issued under separate cover in the County’s Single Audit Report. 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 internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the County’s internal control over financial reporting and compliance.

Sincerely,

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

Financial Section



This discussion and analysis provides a narrative overview of Skagit County's financial activities for the fiscal year ended December 31, 2016. It should be considered in conjunction with information contained in the financial statements and in the notes to the financial statements.

FINANCIAL HIGHLIGHTS

- As of December 31, 2016, total assets of the County exceeded total liabilities by \$337 million. Net investment in capital assets account for 78% of this amount, at \$262 million. Of the remaining Net Position, \$50.6 million was restricted for specific purposes and \$24 million was unrestricted. Fund balance increase \$6.3 million from operating activities.
- Ending unassigned fund balance for the General Fund was \$14.2 million; assigned fund balance in the General Fund was \$1 million, a total increase of \$.6 million over the previous year. Management has elected to assign \$1 million of the General Fund for various capital and IT projects. The total increase in fund balance was due to a conservative approach to spending practices.
- Ending fund balance for the County Road fund was \$8.1 million, an increase of \$3.9 million over the previous year. This was mainly due to decreased capital projects, as well as lower material costs for maintenance, and a conservative approach to spending practices.
- Ending fund balance for the Mental Health fund was \$7.6 million, an increase of \$.7 million over the previous year. This was mainly due to slight changes in grant revenues and a conservative approach to spending.
- Total long-term liabilities of the County were \$128 million at December 31, 2016. This is an increase of \$6.2 million, mainly attributable to calculated Net Pension liability increases as well as a 2016 bond issue for capital improvements.

OVERVIEW OF THE FINANCIAL STATEMENTS

The basic financial statements include the government-wide financial statements, the fund financial statements, and the notes to the financial statements.

Government-wide Financial Statements

These statements include the Statement of Net Position and the Statement of Activities. They provide an integrated picture of the County's financial information as a whole, and are presented on the full accrual basis of accounting, a methodology similar to that used by private sector businesses. Revenues and expenses are recognized when earned or incurred, regardless of the timing of the receipts or payments. These statements distinguish between functions of government that are principally supported by taxes and intergovernmental revenues (referred to as "governmental activities") and functions that are intended to recover all or a significant portion of their costs through user fees and charges (referred to as "business-type activities"). The governmental activities of Skagit County include law enforcement and public safety; the superior, juvenile, and district court systems; legal prosecution and indigent defense; jails and corrections; road construction and maintenance; planning and community development; parks and open space preservation; and care and welfare of the disadvantaged and mentally ill. Other general government services provided include elections, property assessment, tax collection, and the issuance of licenses. The business-type activities of Skagit County include solid waste disposal, a drainage utility, and a jail fund.

The Statement of Net Position presents all of Skagit County's assets, deferred outflows of resources, liabilities, and deferred inflows of resources with the difference of assets plus deferred outflows and liabilities plus deferred inflows reported as net position. Over time, changes in net position may serve as an indicator of whether the financial position of the County is improving or deteriorating. Non-financial

indicators, such as the condition of infrastructure systems or changes in tax base, should also be considered in evaluating financial stability.

The statement of activities presents information showing how the government's net position changed during the year. It separates program revenue (generated by specific programs through charges for services, grants, and contributions) from general revenue (from taxes and other sources not generated by a particular program), showing to what extent each program relies on general revenues for funding.

The financial statements also include information for The Central Valley Ambulance Authority, a component unit of Skagit County. The component unit is not covered in this discussion. Additional information concerning this entity may be found in Note I of the notes to the financial statements.

Fund Financial Statements

Skagit County uses fund accounting to control and manage monies for specific purposes. Some funds may be mandated by state law or by other legal requirements.

Governmental Funds

Most general government services are accounted for in the governmental funds, using the modified accrual basis of accounting. This method focuses on near-term inflows and outflows of spendable resources and on balances of spendable resources available at the end of the fiscal year. This perspective is narrower than that reflected in the government-wide financial statements, which focuses on a more long-term view. Reconciliation statements are provided which detail the differences between governmental activities in the government-wide statements and the information presented in the fund financial statements for the governmental funds.

Skagit County's major funds, the General Fund, the County Road Fund, and the Mental Health funds are presented separately in the fund statements. Data for the remaining governmental funds are combined into a single, aggregated column.

Proprietary Funds

Proprietary funds, which include enterprise and internal service funds, use the full accrual method of accounting and are used to account for functions which are intended to be self-supporting by their rates and fees. Skagit County has three enterprise funds - solid waste, a drainage utility and a jail fund. Internal service funds are used to account for the County's vehicle fleet, medical and unemployment insurance, computer systems, and other administrative services.

Fiduciary Funds

Fiduciary funds are used to account for resources held for the benefit of parties outside the government. They are not reflected in the government-wide financial statements because those funds are not available for use by Skagit County.

Notes to the Financial Statements

The notes provide additional information that is essential to a full understanding of the data provided in the government-wide and fund financial statements.

The Comprehensive Annual Financial Report (CAFR) also includes a Supplemental Schedules section that provides more detailed information about the County.

**Skagit County, Washington
Management's Discussion and Analysis
December 31, 2016**

GOVERNMENT-WIDE FINANCIAL ANALYSIS

Statement of Net Position

Summarized information from the statement of Net Position, as compared to the prior year, is as follows:

	Governmental		Business-Type		Total	
	Activities		Activities			
	2016	2015	2016	2015	2016	2015
ASSETS						
Current and Other Assets	\$ 110,035,007	\$ 100,314,876	\$ 27,753,422	\$ 57,015,291	\$ 137,788,429	\$ 157,330,167
Capital Assets and						
Construction in Progress (Net of Depreciation)	261,979,044	273,798,884	71,373,133	34,869,175	333,352,177	308,668,059
Net Pension Asset	1,115,658	1,733,674	45,632	70,909	1,161,290	1,804,583
Total Assets	<u>373,129,709</u>	<u>375,847,434</u>	<u>99,172,187</u>	<u>91,955,375</u>	<u>472,301,896</u>	<u>467,802,809</u>
DEFERRED OUTFLOW OF RESOURCES	<u>5,626,570</u>	<u>\$3,055,283</u>	<u>566,171</u>	<u>494,683</u>	<u>6,192,741</u>	<u>\$3,549,966</u>
LIABILITIES						
Long-Term Liabilities	54,833,394	47,207,457	73,237,703	74,778,475	128,071,097	121,985,932
Other Liabilities	9,314,001	10,296,564	3,439,949	2,974,493	12,753,950	13,271,057
Total Liabilities	<u>64,147,395</u>	<u>57,504,021</u>	<u>76,677,652</u>	<u>77,752,968</u>	<u>140,825,047</u>	<u>135,256,989</u>
DEFERRED INFLOW OF RESOURCES	<u>412,687</u>	<u>4,580,582</u>	<u>23,958</u>	<u>539,458</u>	<u>436,645</u>	<u>5,120,040</u>
NET POSITION						
Net Investment in Capital Assets	252,394,754	273,798,884	9,100,601	9,066,636	261,495,355	282,865,520
Restricted	52,215,900	36,559,030	58,529	-	52,274,429	36,559,030
Unrestricted	9,585,543	6,460,201	13,877,618	5,090,996	23,463,161	11,551,197
Total Net Position	<u>\$ 314,196,197</u>	<u>\$ 316,818,115</u>	<u>\$ 23,036,748</u>	<u>\$ 14,157,632</u>	<u>\$ 337,232,944</u>	<u>\$ 330,975,747</u>

Of the \$137.8 million in current and other assets at December 31, 2016, \$114.8 million is cash, cash equivalents and investments. A very small portion of this amount, \$1.6 million, is restricted for specific purposes. Accounts receivable, Notes receivable and amounts due from other governments total \$17.7 million. Inventories/prepayments total \$5.4 million. Cash, cash equivalents and investments represented 83% (compared to 86% in 2015), while accounts receivable, notes receivable and amounts due from other governments accounted for 12.8% (compared to 11% from 2015).

At December 31, 2016, the County had outstanding long-term liabilities of \$128 million, as compared to \$121.9 million in 2015. This is primarily the result of an increase in net pension liability. Of this total, \$6.3 million was due within one year. See Note V of the notes to the financial statements for more information regarding long term debt. Other liabilities amounted to \$12.8 million. These represent primarily accounts payable and accrued liabilities due as a result of ordinary operations.

The largest portion of the County's Net Position (78%) reflects its net investment in capital assets, less any outstanding related debt used to acquire those assets. The County's capital assets are used to provide services to citizens and are therefore not available to finance future spending. Although the County's net investment in capital assets is reported net of related debt, it should be noted that the resources needed to repay this debt must be provided from other sources, since the capital assets themselves cannot be used to liquidate these liabilities. In addition, 15% of the County's net position is subject to legal restrictions for specific purposes. The remaining balance of Net Position is \$24 million.

**Skagit County, Washington
Management's Discussion and Analysis
December 31, 2016**

Statement of Changes in Net Position

The County's total Net Position increased by \$6.3 million in 2016. Governmental activities reflected a decrease of \$2.6 million while the Net Position of business-type activities increased \$8.9 million. The decrease in governmental activities was primarily due to increased costs in public safety and health and human services. The majority of the business-type increase in Net Position is the result of the activities in the jail fund. Key elements in these changes are shown below:

	Changes in Net Assets					
	Governmental Activities		Business-Type Activities		Total Primary Government	
	2016	2015	2016	2015	2016	2015
REVENUES						
Program Revenues						
Charges for Services	\$ 31,632,488	\$ 31,263,970	\$ 24,720,160	\$ 23,303,859	\$ 56,352,648	\$ 54,567,829
Operating Grants and Contributions	7,204,908	7,309,333	1,823,176	1,004,289	9,028,084	8,313,622
Capital Grants and Contributions	3,379,086	1,324,956	-	-	3,379,086	1,324,956
General Revenues						
Taxes	69,620,962	64,420,228	-	-	69,620,962	64,420,228
Interest Earnings on Investments	1,887,018	1,613,617	-	-	1,887,018	1,613,617
Total Revenues	113,724,462	\$105,932,104	26,543,336	\$24,308,148	140,267,798	130,240,252
PROGRAM EXPENSES						
General Government	35,189,831	38,988,745	-	-	35,189,831	38,988,745
Judicial	7,994,589	7,023,822	-	-	7,994,589	7,023,822
Public Safety	24,535,763	22,700,976	-	-	24,535,763	22,700,976
Physical Environment	3,231,182	2,579,726	-	-	3,231,182	2,579,726
Transportation	26,676,629	25,806,761	-	-	26,676,629	25,806,761
Economic Environment	4,228,992	2,662,654	-	-	4,228,992	2,662,654
Health and Human Services	11,131,708	10,277,091	-	-	11,131,708	10,277,091
Culture and Recreation	2,295,704	2,118,435	-	-	2,295,704	2,118,435
Solid Waste			9,277,770	8,414,131	9,277,770	8,414,131
Drainage Utility	-	-	1,540,053	2,259,694	1,540,053	2,259,694
Jail Fund			6,470,825	7,351,101	6,470,825	7,351,101
Interest on Long Term Debt	1,100,345	1,113,066	384,815	395,829	1,485,160	1,508,895
Total Expenses	116,384,743	113,271,276	17,673,463	18,420,755	134,058,206	131,692,031
Excess (Deficiency) of Revenues Over (Under) Expenses before transfers	(2,660,281)	(7,339,172)	8,869,873	5,887,393	6,209,592	(1,451,779)
Special Items - Gain on Sale of Capital Assets	76,294	114,660	12,549		88,843	114,660
Special Items - Issuance of Long Term Debt						
Transfers	(38,451)	(58,858)	38,451	58,858		
Change in Net Position	(2,622,438)	(7,283,370)	8,920,873	5,946,251	6,298,435	(1,337,119)
Net Position, January 1	316,818,114	350,302,832	14,157,631	11,442,541	330,975,745	361,745,373
Prior Period Adjustment		(26,201,349)	(41,756)	(3,231,160)	(41,756)	(29,432,509)
Net Position, January 1 - Restated	316,818,114	324,101,483	14,115,875	8,211,381	330,933,989	332,312,864
Net Position, December 31	\$ 314,195,678	\$ 316,818,114	\$ 23,036,748	\$ 14,157,630	\$ 337,232,423	\$ 330,975,744

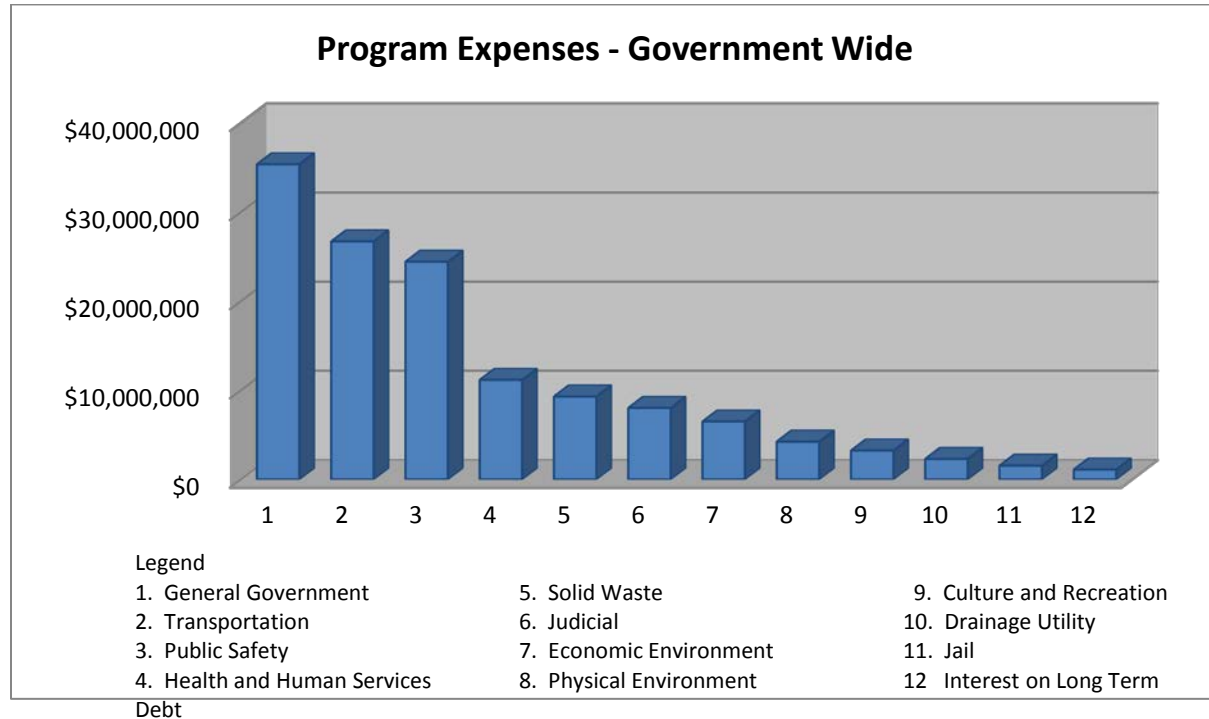
Total revenues were \$140 million in 2016, an increase of \$10 million from 2015. The main reason for the increase is the increases in charges for services, operating grants, and taxes. Governmental activities provided \$113.7 million (81%), while business-type activities added \$26.5 million. Within governmental activities, tax revenue accounted for 61% of total revenue sources, with grants and contributions accounting for 9.6 % (up from 8.4% in 2015).

Charges for services accounted for 93% of the revenues of business type activities, with the remaining provided by interest and operating grants and contributions.

Total expenses for the year amounted to \$134 million, an increase of \$2.3 million from 2015. Governmental activities accounted for \$116 million (87%), with the largest program expenses in the areas of general government, public safety and transportation. These three programs accounted for 74% of total

governmental expenses. Of the \$17.7 million in business-type expenses, 52% is associated with the solid waste program, a increase of 6% from 2015.

The following graph illustrates 2016 government wide program spending:



FINANCIAL ANALYSIS OF THE COUNTY'S FUNDS

Governmental Funds Balance Sheet Analysis

The General Fund, County Road Fund, and Mental Health Fund are the County's major funds in 2016. Together these funds account for 51% of total governmental fund assets and 47% of total governmental fund balances.

As of December 31, 2016, the County's governmental funds reported combined fund balances of \$65.8 million, an increase from \$57 million in 2015. Of this amount, \$43 million (66%) is Restricted, \$7.5 million (11%) is reported as Committed, \$1 million is assigned, and \$14.2 million (22%) is unassigned and available for spending within the designated funds. Nonspendable, Restricted, Committed, and Assigned fund balance of \$51.6 million is not available for new spending because it has already been committed for prepaid expenses, loans, debt service, and inventory, as well as other special revenue funds requirements.

The General Fund is the primary operating fund of Skagit County. The unassigned fund balance of this fund increased to \$14.2 million at December 31, 2016, from \$13.6 million at December 31, 2015. \$1 million of the general fund fund balance is assigned for various capital and IT projects. Total assets of the General Fund were \$22.1 million at December 31, 2016, accounting for 27.6% of total governmental fund assets. This represents a decrease of \$.4 million from 2015.

**Skagit County, Washington
Management's Discussion and Analysis
December 31, 2016**

Governmental Funds Revenue/Expenditure Analysis

Total revenues for governmental funds were \$110.9 million in 2016, This represents an increase of \$8.5 million from 2015. The main reason for the increase was in tax revenues. During the same period, total expenditures increased to \$106 million, up from \$97 million in 2015. The main increases were in public safety, health and human services and economic environment. The General Fund, Mental Health Fund, and County Road fund account for 72.5% of all governmental fund revenue (slightly down from 72.9% in 2015) and 66% of all expenditures, a decrease from 68% in 2015.

The net change in fund balance for the General Fund in 2015 was a positive \$.6 million. The increase in fund balance for the County Road fund was \$3.9 million. The main reason for the increase in the County Road fund was a reduction in road projects in 2016. The net change in the Mental Health Fund was \$.7 million. The non-major governmental funds had an overall positive change in fund balances of \$3.6 million for 2016.

Enterprise Funds Net Position Analysis

All enterprise funds of Skagit County are considered major funds for 2016. Comparative information from the proprietary funds' statement of Net Position is as follows:

	Business-Type Activities - Enterprise Funds							
	Net Assets							
	Solid Waste		Drainage Utility		Jail Fund		Total	
	2016	2015	2016	2015	2016	2015	2016	2015
ASSETS								
Current Assets								
Cash and Cash Equivalents	\$3,378,466	\$2,680,334	\$449,779	\$326,805	\$22,583,519	\$52,182,269	\$26,411,764	\$55,189,408
Other Current Assets	929,057	1,016,539	76,031	292,636	1,052,132	1,044,332	2,057,220	2,353,507
Total Current Assets	4,307,523	\$3,696,873	525,810	\$619,441	23,635,651	\$53,226,601	28,468,984	57,542,915
Non-Current Assets								
Construction in Progress	-	-	398,121	161,934	54,039,660	17,071,990	54,437,781	17,233,924
Capital Assets	13,370,275	13,719,305	9,780,473	9,750,454			23,150,748	23,469,759
Less Accumulated Depreciation	(3,583,915)	(3,577,336)	(2,631,481)	(2,257,172)			(6,215,396)	(5,834,508)
Unamortized Debt Issue Costs								
Net Pension Asset					45,632	70,909	45,632	
Total Non-Current Assets	9,786,360	10,141,969	7,547,113	7,655,216	54,085,292	17,142,899	71,418,765	34,869,175
Total Assets	14,093,883	13,838,842	8,072,923	8,274,657	77,720,943	70,369,500	99,887,749	92,412,090
Deferred Outflows of Resources	199,040	106,348	38,275	47,155	328,856	341,180	566,171	494,683
LIABILITIES								
Current Liabilities								
Accounts/Vouchers Payable	496,584	502,919	44,742	189,881	2,557,166	1,962,860	3,098,492	2,655,660
Other Current Liabilities	1,051,432	772,130	123,349	79,692	1,602,737	555,134	2,777,518	1,406,956
Total Current Liabilities	1,548,016	1,275,049	168,091	269,573	4,159,903	2,517,994	5,876,010	4,062,616
Non-Current Liabilities								
Bonds Payable	7,722,873	8,230,550			54,387,033	55,682,195	62,109,906	63,912,745
Other Non-Current Liabilities	7,938,667	7,824,856	250,340	465,070	1,218,291	2,015,306	9,407,298	10,305,232
Total Non-Current Liabilities	15,661,540	16,055,406	250,340	465,070	55,605,324	57,697,501	71,517,204	74,217,977
Total Liabilities	17,209,556	17,330,455	418,431	734,643	59,765,227	60,215,495	77,393,214	78,280,593
Deferred Inflows of Resources	14,042	147,639	2,700	65,464	7,216	326,355	23,958	539,458
NET POSITION								
Net Investment in Capital Assets	1,553,488	1,411,419	7,547,113	7,655,217	-		9,100,601	9,066,636
Unrestricted	(4,484,163)	(4,944,322)	142,954	(133,512)	18,277,356	10,168,829	13,936,147	5,090,995
Total Net Position	\$ (2,930,675)	\$ (3,532,903)	\$ 7,690,067	\$ 7,521,705	\$ 18,277,356	\$ 10,168,829	\$ 23,036,748	\$ 14,157,631

As of December 31, 2016, the enterprise funds reported combined Net Position of \$23 million (compared to \$14.2 million in 2015). This is the total of a \$2.9 million deficit in the Solid Waste Fund (down \$.6 million in 2016) and a positive \$7.7 million in the Drainage Utility Fund (up from \$7.5 million from 2015). The Jail

**Skagit County, Washington
Management's Discussion and Analysis
December 31, 2016**

fund net position is \$18.3 million, up from \$10.2 million in 2015. The increase is due to capitalization of costs attributed to the new jail project.

Enterprise Funds Revenue/Expenditure Analysis

The following table provides comparative information related to revenues, expenses and net changes in fund balance for the enterprise funds:

	Business-Type Activities - Enterprise Funds							
	Changes in Net Position							
	Solid Waste		Drainage Utility		Jail Fund		Total	
2016	2015	2016	2015	2016	2015	2016	2015	
REVENUES								
Charges for Services	\$9,949,406	\$9,188,278	\$1,623,617	\$1,614,943	\$8,693,137	\$8,143,304	\$20,266,160	\$18,946,525
Other Operating Revenue			16,741		4,366,633	4,136,097	4,383,374	4,136,097
Intergovernmental	344,045	425,490	68,689	245,194	1,410,442	333,605	1,823,176	1,004,289
Interest Revenue	4,709	4,311	517	2,547			5,226	6,858
Miscellaneous Revenue	543	6,568		136,612	69,540	78,057	70,083	221,237
Total Revenues	10,298,703	9,624,647	1,709,564	1,999,296	14,539,752	12,691,063	26,548,019	24,315,006
EXPENSES								
Personal Services	1,802,774	1,693,207	351,816	739,546	4,888,582	5,549,983	7,043,172	7,982,736
Contractual Services	5,932,038	5,302,043					5,932,038	5,302,043
Other Supplies and Expenses	1,204,258	1,082,613	813,928	1,284,137	1,582,242	1,801,118	3,600,428	4,167,868
Depreciation	338,157	336,268	374,309	236,011			712,466	572,279
Loss on Disposition of Capital Assets	(12,549)						(12,549)	
Interest Expense	390,041	402,687					390,041	402,687
Total Expenses	9,654,719	8,816,818	1,540,053	2,259,694	6,470,824	7,351,101	17,665,596	18,427,613
Income (Loss) Before Transfers	643,984	807,829	169,511	(260,398)	8,068,928	5,339,962	8,882,423	5,887,393
Capital Contributions								
Interfund Transfers			(1,149)	(1,142)	39,600	60,000	38,451	58,858
Change in Net Position	643,984	807,829	168,362	(261,540)	8,108,528	5,399,962	8,920,874	5,946,251
Net Position, January 1	(3,532,903)	(3,376,400)	7,521,705	8,197,769	10,168,829	6,621,172	14,157,631	11,442,541
Prior Period Adjustment	(41,756)	(964,332)		(414,524)		(1,852,304)	(41,756)	(3,231,160)
Net Position, January 1 - Restated	(3,574,659)	(4,340,732)	7,521,705	7,783,245	10,168,829	4,768,868	14,115,875	8,211,381
Net Position, December 31	\$ (2,930,675)	\$ (3,532,903)	\$ 7,690,067	\$ 7,521,705	\$ 18,277,356	\$ 10,168,829	\$ 23,036,748	\$ 14,157,631

Revenues from the Solid Waste Fund represent 39% of the total revenues for enterprise funds in 2016, consistent with 39% in 2015. Total expenses for the Solid Waste Fund were 55% of the total enterprise funds. The Jail Fund revenues consisted of 55% of total enterprise revenues, up from 52% in 2015. This is the result of increased charges for services as well as increased intergovernmental revenues.

**Skagit County, Washington
Management's Discussion and Analysis
December 31, 2016**

GENERAL FUND BUDGETARY HIGHLIGHTS

The following schedule provides a comparative analysis of the original and final amended General Fund budget:

For the Year Ended December 31, 2016

	Original Budget	Final Budget	Variance Favorable (Unfavorable)
BUDGETED FUND BALANCE, JANUARY 1	\$ (945,962)	\$ (589,042)	\$356,920
RESOURCES (IN-FLOWS)			
Taxes	34,231,185	34,231,185	-
Licenses & Permits	282,000	282,000	-
Intergovernmental Revenue	7,506,839	7,521,856	15,017
Charges for Goods and Services	3,943,936	3,943,936	-
Fines and Forfeits	1,700,700	1,700,700	-
Interest Revenue	1,898,500	1,898,500	-
Miscellaneous Revenues	93,067	93,067	-
Transfers In	225,187	241,539	16,352
Total Resources (in-flows)	<u>49,881,414</u>	<u>49,912,783</u>	<u>31,369</u>
Amounts Available for Appropriation	<u>48,935,452</u>	<u>49,323,741</u>	<u>388,289</u>
CHARGES TO APPROPRIATIONS (OUT-FLOWS)			
General Government Services	15,434,625	15,538,203	(103,578)
Judicial	9,508,082	9,589,374	(81,292)
Public Safety	17,794,176	17,977,164	(182,988)
Physical Environment	15,059	15,059	-
Economic Environment	405,517	410,022	(4,505)
Health and Human Services	311,056	344,666	(33,610)
Culture and Recreation	473,905	478,905	(5,000)
Capital Expenditures	20,000	20,000	-
Transfers Out	4,973,032	4,950,348	22,684
Amount Charged to Appropriations (out-flows)	<u>48,935,452</u>	<u>49,323,741</u>	<u>(388,289)</u>
BUDGETED FUND BALANCE, DECEMBER 31	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>

The net increase in revenues in the final amended budget represented a favorable variance of less than 1/10th 1.0%. The net increase in expenditures represented an unfavorable increase of less than 1%. Total budgeted expenditures increased more than revenue increased by approximately \$356,920.

The change to the final budget appropriation is due to changes in grant revenue. The change to the final budget appropriation for transfers in is due to an increase in funding from the mental health fund for conference attendance. General government services increased due to a change in banking fees and reorganization. Increased in Judicial was due to a COLA increase and operating expenses. The increase in Public Safety was the result of increased staffing for protest and presidential candidate visit.

**Skagit County, Washington
Management's Discussion and Analysis
December 31, 2016**

The following schedule provides an analysis of the final amended budget as compared to actual General Fund revenues and expenditures:

**General Fund Budget vs. Actual
For the Year Ended December 31, 2016**

	Final Budget	Actual	Changes Favorable (Unfavorable)
FUND BALANCE, JANUARY 1	\$ (589,042)	\$ 14,576,013	\$15,165,055
RESOURCES (IN-FLOWS)			
Taxes	34,231,185	34,789,116	557,931
Licenses & Permits	282,000	334,627	52,627
Intergovernmental Revenue	7,521,856	8,316,458	794,602
Charges for Goods and Services	3,943,936	4,331,693	387,757
Fines and Forfeits	1,700,700	1,914,334	213,634
Interest Revenue	1,898,500	1,675,073	(223,427)
Miscellaneous Revenues	93,067	279,585	186,519
Transfers In	241,539	203,702	(37,837)
Total Resources (in-flows)	<u>49,912,783</u>	<u>51,844,588</u>	<u>1,931,806</u>
Amounts Available for Appropriation	<u>49,323,741</u>	<u>66,420,601</u>	<u>17,096,861</u>
CHARGES TO APPROPRIATIONS (OUT-FLOWS)			
General Government Services	15,538,203	18,201,297	(2,663,094)
Judicial	9,589,374	9,360,475	228,899
Public Safety	17,977,164	17,548,478	428,686
Physical Environment	15,059	5,553	9,506
Economic Environment	410,022	358,189	51,833
Health and Human Services	344,666	309,182	35,484
Culture and Recreation	478,905	478,905	0
Capitalized Expenditures	20,000	10,085	9,915
Transfers Out	4,950,348	4,950,438	(90)
Amount Charged to Appropriations (out-flows)	<u>49,323,741</u>	<u>51,222,602</u>	<u>(1,898,861)</u>
FUND BALANCE, DECEMBER 31	<u>\$0</u>	<u>\$15,197,999</u>	<u>\$15,197,999</u>

The largest dollar variances for revenues are reflected in intergovernmental revenue, taxes, and charges for goods and services. The increase in intergovernmental revenue is the result of receiving additional grant funds as well as the receipt of timber revenues and shared court costs. The increase in taxes is due to retail sales and use tax exceeding the budgeted amount by 7%. It is important to note that while the budget was not adjusted for these changes, the projections through the year included them.

Actual expenditures were 3.7% less than budgeted. This is represented primarily by decreases in General Government Services. This variance mainly reflects lower than budgeted expenses for Information Technology, Records Management, and Insurance services.

CAPITAL ASSETS AND LONG TERM DEBT

Capital Assets

The County's net capital assets were \$333 million at December 31, 2016. Of this total, Construction in progress was \$57 million. Capital assets include land, development rights, buildings, improvements, furniture and equipment, and infrastructure. Details of 2016 capital asset transactions are presented in Note IV.D of the notes to the financial statements.

During 2016 the County continued construction and remodeling of real property for County use. Ongoing projects include several road construction projects, construction of a new jail facility, improvements to county owned buildings, and miscellaneous small parks projects.

Long-Term Debt

At December 31, 2016, general obligation bonds payable as reported by governmental activities was \$18.7 million, an increase of \$2.5 million. Business type activities reported general obligation bonds payable of \$63.8 million, a decrease of \$.6 million from 2015.

The County's remaining legal capacity for non-voted debt at December 31, 2016 was approximately \$193 million.

Additional information relating to long-term debt can be found in Note V of the notes to the financial statements.

ECONOMIC FACTORS

The County's overall financial position remains steady. The County is not facing any foreseeable restrictions or other limitations that would significantly impact funding resources for future uses.

There have been a series of voter initiatives over the last several years, as well as State of Washington, Local and Federal legal changes that continue to have an impact on future finances of the County. A listing of conditions and decisions that may significantly affect the future financial condition of the County follows:

- In November 2010, the County issued Limited Tax General Obligation Bonds in the amount of \$9,740,000 for improvements to the County's solid waste transfer station and other capital improvements to County facilities.
- In April of 2013, the County signed a resolution concerning a proposition that would authorize an additional sales and use tax at a rate of .3% to be used for the construction, maintenance and operation of jail facilities and police and fire protection. This proposition was approved by the voters in the August 6, 2013 primary election.
- In January of 2014, based on the Interlocal agreement to address the Jail facilities, the County created an enterprise fund called the Jail fund. Activities for the jail historically have been reported in the General Fund.
- In September 2014, the Board of County Commissioners passed several ordinances dissolving the EMS Commission and transferring the Commission's authority, responsibility, and assets to the Skagit County Department of Emergency Medical Services. The County's EMS Component Unit has been eliminated, and those activities now reside within the County.

**Skagit County, Washington
Management's Discussion and Analysis
December 31, 2016**

- In November 2014, the County issued debt in the amount of \$51,920,000 to fund the design and construction of a regional jail facility. This was a result of an Interlocal agreement the Board entered into with partner agencies in April of 2013 to address the overcrowding issues with the jail.
- On July 6, 2015 Governor Inslee signed House Bill 1061 increasing the number of District Court Judges in Skagit County to three. The position was officially added to the County January 1, 2016. This was a welcome change to the County due to increased caseloads over the years.
- In June 2016, the County issued debt of \$7,540,000 for improvements to County owned facilities, as well as refunding the 2006 bonds in the amount of \$4,340,000. The refunding of the 2006 bond issue resulted in an economic gain for the County.

Requests for Information

Questions concerning any of the information provided in this report or requests for additional financial information should be addressed to either of the following:

Tim Holloran, County Administrator
County Commissioner's Office
1800 Continental Place, Suite 100
Mount Vernon, WA 98273
360-416-1300

Accounting Department
Skagit County Auditor's Office
PO Box 1306
Mount Vernon, WA 98273
360-336-9420

Basic Financial Statements



Basic Financial Statements

The basic financial statements and note disclosures comprise the minimum acceptable fair presentation in conformity with Generally Accepted Accounting Principles (GAAP). Basic financial statements are designed to be “liftable” from the Financial Section of the Comprehensive Annual Financial Report (CAFR) for widespread distribution to users requiring less detailed information than is contained in the full CAFR. Basic Financial Statements include:

Government-wide Financial Statements

- (1) **Government-wide Statement of Net Position** – presents information on all County governmental and business-type assets and liabilities, with the difference reported as Net Position.
- (2) **Government-wide Statement of Activities** – presents information on all County governmental and business-type revenues and expenses, with the difference reported as change in Net Position.

Fund Financial Statements

- (3) **Balance Sheet – Governmental Funds** – presents the balance sheets for major funds and aggregated amounts for all other governmental funds.
- (4) **Reconciliation of the Balance Sheet to the Government-wide Statement of Net Position.**
- (5) **Statement of Revenues, Expenditures and Changes in Fund Balances – Governmental Funds** - presents information for each major fund and aggregated information for all other governmental funds.
- (6) **Reconciliation of the Statement of Revenues, Expenditures and Changes in Fund Balances to the Government-wide Statement of Activities.**
- (7) **Statement of Net Position – Proprietary Funds** – presents information on all assets and liabilities, with the difference reported as change in Net Position for the major enterprise fund and aggregated amounts for all other enterprise funds as well as a separate column of information for internal service funds.
- (8) **Statement of Revenues, Expenses and Changes in Net Position – Proprietary Funds** – presents information for each major fund and aggregated information for all other governmental funds. Major and non-major enterprise funds and internal service funds.
- (9) **Statement of Cash Flows** – presents information on the sources and uses of cash for the major fund and aggregated information for all other enterprise funds and internal service funds.
- (10) **Statement of Fiduciary Net Position** - presents information on agency fund assets and liabilities, with the difference reported as Net Position.
- (11) **Notes to Financial Statements** – presents disclosure and further detail information to assist the reader in a better understanding of the financial statements and the data presented with them.
- (12) **Required Supplementary Information – Statement of Revenues, Expenditures and Changes in Fund Balance – Budget (GAAP Basis) and Actual** – presents budget information, along with actual results, on separate statements for each major fund which has a legally adopted budget. Departmental information is included for the General fund, in accordance with the County’s legally adopted budget.

SKAGIT COUNTY, WASHINGTON

Statement of Net Position

December 31, 2016

	Primary Government			Component Unit CVA
	Governmental Activities	Business-Type Activities	Total	
ASSETS				
Cash and Cash Equivalents	\$ 64,749,421	\$ 26,411,764	\$ 91,161,185	\$ 370,817
Investments	21,978,435	-	21,978,435	
Accounts Receivables, Net	3,464,644	1,002,986	4,467,630	627,863
Due from Other Governments	5,970,672	1,054,233	7,024,905	342,646
Internal Balances	715,561	(715,561)	-	
Inventories and Prepayments	5,356,426	-	5,356,426	
Notes Receivable	6,170,000		6,170,000	
Restricted Assets:				
Restricted for Debt Service:				
Cash/Cash Equivalents	588,830	-	588,830	
Investments	1,041,017	-	1,041,017	
Net Pension Asset	1,115,658	45,632	1,161,290	
Non Depreciated Capital Assets	176,526,841	830,012	177,356,853	
Capital Asset Held for Resale	891,330		891,330	
Capital Assets, Net	81,778,735	16,105,340	97,884,075	946,561
Construction in Progress	2,782,138	54,437,781	57,219,919	
Total Assets	<u>373,129,709</u>	<u>99,172,187</u>	<u>472,301,895</u>	<u>2,287,887</u>
DEFERRED OUTFLOWS of RESOURCES	<u>5,626,570</u>	<u>566,171</u>	<u>6,192,741</u>	
LIABILITIES				
<u>Liabilities</u>				
Accounts Payable	5,411,153	3,098,492	8,509,644	28,077
Other Liabilities	3,383,537	341,457	3,724,994	199,581
Due to Other Governments	519,311		519,311	6,665
Long Term Liabilities:				
Due within One Year	4,354,244	1,961,592	6,315,836	
Due in More Than One Year	19,984,572	68,756,181	88,740,753	327,957
Net Pension Liability	30,494,578	2,519,930	33,014,508	
Total Liabilities	<u>64,147,395</u>	<u>76,677,652</u>	<u>140,825,046</u>	<u>562,280</u>
DEFERRED INFLOWS OF RESOURCES				
Total Deferred Inflows of Resources	<u>412,687</u>	<u>23,958</u>	<u>436,645</u>	
<u>Net Position</u>				
Net Investment in Capital Assets	252,394,754	9,100,601	261,495,355	946,561
Restricted for:				
General Government	8,829,359	-	8,829,359	
Public Safety	7,675,009	58,529	7,733,538	
Physical Environment	3,302,906	-	3,302,906	
Transportation	8,533,943	-	8,533,943	
Economic Environment	10,315,153	-	10,315,153	
Health & Human Services	10,096,626	-	10,096,626	
Culture and Recreation	1,834,058	-	1,834,058	
Debt Service	1,628,846	-	1,628,846	
Unrestricted	9,585,543	13,877,618	23,463,161	779,046
Total Net Position	<u>\$ 314,196,197</u>	<u>\$ 23,036,748</u>	<u>\$ 337,232,945</u>	<u>\$ 1,725,607</u>

SKAGIT COUNTY, WASHINGTON
Statement of Activities
For the Year Ended December 31, 2016

Functions/Programs Primary Government:	Program Revenues				Net (Expenses) Revenues and Changes in Net Position				Component Unit	
	Expenses	Operating		Capital Grants and Contributions	Primary Government			Total		
		Charges for Services	Grants and Contributions		Governmental Activities	Business-Type Activities	CVA			
Governmental Activities:										
General Government	\$ 35,189,312	\$ 11,198,012	\$ 80,681	\$ 87,579	\$ (23,823,040)	\$ -	\$ (23,823,040)	\$ -		
Judicial	7,994,589	4,212,319	1,707,577	-	(2,074,693)	-	(2,074,693)	-		
Public Safety	24,535,763	2,122,196	916,176	-	(21,497,391)	-	(21,497,391)	-		
Physical Environment	3,231,182	67,537	108,438	-	(3,055,207)	-	(3,055,207)	-		
Transportation	26,676,629	6,937,385	246,766	-	(19,492,478)	-	(19,492,478)	-		
Economic Environment	4,228,992	1,524,967	645,722	1,972,782	(85,521)	-	(85,521)	-		
Health and Human Services	11,131,708	4,622,944	3,382,065	1,318,725	(1,807,974)	-	(1,807,974)	-		
Culture and Recreation	2,295,704	947,128	117,483	-	(1,231,093)	-	(1,231,093)	-		
Interest and Redemption on Long Term Debt	1,100,345	-	-	-	(1,100,345)	-	(1,100,345)	-		
Total Governmental Activities	116,384,224	31,632,488	7,204,908	3,379,086	(74,167,742)	-	(74,167,742)	-		
Business-Type Activities										
Solid Waste	9,277,227	9,949,949	344,045	-	-	1,016,767	1,016,767	-		
Drainage Utility	1,540,053	1,640,358	68,689	-	-	168,994	168,994	-		
Jail Fund	6,470,825	13,129,310	1,410,442	-	-	8,068,927	8,068,927	-		
Total Business-Type Activities	17,288,105	24,719,617	1,823,176	-	-	9,254,688	9,254,688	-		
Total Primary Government	133,672,329	56,352,105	9,028,084	3,379,086	(74,167,742)	9,254,688	(64,913,054)	-		
Component Unit										
Central Valley Ambulance Authority	5,398,054	2,890,781	2,400,935	232,450	-	-	-	126,112		
Total Component Unit	5,398,054	2,890,781	2,400,935	232,450	-	-	-	126,112		
General Revenues										
Property Taxes					49,106,391	-	49,106,391	-		
Sales/Use Taxes					19,778,645	-	19,778,645	-		
Excise Taxes					735,926	-	735,926	-		
Interest and Investment Earnings					1,887,018	(384,815)	1,502,203	-		
Total General Revenues					71,507,980	(384,815)	71,123,165	-		
Special Item - Gain on Sale of Capital Assets					76,294	12,549	88,843	-		
Transfers					(38,451)	38,451	-	-		
Total General Revenues and Transfers					71,545,823	(333,815)	71,212,008	-		
Change in Net Position					(2,621,919)	8,920,873	6,298,954	126,112		
Net Position, January 1					316,818,116	14,157,631	330,975,747	1,599,495		
Prior Period Adjustments					(41,756)		(41,756)			
Net Position, January 1, as Restated					316,818,116	14,115,875	330,933,991	1,599,495		
Net Position, December 31					\$ 314,196,197	\$ 23,036,748	\$ 337,232,945	\$ 1,725,607		

SKAGIT COUNTY, WASHINGTON

Balance Sheet Government Funds

December 31, 2016

	Major Funds				Total
	General Fund	Mental Health Fund	County Road Fund	Other Governmental Funds	
ASSETS and OUTFLOWS of RESOURCES					
Cash and Cash Equivalents	\$ 15,834,891	\$ 3,842,599	\$ 10,068,139	\$ 15,843,724	\$ 45,589,352
Investments	-	3,606,566		19,412,886	23,019,452
Taxes Receivable	618,920	8,251	358,273	226,797	1,212,241
Accounts Receivable, Net	24,653	-	17,755	128,851	171,258
Accounts Receivable Other	1,969,727				1,969,727
Interest Receivable	105,150	-	-		105,150
Due from Other Funds	1,521,453	13,887	481,433	34,186	2,050,959
Due from Other Governments	2,051,728	1,052,851	428,983	2,394,948	5,928,509
Interfund Loans Receivable	-	-	-	1,000	1,000
Inventories and Prepayments	3,715	-	-	0	3,715
Total Assets	22,130,236	8,524,153	11,354,582	38,042,391	80,051,363
 Deferred Outflows of Resources					
 Total Assets and Deferred Outflows of Resources	22,130,237	8,524,153	11,354,582	38,042,391	80,051,363
 LIABILITIES, DEFERRED INFLOWS of RESOURCES and FUND BALANCES					
<u>Liabilities</u>					
Accounts and Vouchers Payable	406,236	591,102	456,566	1,292,001	2,745,907
Due to Other Funds	1,911,132	92,304	2,114,607	574,172	4,692,215
Due to Other Governmental Units	10,819	164,309	-	344,183	519,311
Accrued Wages Payable	831,764	26,939	233,410	275,552	1,367,664
Accrued Employee Benefits	167,453	5,577	51,457	121,192	345,680
Custodial Accounts	1,016,184	-		81,925	1,098,109
Unearned Revenue	-	-	17,909	248,162	266,071
Interfund Loans Payable	-	-	-	1,000	1,000
Total Liabilities	4,343,590	880,230	2,873,949	2,938,188	11,035,957
 Deferred Inflows of Resources	2,588,648	8,251	358,273	226,797	3,181,968
 <u>Fund Balance</u>					
Nonspendable					
Restricted	-	7,635,672	8,122,360	27,369,855	43,127,887
Committed	-	-	-	7,507,552	7,507,552
Assigned	1,000,000	-	-	-	1,000,000
Unassigned	14,197,999	-	-	-	14,197,999
Total Fund Balances	15,197,999	7,635,672	8,122,360	34,877,407	65,833,437
 Total Liabilities, Deferred Inflows of Resources and Fund Balances	\$ 22,130,237	\$ 8,524,153	\$ 11,354,582	\$ 38,042,391	\$ 80,051,363

SKAGIT COUNTY, WASHINGTON
Reconciliation of the Government Funds Balance Sheet
To the Statement of Net Position
December 31, 2016

Total fund balances as shown on the Governmental Fund Balance Sheet	\$ 65,833,437
Net capital assets of governmental funds as of December 31, 2016	252,579,688
Capital assets used in the activities of governmental funds are not financial resources and therefore are not reported in the funds.	
Deferred Inflow of Resources in the governmental funds and recognized as revenue of the current period on the statement of activities.	3,181,968
Net Position of the internal service funds	32,937,542
Internal service funds are included in governmental activities on the statement of net assets.	
Balance of long-term liabilities of the governmental funds as of December 31, 2016	(40,336,441)
Liabilities not due and payable in the current period are not reported in the governmental funds.	

Total Net Position as reported on the Statement of Net Position	\$ 314,196,197

SKAGIT COUNTY, WASHINGTON
Statement of Revenues, Expenditures and Changes in Fund Balance
Government Funds
For the Year Ended December 31, 2016

	Major Funds			Other Governmental Funds	Total
	General Fund	Mental Health Fund	County Road Fund		
Revenues					
Property Taxes	\$ 24,965,001	\$ 335,545	\$ 13,546,832	\$ 10,188,900	\$ 49,036,279
Sales and Use Taxes	9,311,596	2,882,637		7,167,051	19,361,284
Other Taxes	512,519	6,700	417,362	216,707	1,153,288
Licenses and Permits	334,627	-	81,598	1,302,412	1,718,637
Intergovernmental Revenues	8,316,458	2,563,098	7,168,263	6,404,494	24,452,313
Charges for Services	4,331,693	-	1,574,158	3,616,669	9,522,520
Fines and Forfeits	1,914,334	-	-	134,422	2,048,756
Interest Earnings	1,675,073	12,433	477	151,058	1,839,041
Donations	45,127	-	-	510,807	555,934
Other Revenues	187,458	243	196,266	803,275	1,187,243
Total Revenues	<u>51,593,885</u>	<u>5,800,656</u>	<u>22,984,956</u>	<u>30,495,795</u>	<u>110,875,293</u>
Expenditures					
Current:					
General Government	18,201,297	-	94,327	1,334,391	19,630,015
Judicial	9,360,475	-	-	-	9,360,475
Public Safety	17,548,478	-	-	10,774,356	28,322,834
Physical Environment	5,553	-	-	3,324,385	3,329,938
Transportation	-	-	18,183,658	182,610	18,366,268
Economic Environment	358,189	-	-	4,416,252	4,774,441
Health and Human Services	309,182	4,896,097	-	6,697,567	11,902,846
Culture and Recreation	478,905	-	-	2,024,433	2,503,338
Debt Service:					-
Principal		-	-	1,557,880	1,557,880
Interest		-	-	627,770	627,770
Capital Outlay	10,085		846,978	4,851,751	5,708,813
Total Expenditures	<u>46,272,163</u>	<u>4,896,097</u>	<u>19,124,962</u>	<u>35,791,394</u>	<u>106,084,617</u>
Excess (Deficit) Revenues Over Expenditures	<u>5,321,722</u>	<u>904,559</u>	<u>3,859,995</u>	<u>(5,295,599)</u>	<u>4,790,676</u>
Other Financing Sources (Uses)					
Issuance of Long Term Debt	47,000	-	-	4,034,332	4,081,332
Proceeds from Sale of Capital Assets			6,625	8,000	14,625
Transfers In	203,702	-		7,275,289	7,478,991
Transfers Out	(4,950,438)	(191,302)	(13,288)	(2,375,702)	(7,530,730)
Total Other Financing Source (Uses)	<u>(4,699,736)</u>	<u>(191,302)</u>	<u>(6,664)</u>	<u>8,941,919</u>	<u>4,044,217</u>
Net Change in Fund Balance	621,986	713,257	3,853,331	3,646,320	8,834,893
Fund Balance, January 1	14,576,013	6,922,415	4,269,029	31,231,087	56,998,544
Prior Period Adjustment				-	
Fund Balance, January 1, as restated	<u>14,576,013</u>	<u>6,922,415</u>	<u>4,269,029</u>	<u>31,231,087</u>	<u>56,998,544</u>
Fund Balance, December 31	<u>\$ 15,197,999</u>	<u>\$ 7,635,672</u>	<u>\$ 8,122,360</u>	<u>\$ 34,877,407</u>	<u>\$ 65,833,437</u>

SKAGIT COUNTY, WASHINGTON
Reconciliation of the Statement of Revenues, Expenditures
and Changes in Fund Balance of Government Funds
To the Statement of Activities
For the Year Ended December 31, 2016

Net change in fund balances as shown on the Governmental Funds Statement of Revenues, Expenditures and Changes in Fund Balance	\$ 8,834,893
Net Capital Asset Activity	(11,740,755)
<p>Purchases of capital assets are reported as expenditures in the governmental funds. On the government wide statements they are reported as assets and depreciated over their estimated useful lives.</p>	
Net Internal Service Fund Activity	3,660,823
<p>Internal service funds are included in governmental activities on the statement of Net Position</p>	
Net Long-Term Debt Activity	(3,446,993)
<p>In the governmental funds statements, proceeds of long term debt are considered revenues and debt principal payments are considered expenditures. These transactions are reported as increases and decreases in long-term debt liabilities on the government wide statements.</p>	
Net change in revenues not reportable on the modified accrual basis.	70,112
<p>Revenues are reported on the modified accrual basis for the governmental funds statements and on the full accrual basis for the statement of activities.</p>	
Change in Net Position as reflected in the Statement of Activities	\$ (2,621,919)

SKAGIT COUNTY, WASHINGTON

Statement of Net Position

Proprietary Funds

December 31, 2016

	Business-Type Activities Enterprise Funds			Total	Governmental Activities
	Solid Waste	Drainage Utility	County Jail		*Internal Service Funds
ASSETS					
<u>Current Assets</u>					
Cash/Cash Equivalents	\$ 3,378,466	\$ 449,779	\$ 22,583,519	\$ 26,411,764	\$ 19,748,900
Accounts Receivable	919,094	76,031	7,861	1,002,986	6,257
Due From Other Funds	-	-	-	-	4,730,211
Due from Other Governments	9,962	-	1,044,271	1,054,233	42,163
Inventories/Prepayments	-	-	-	-	5,352,711
Total Current Assets	<u>4,307,523</u>	<u>525,810</u>	<u>23,635,651</u>	<u>28,468,983</u>	<u>29,880,242</u>
<u>Non-Current Assets</u>					
Capital Assets					
Land	618,875	211,137	-	830,012	-
Buildings	9,899,874	-	-	9,899,874	180,888
Improvements	1,387,854	9,539,767	-	10,927,621	-
Machinery and Equipment	1,463,672	29,569	-	1,493,241	19,880,627
Less Accumulated Depreciation	(3,583,915)	(2,631,481)	-	(6,215,396)	(10,662,159)
Construction In Progress	-	398,121	54,039,660	54,437,781	-
Net Pension Asset			45,632	45,632	
Total Non-Current Assets	<u>9,786,360</u>	<u>7,547,113</u>	<u>54,085,292</u>	<u>71,418,765</u>	<u>9,399,356</u>
Total Assets	<u>14,093,883</u>	<u>8,072,923</u>	<u>77,720,943</u>	<u>99,887,748</u>	<u>39,279,598</u>
Deferred Outflows of Resources	<u>199,040</u>	<u>38,275</u>	<u>328,856</u>	<u>566,171</u>	<u>316,586</u>
LIABILITIES AND FUND EQUITY					
<u>Current Liabilities</u>					
Accounts/Vouchers Payable	496,584	44,742	2,557,166	3,098,492	2,665,236
Due to Other Funds	384,879	102,238	228,444	715,561	1,373,393
Interest Payable	32,396	-	-	32,396	-
Interfund Loans Payable	-	-	-	-	-
Accrued Wages Payable	51,480	17,405	180,874	249,759	227,698
Accrued Employee Benefits	12,177	3,706	43,419	59,302	30,142
Accrued Taxes Payable	-	-	-	-	-
Other Accrued Liabilities	60,500	-	-	60,500	6,027
Bonds Payable	510,000	-	1,150,000	1,660,000	-
Total Current Liabilities	<u>1,548,016</u>	<u>168,091</u>	<u>4,159,903</u>	<u>5,876,010</u>	<u>4,302,496</u>
<u>Non-Current Liabilities</u>					
Compensated Absences	67,361	14,769	158,963	241,092	274,743
Post Closure Landfill Costs	2,724,863	-	-	2,724,863	-
Environmental Liability	3,921,412	-	-	3,921,412	110,576
Bonds Payable	7,722,873	-	54,387,033	62,109,906	
Net Pension Liability	1,225,031	235,571	1,059,328	2,519,930	1,948,490
Total Non-Current Liabilities	<u>15,661,540</u>	<u>250,340</u>	<u>55,605,324</u>	<u>71,517,203</u>	<u>2,333,809</u>
Total Liabilities	<u>17,209,556</u>	<u>418,431</u>	<u>59,765,227</u>	<u>77,393,213</u>	<u>6,636,305</u>
Deferred Inflows of Resources	<u>14,042</u>	<u>2,700</u>	<u>7,216</u>	<u>23,958</u>	<u>22,335</u>
<u>Net Position</u>					
Net Investment in Capital Assets	1,553,488	7,547,113		9,100,601	9,399,356
Restricted Net Postion			58,529	58,529	
Unrestricted	(4,484,163)	142,954	18,218,827	13,877,618	23,538,188
Total Net Position	<u>\$ (2,930,675)</u>	<u>\$ 7,690,067</u>	<u>\$ 18,277,356</u>	<u>\$ 23,036,748</u>	<u>\$ 32,937,544</u>

See accompanying notes to the financial statements

*See Internal Service Funds section

SKAGIT COUNTY, WASHINGTON
Statement of Revenues, Expenses, and Changes in Fund Net Position
Proprietary Funds
For the Year Ended December 31, 2016

	Business - Type Activities Enterprise Funds			Total	Governmental Activities
	Solid Waste	Drainage Utility	County Jail		*Internal Service Funds
<u>Operating Revenues</u>					
Charges for Services	\$ 9,949,406	\$ 1,623,617	\$ 8,693,137	\$ 20,266,160	\$ 14,787,423
Other Operating Revenue	-	16,741	4,366,633	4,383,374	12,892,989
Total Operating Revenues	<u>9,949,406</u>	<u>1,640,358</u>	<u>13,059,770</u>	<u>24,649,534</u>	<u>27,680,412</u>
<u>Operating Expenses</u>					
Personnel Services	1,802,774	351,816	4,888,582	7,043,172	3,963,435
Contractual Services	5,932,038	-	-	5,932,038	2,457,896
Supplies and Expenses	1,204,258	813,928	1,582,242	3,600,428	5,871,982
Depreciation	338,157	374,309	-	712,466	1,263,498
Payment to Claimants	-	-	-	-	10,613,688
Total Operating Expenses	<u>9,277,227</u>	<u>1,540,053</u>	<u>6,470,825</u>	<u>17,288,105</u>	<u>24,170,499</u>
Operating Income (Loss)	<u>672,179</u>	<u>100,305</u>	<u>6,588,945</u>	<u>7,361,429</u>	<u>3,509,914</u>
<u>Non-Operating Revenue (Expenses)</u>					
Intergovernmental Revenue	344,045	68,689	1,410,442	1,823,176	-
Interest Revenue	4,709	517	-	5,226	47,977
Miscellaneous Revenue	543	-	69,540	70,083	27,975
Gain (Loss) on Disposition of Capital Assets	12,549	-	-	12,549	61,669
Interest Expense	(390,041)	-	-	(390,041)	-
Miscellaneous Expense	-	-	-	-	-
Total Non-Operating Revenue (Expenses)	<u>(28,195)</u>	<u>69,206</u>	<u>1,479,982</u>	<u>1,520,993</u>	<u>137,621</u>
Income (Loss) before Transfers	643,984	169,511	8,068,927	8,882,422	3,647,535
Transfers In	-	-	39,600	39,600	13,288
Transfers Out	-	(1,149)	-	(1,149)	-
Change in Net Position	<u>643,984</u>	<u>168,362</u>	<u>8,108,527</u>	<u>8,920,873</u>	<u>3,660,823</u>
Net Position, January 1	(3,532,903)	7,521,705	10,168,829	14,157,631	29,276,721
Prior Period Adjustment	(41,756)	-	-	(41,756)	-
Net Position, January 1, as Restated	<u>(3,574,659)</u>	<u>7,521,705</u>	<u>10,168,829</u>	<u>14,115,875</u>	<u>29,276,721</u>
Net Position, December 31	<u>\$ (2,930,675)</u>	<u>\$ 7,690,067</u>	<u>\$ 18,277,356</u>	<u>\$ 23,036,748</u>	<u>\$ 32,937,544</u>

See the accompanying notes to the financial statements

*See Internal Service Funds section

SKAGIT COUNTY, GOVERNMENT

Statement of Cash Flows

Proprietary Funds

For the Year Ended December 31, 2016

	Business - Type Activities Enterprise Funds				Governmental Activities
	Solid Waste	Drainage Utility	Jail Fund	Total	*Internal Service Funds
Cash Flows from Operating Activities:					
Receipts from Customers	\$ 9,896,250	\$ 1,618,571	\$ 13,060,409	\$ 24,575,230	\$ 1,950,396
Receipts from Interfund Services Provided	-	16,741	1,401,628	1,418,369	25,319,275
Payments to Employees	(1,765,082)	(620,885)	(5,950,253)	(8,336,220)	(4,804,941)
Payments to Suppliers	(6,711,579)	(656,687)	533,819	(6,834,447)	(7,854,610)
Payments to Claimants	-	-	-	-	(10,637,155)
Payments for Interfund Services Used	(310,887)	(258,269)	(490,661)	(1,059,817)	(1,714,590)
Miscellaneous Receipts	-	-	69,540	69,540	127,365
Miscellaneous Payments	13,092	-	-	13,092	-
Net Cash Provided (Used)	<u>1,121,794</u>	<u>99,471</u>	<u>\$ 8,624,482</u>	<u>9,845,744</u>	<u>2,385,740</u>
Cash Flows From Non-Capital Financing Activities:					
Operating Grants Received	484,683	184,732	-	669,415	-
Transfers to Other Funds	-	(1,149)	39,600	38,451	-
Transfers from Other Funds	-	105,607	-	105,607	13,288
Net Cash Provided (Used)	<u>484,683</u>	<u>289,190</u>	<u>39,600</u>	<u>813,473</u>	<u>13,288</u>
Cash Flows from Capital and Related Financing Activities:					
Proceeds from Capital Grant	-	-	(\$1,295,162)	(1,295,162)	-
Purchases of Capital Assets	-	(266,204)	(36,967,670)	(37,233,874)	(1,409,966)
Proceeds from Sale of Capital Assets	17,451	-	-	17,451	287,222
Principal Paid on Capital Debt	(500,000)	-	-	(500,000)	-
Interest Paid on Capital Debt	(388,750)	-	-	(388,750)	-
Other Receipts (Payments)	-	-	-	-	-
Net Cash Provided (Used)	<u>(871,299)</u>	<u>(266,204)</u>	<u>(38,262,832)</u>	<u>(39,400,335)</u>	<u>(1,122,744)</u>
Cash Flows from Investing Activities:					
Sale of Investments	-	-	-	-	-
Interest Earnings	4,709	517	0	5,226	47,976
Net Cash Provided	<u>4,709</u>	<u>517</u>	<u>-</u>	<u>5,226</u>	<u>47,976</u>
Net Change in Cash and Cash Equivalents	739,887	122,974	(29,598,750)	(28,735,892)	1,324,259
Balance, January 1	<u>2,638,578</u>	<u>326,805</u>	<u>52,182,269</u>	<u>55,147,652</u>	<u>18,424,641</u>
Balance, December 31	<u>\$ 3,378,466</u>	<u>\$ 449,779</u>	<u>\$ 22,583,519</u>	<u>\$ 26,411,760</u>	<u>\$ 19,748,900</u>

SKAGIT COUNTY, WASHINGTON

Statement of Cash Flows

Proprietary Funds

For the Year Ended December 31, 2016

	Business - Type Activities Enterprise Funds			Total	Governmental Activities
	Solid Waste	Drainage Utility	Jail Fund		*Internal Service Funds
Reconciliation of Operating Income (Loss) to Net Cash Provided (Used) by Operating Activities					
Operating Income (Loss)	\$ 672,179	\$ 100,305	\$6,588,945	\$ 7,361,429	\$ 3,509,914
Adjustments to Reconcile Operating Income to Net Cash Provided (Used) by Operating Activities:					
Depreciation Expense	338,157	374,309		712,466	1,263,499
Miscellaneous Receipts	13,092	-	69,540	82,632	(256,005)
Changes in Assets and Liabilities:					
Receivables, Net	(53,156)	(5,045)	(9,185)	(67,386)	(182,822)
Prepayments	-	-	375	375	0
Inventories	-	-	-	0	(432,369)
Accounts and Other Payables	151,522	(370,096)	1,974,807	1,756,233	(1,516,477)
Net Cash Provided (Used) by Operating Activities	<u>\$ 1,121,794</u>	<u>\$ 99,471</u>	<u>\$ 8,624,482</u>	<u>\$ 9,845,744</u>	<u>\$ 2,385,740</u>

SKAGIT COUNTY, WASHINGTON

Statement of Fiduciary Net Position

Fiduciary Funds

December 31, 2016

	<u>Agency Funds</u>
ASSETS	
Cash	\$ 51,147,968
Investments	500,887,112
Taxes Receivable	3,604,622
Deposits	-
Total Assets	<u>\$ 555,639,702</u>
LIABILITIES	
Warrants Payable	\$ 42,876,566
Custodial Accounts	512,763,136
Total Liabilities	<u>\$ 555,639,702</u>

Skagit County, Washington
Notes to the Financial Statements
December 31, 2016

I. Summary of Significant Accounting Policies

The financial statements of Skagit County have been prepared in conformity with generally accepted accounting principles (GAAP), as applied to government entities. The Governmental Accounting Standards Board (GASB) is the standard setting body for establishing governmental accounting and financial reporting principles. The chart of accounts used by Skagit County conforms to the Budgeting, Accounting, and Reporting System (BARS) prescribed by the Washington State Office of the State Auditor.

Reporting Entity

Skagit County, a first-class county, was incorporated on November 28, 1883, under the Revised Code of Washington 36.04.390. The County operates under a commissioner form of government and provides such services as law enforcement, road construction and maintenance, solid waste management, permits and planning, parks and recreation, judicial administration, public health, social services and general administrative services. As required by GAAP, the financial statements present Skagit County, the primary government, and its discretely presented component unit, the Central Valley Ambulance Authority (CVAA).

In determining the financial reporting entity, the County complies with the provisions of GASB Statement No. 14, *The Financial Reporting Entity*, GASB Statement No. 39, *Determining Whether Certain Organizations are Component Units*, and GASB Statement No. 61, *The Financial Reporting Entity: Omnibus*. Accordingly, the County reports as component units those entities for which the County appoints a voting majority of the board of directors, upon which the County is able to impose its will, or where a financial benefit or burden exists.

The Central Valley Ambulance Authority was established in April 2009 by Ordinance #O20090004, and amended by Ordinance #O20160008, pursuant to the RCW 35.21.730 and Resolution #R20090255 established a separate fund June 2009. The Board of County Commissioners appoints the members of the CVAA board and has final approval on the CVAA operating budget. The Central Valley Ambulance Authority is a governmental agency providing emergency medical care and transportation services to the citizens of Skagit County, mainly in their response coverage area. CVAA began its operations July 1, 2009.

CVAA is presented discretely in the Government-Wide financial statements, as required by GASB Statement No. 39, *Determining Whether Certain Organizations are Component Units*, and GASB Statement No. 61, *The Financial Reporting Entity: Omnibus*.

More information for the CVAA, including complete financial statements can be obtained at their office located at 2015-A Hospital Drive, Sedro-Woolley, WA 98284.

The County is also responsible for appointing the members to the boards of the following organizations, but the accountability for these organizations does not extend beyond making the appointments:

Housing Authority Board of Skagit County
LaConner Regional Library Board
Public Facilities District Board
Central Skagit Rural Partial County Library District
Upper Skagit Library District

Skagit County, Washington
Notes to the Financial Statements
December 31, 2016

Government-Wide and Fund Financial Statements

Government-wide financial statements consist of the statement of net position and the statement of activities. These statements report information on all of the non-fiduciary activities of the primary government and its component units. For the most part, the effect of interfund activity has been removed from these statements. Governmental activities, which normally are supported by taxes and intergovernmental revenues, are reported separately from business-type activities, which rely to a significant extent on fees and charges for support. The component unit is reported separately from the county.

The statement of activities reflects the degree to which the direct expenses of a given function or segment are offset by program revenues. Direct expenses are those that are clearly identifiable with a specific function or segment. Additionally, the County allocates a portion of its indirect costs to individual functions. These indirect costs have been included as part of the program expenses reported for the various functional activities.

The County reports the following functions/programs:

General Government – Legislative and administrative services, including expenses for recording and elections, personnel administration, financial services, administration and facility management.

Judicial – Court system for civil, criminal, and juvenile cases, including jury and witness fees and other judicial and legal costs.

Public Safety – Protection and safety of the citizenry at large, includes expenses for law enforcement, fire protection services, inspections and regulatory enforcements, detention and corrections, emergency services and juvenile services.

Physical Environment – Conservation and preservation of the environment, and animal control services.

Transportation – Programs to ensure safe and adequate flow of vehicles and pedestrians in the County, including costs for road and street preservation, construction, and maintenance.

Economic Environment – Community planning and development services, housing programs, and promotion of tourism.

Health and Human Services – Programs that provide prevention, intervention, and rehabilitative human services for County citizens with an emphasis on serving those most in need. They include costs associated with programs such as veterans' services, mental health, substance abuse prevention and treatment, public health, and children's services.

Culture and Recreation – Costs associated with the maintenance and general operations of County parks, trails, natural land and recreational facilities, and the fairgrounds.

Program revenues include charges for goods and services and grants or contributions that are restricted to the program's purpose. Taxes and other items not properly included among program revenues are reported as general revenues.

Fund financial statements are used to report additional and more detailed information about the primary government. Separate financial statements are provided for governmental funds, proprietary funds, and

Skagit County, Washington
Notes to the Financial Statements
December 31, 2016

fiduciary funds. The latter are excluded from the government wide financial statements. Major individual governmental funds and major individual enterprise funds are reported as separate columns in the fund financial statements.

Measurement Focus, Basis of Accounting and Financial Statement Presentation

The government-wide financial statements are reported using the economic resource measurement focus and the accrual basis of accounting, as are the proprietary fund financial statements. Accordingly, revenues are recorded when earned and expenses are recorded at the time liabilities are incurred, regardless of the timing of related cash flows. Property 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.

All governmental funds are presented using the flow of current financial resources measurement focus and the modified accrual basis of accounting. Revenues are recognized when they become measurable and available. Revenues are considered to be available when they are collectible within the current period or soon enough thereafter to pay liabilities of the current period. For this purpose, the County considers revenues to be available if they are collected within 60 days of the end of the fiscal period. Revenues susceptible to accrual are earned interest, certain charges for services, and intergovernmental revenues such as grants where program expenditures are the prime factor for determining reimbursement. Other revenues, such as licenses, fines and fees are not considered susceptible for accrual since they are not generally measurable until received. 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 period are all considered to be susceptible to accrual and so have been recognized as revenues of the current fiscal period. Only the portion of special assessment receivable due within the current fiscal period is considered to be susceptible to accrual as revenue of the current period. All other revenue items are considered to be measurable and available only when cash is received by the county.

Expenditures are generally recorded when the related fund liability is incurred, as under accrual accounting. Skagit County reports the following major government funds:

- The General Fund is the County's primary operating fund. It is used to account for all activities of the general government not accounted for in another fund. The majority of revenues consist of property, sales, and other taxes and fees, and grant revenue.
- The County Road Fund accounts for the design, construction, and maintenance of County Roads. The majority of revenues consist of property tax and grant revenue.
- The Mental Health Fund accounts for expenditures relating to support services provided to citizens with mental and developmental disabilities. The majority of revenues consist of sales tax and grant revenues.

Skagit County reports three major proprietary funds:

- The Solid Waste Fund accounts for collection of fees and the cost of providing solid waste services to the residents of the County.
- The Drainage Utility Fund accounts for the collection of fees, charges and related revenues and the payment of costs related to drainage facilities.

Skagit County, Washington
Notes to the Financial Statements
December 31, 2016

- The County Jail Fund accounts for all revenues and expenditures related to the design, construction, operation and maintenance of the county jail.

Additionally, the County reports the following fund types:

- Internal Service Funds account for equipment rental, insurance, unemployment, records management, and technology services provided to County departments and to other governments on a cost reimbursement basis.
- Agency Funds are custodial in nature and do not present results of operations or have a measurement focus. These funds account for assets (such as property taxes collected on behalf of other governments) that the County holds for others in an agency capacity. Agency funds include fire, school, port, cemetery, air pollution, city and town, library, dike and drain districts and miscellaneous clearing fund activity.

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

Proprietary funds distinguish operating revenues and expenses from non-operating items. Operating revenues and expenses generally result from providing services and producing and delivering goods in connection with a proprietary fund's principal ongoing operations. The principal operating revenues of the Solid Waste Fund, the Drainage Utility Fund, and the County Jail Fund are charges to customers for sales and services.

Operating expenses for enterprise funds and internal service funds include the cost of personal services, contractual services, other supplies and expenses and depreciation on capital assets. Revenues 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 government's policy to use restricted resources first, and then unrestricted resources as they are needed.

Assets, Liabilities, and Equity

Cash and Cash Equivalents

Cash held in checking accounts and petty cash are reported as cash on the financial statements of the government funds. Cash and cash equivalents reported on the government wide and proprietary funds' Statement of Net Position includes all demand deposits and investments with an initial maturity of three months or less.

Investments – See Note IV

Receivables and Payables

Amounts due for the exchange of goods and services between County funds are reported as due to or from other funds. Loans between funds are reported as interfund loans receivable or payable. Any residual balances outstanding between the governmental activities and business-type activities are reported in the government-wide financial statements as internal balances. Interfund balances between

Skagit County, Washington
Notes to the Financial Statements
December 31, 2016

governmental funds and internal service funds have been eliminated and were not included in the government-wide statement of net position.

Taxes Receivable consists of property taxes levied and not yet paid, along with the related interest and penalties.

Accounts Receivable consists of amounts owed from private individuals for goods or services. All receivables have been recorded net of any estimated uncollectible amounts. All receivables, with the exception of the PFD portion of \$5,735,000 are expected to be paid within one year. See Note VIII for further information on the PFD receivable.

Interest Receivable consists of amounts earned but not yet received on investments held at the end of the year.

Prepayments made for services that will benefit future periods are recorded as prepaid items in both the government-wide and fund financial statements.

Inventories

Inventory in the governmental funds consists of expendable supplies held for consumption. The cost is recorded as an expenditure when consumed rather than when items are purchased. All inventories are valued by the first-in first-out method.

Restricted Assets and Liabilities

These accounts contain resources for construction and debt service, including current and delinquent special assessments receivable, in enterprise funds. The current portion of related liabilities is shown as *Payables from Current Restricted Assets*. Specific debt service reserve requirements are described in Note V – Long Term Liabilities.

The 2016 restricted assets of the enterprise funds and related debt service funds are composed of the following:

Special Assessments – Current	\$1,657,774
Special Assessments – Delinquent	62,295
Cash and Investments – Debt Service	1,017,811
Cash and Investments – Construction	1,017,811

Capital Assets – See Note IV

Capital assets include land, improvements, easements, buildings, vehicles, machinery, equipment, infrastructure, and all other tangible or intangible assets that are used in operations. The County defines capital assets as assets with an initial individual cost of more than \$5,000 and an estimated useful life in excess of one year.

Infrastructure assets are long-lived assets that are stationary in nature and normally can be preserved for a significantly greater number of years than most capital assets. Examples of infrastructure include roads, bridges, drainage systems and the ferry system.

Skagit County, Washington
Notes to the Financial Statements
December 31, 2016

When capital assets are purchased, they are capitalized and depreciated in the government-wide financial statements and in the proprietary fund statements. Capital assets are recorded as expenditures of the current period in the governmental fund financial statements.

Capital assets are valued at cost where historical records are available and at an estimated historical cost where no records exist. Donated capital assets are valued at their estimated fair value on the date received.

Improvements to capital assets that materially add to the value or extend the life of the asset are capitalized. Other repairs and normal maintenance are not capitalized. Interest incurred during the construction phase of capital assets of business-type activities is included as part of the capitalized value of the assets constructed.

Major outlays for capital assets and improvements are capitalized as projects are constructed. The total interest expense incurred by the County during the current fiscal year is \$3,279,717. This entire amount was included as part of the cost of capital assets under construction in connection with facilities projects.

Infrastructure, buildings, improvements, equipment and vehicles are depreciated using the straight-line method. Estimated useful lives are as follows:

- Buildings – 5 to 40 years
- Improvements – 15 to 40 years
- Furniture and Equipment – 3 to 25 years
- Information Technology Equipment – 5 years
- Vehicles – 5 to 25 years
- Infrastructure – 15 to 65 years

Compensated Absences

It is the County's policy to permit employees to accumulate earned but unused vacation and sick leave benefits. All vacation pay is accrued when earned in the government-wide and proprietary fund financial statements. A liability for these amounts is reported in the governmental funds only if they have matured, for example as a result of employee resignations or retirements. The non-current portion for governmental funds is not reported in the governmental fund statements and represents a reconciling item between the fund and government-wide presentations.

County employees receive vacation and sick leave monthly at rates established by County resolution or union contract. At termination of employment, employees with a required length of service may receive cash payment for all accumulated vacation leave up to a maximum of 30 days. The payment is based upon current wages at termination. Accumulated sick leave is not paid at termination of employment unless an employee has at least five years of service and 480 hours of accrued sick leave banked. Generally, retirees may receive cash payment for up to 240 hours, and non-retiree payment for up to 60 hours of accumulated sick leave if requested.

Unearned Revenue

This account includes amounts recognized as receivables but not revenues in governmental funds because the revenue recognition criteria have not been met.

Skagit County, Washington
Notes to the Financial Statements
December 31, 2016

Long-Term Obligations – See Note V

Pensions

For purposes of measuring the net pension liability, deferred outflows of resources and deferred inflows of resources related to pensions, and pension expense, information about the fiduciary net position of 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 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.

Deferred Outflow/Inflow of Resources

This line item represents GASB Statement No. 65, *Items Previously Reported as Assets and Liabilities*, consisting of specific items previously reported as assets and liabilities that are now recognized as deferred outflow or deferred inflow of resources.

The following shows the details on Deferred Inflow of resources, and on what statement they reside:

Description	Amount	Balance Sheet Government Funds	Statement of Net Position
Deferred Property Tax	1,212,241	X	
Court Receivables	1,969,727	X	
Deferred Gain on Refunding	182,276		X
Deferred Net Pension	230,411		X

The following shows the details on Deferred Outflow of resources, and on what statement they reside:

Description	Amount	Balance Sheet Government Funds	Statement of Net Position
Deferred Net Pension	5,626,570		X

* The County implemented GASB 65 in 2013. Property tax and court receivables were previously reported as deferred revenue on the fund financial statements. The deferred gain on refunding was the result of the 2016 refunding bond issue, which resulted in an economic gain of \$200,504. The County chose not to restate prior periods for practical reasons.

* The County implemented GASB 68 in 2015, which resulted in additional deferred inflows and outflows related to Net Pension Liability. See Note VI.

Fund Equity

Fund equity is recognized as fund balance in government fund types, and as net position in proprietary fund types. Net position may be subject to legal restriction for a particular purpose. Fund balance has been reclassified in accordance with GASB Statement No. 54 as Nonspendable, Restricted, Committed, Assigned, and Unassigned. Further information regarding Fund balance categories is as follows:

Nonspendable Fund Balance – That portion of net resources that cannot be spent because of their form or because they must be maintained intact pursuant to legal or contractual requirements. Some examples of Nonspendable fund balances are inventory, prepaid amounts, long-term portion of loans/notes receivable, or property that is held for resale.

Skagit County, Washington
Notes to the Financial Statements
December 31, 2016

Restricted Fund Balance – That portion of net resources that contains limitations imposed by creditors, grantors, contributors, or laws and regulations of other governments.

Committed Fund Balance – That portion of net resources that contains limitations imposed at the highest level of decision making within the County, which is at the Board of County Commissioner level by adoption of a resolution.

Assigned Fund Balance – That portion of net resources that contains limitations resulting from intended use. The County Commissioners signed R20120135 in April of 2012 designating the Budget and Finance Director or the County Administrator with the authority to assign fund balance.

Unassigned Fund Balance – The residual net resources in excess of Nonspendable, Restricted, Committed, and Assigned. The general fund is the only fund that reports a positive unassigned fund balance amount.

Each government fund has to be analyzed to classify the fund balance in accordance with GASB Statement No. 54. Funds are created by the Board of County Commissioners and money is authorized to be transferred to the fund for a particular purpose. At this point, balances in these funds are at least committed, and may be further restricted depending on whether there is an external party, constitutional provision, or enabling legislation constraint involved.

The spending policy of government fund balance consists of Restricted resources used first, followed by Committed resources, then Assigned, and finally Unassigned Fund Balance. As per Resolution No. 20120135, the Budget and Finance Director elected to assign \$1,000,000 of the General Fund fund balance for various capital and IT projects.

The following shows the composition of the fund balance of the government funds for the fiscal year ended December 31, 2016:

	General Fund	Mental Health Fund	County Road Fund	Capital Projects Funds	Debt Service Funds	Other Government funds	Total
Fund Balances:							
<i>Nonspendable:</i>							
Inventory							-
Loan Receivable							-
<i>Restricted For:</i>							
General Govt Services				6,806,811	1,628,846	1,356,113	9,791,772
Public Safety						490,967	490,967
Utilities						3,945,874	3,945,874
Transportation		7,635,672				411,583	8,047,255
Natural & Economic Env				8,525,529		1,528,646	10,054,175
Social Services			8,122,360			2,077,116	10,199,476
Cultural & Recreation				233,504		364,861	598,365
<i>Committed to:</i>							
General Govt Services						642,292	642,292
Judicial Activities						44,166	44,166
Public Safety						4,554,099	4,554,099
Utilities						406,507	406,507
Social Services						624,799	624,799
Cultural & Recreation						1,235,693	1,235,693
<i>Assigned to:</i>	1,000,000						1,000,000
<i>Unassigned</i>	14,197,999						14,197,999
Total Fund Balance:	15,197,999	7,635,672	8,122,360	15,565,844	1,628,846	17,682,716	65,833,437

Skagit County, Washington
Notes to the Financial Statements
December 31, 2016

II. RECONCILIATION OF GOVERNMENT-WIDE AND FUND FINANCIAL STATEMENTS

Total governmental fund balances as reported on the governmental funds balance sheet differs from net position of governmental activities as reported on the statement of net position due to the different accounting methods applied in the preparation of these statements. The governmental fund statements are presented on the modified accrual basis and the statement of net position is presented on a full accrual basis. Also, net internal service fund activity is included in governmental activities.

Explanation of certain reconciling items reported on the reconciliation of the governmental funds balance sheet to the government wide statement of net position:

<u>Net Capital Assets</u>		
Total Capital Assets		\$ 587,082,377
Less Accumulated Depreciation		(337,284,827)
Construction in Progress		2,782,138
Net Capital Assets		<u>\$ 252,579,688</u>
<u>Long-Term Liabilities</u>		
Bonds Payable		\$ 17,810,000
Notes Receivable		(6,170,000)
Unamortized Bond Discounts/Premiums		868,238
Loans Payable		2,571,911
Compensated Absences Liability		2,272,283
Deferred Gain on Refunding		182,276
OPEB Liability		425,038
Net Pension Liability		22,328,522
Accrued Interest Payable on Long-Term Liabilities		48,173
Long Term Liabilities		<u>\$ 40,336,441</u>

Explanation of certain reconciling items reported on the reconciliation of the statement of revenues, expenditures, and changes in fund balances to the government wide statement of activities:

<u>Net Capital Assets Activity</u>		
Net Capital Expenditures Subject to Capitalization		\$ 3,970,217
Depreciation Expense		(15,710,972)
Gain/Loss on Sale of Asset		
Net Capital Assets		<u>\$ (11,740,755)</u>
<u>Net Long-Term Debt Activity</u>		
Principal Payments		1,010,000
Amortization of Bond Discounts/Premiums		75,305
Net Pension Revenue		151,072
Issuance of Long Term Debt		(4,081,332)
Change in NPL		(433,801)
Change in Compensated Absences Liability		(160,105)
Change in OPEB Liability		(8,131)
Net Long-Term Debt Activity		<u>\$ (3,446,993)</u>

III. STEWARDSHIP, COMPLIANCE AND ACCOUNTABILITY

Scope of Budget

The annual budget for Skagit County is adopted in accordance with the provisions of the Revised Code of Washington (RCW), as interpreted by the Budgeting, Accounting, and Reporting System (BARS) of the State of Washington, and on a basis consistent with generally accepted accounting principles. All government funds with the exception of the Treasurer's O&M fund, as per RCW 84.56.020(9), have legally adopted budgets.

Skagit County, Washington
Notes to the Financial Statements
December 31, 2016

The annual appropriated budget is adopted at the department level within the general fund. Other budgets are adopted at the level of the fund. For management purposes, expenditures are further segregated by object class of expenditure. Object class refers to a segmentation of expenditures into five categories. These categories are salaries and wages, personnel benefits, supplies, other services and charges, and capital expenditures. Expenditures may not exceed appropriations at the department level and the budgets constitute the legal authority for expenditures at that level. All appropriations lapse thirty days after the close of each fiscal year.

Budget status reports are used to compare the budgeted amounts with actual revenues and expenditures. Revenues and expenditures can be monitored at fund, department, division, activity, project, or object class level.

Procedures for Adopting the Original Budget

Skagit County adheres to the statutory provisions established by Revised Code of Washington (RCW) 36.40. Significant procedures in the budget process include the following:

- On or before the second Monday in July, County officials are requested to prepare estimates of revenues and expenditures for the next fiscal year.
- On or before the first Tuesday in September, the preliminary annual budget is submitted to the Board of County Commissioners.
- The Commissioners conduct public meetings on the proposed budget from September through October.
- The preliminary budget is made available to the public at least 2 weeks prior to the public hearing.
- The Commissioners hold a public hearing on or before the first Monday in December to receive testimony on the budget.
- The Commissioners make adjustments to the proposed budget and adopt, by resolution, a final balanced budget no later than December 31.
- Upon adoption, the final budget is made available to the public.

Amending the Budget

Budget revisions in the form of supplemental appropriation resolutions are approved by the Board of County Commissioners in the legally prescribed manner during public meetings throughout the year. Any proposed revisions which alter the total appropriation of any fund are published in the County's legal newspaper once per week for two consecutive weeks before the public hearing to enable taxpayer input.

The Financial statements contain the original and final budget information. The original budget is the first complete appropriated budget. The final budget is the original budget adjusted by all legally authorized changes applicable for the fiscal year.

Deficit Fund Equity

The following fund had deficit fund balances/net position as of December 31, 2016;

- The Solid Waste fund deficit was \$2,930,675. This results primarily from the recording of liabilities for landfill post closure care costs and environmental remediation costs as well as Net Pension Liability.

Skagit County, Washington
Notes to the Financial Statements
December 31, 2016

IV. DETAIL INFORMATION BY TRANSACTION TYPE

A. Deposits and Investments

Deposits

The Skagit County Treasurer is empowered by the State to act as the treasurer not only for the County but also for special purpose districts located in the County. It is the County's policy to deposit and invest all temporary cash surpluses. At the end of the year, the total amount held in certificates of deposit and money market accounts was \$50,240,392 and the treasurer's bank balance was \$12,596,567, all of which was covered by federal depository insurance or collateralized with securities which are either held by the County or by the County's agent in the County's name. The FDIC (Federal Depository Insurance Corporation) insures all deposits of the County up to \$250,000 and the Washington Public Deposit Protection Commission insures amounts over \$100,000.

Investments

As required by Washington State law, all investments of Skagit County and applicable agency funds are obligations of the United States Government, the State Treasurer's Investment Pool, commercial paper, or deposits with Washington State banks and savings and loan institutions. US Government securities and commercial paper are stated at fair value. All other investments are stated at amortized cost which approximates fair value. The fair value of the County's position in the State Treasurer's Local Government Investment Pool (LGIP) is the same as the value of the pool shares. Authority to manage the Skagit County Investment Program derives from RCW 36.29.020. Regulatory oversight is provided by the County Finance Committee, comprised of the Treasurer as Chair, the Auditor as Secretary, and the Chair of the Board of County Commissioners. The State LGIP was created by the Washington State Legislature in 1986 and is overseen by the State Treasurer. The State Finance Committee administers the pool and is advised by the LGIP Committee, comprised of twelve members selected from the active pool participants. The pool is operated in a manner consistent with the SEC Rule 2a7. Net investment income is allocated monthly to participants and is based on their average proportionate share of Net Position in relation to the total net investment income for the LGIP for that month. Allocations are reinvested in the LGIP.

Management intends to hold time deposits and securities until maturity. Gains or losses on investments sold or exchanged are recognized at the time the transactions are completed.

The County measures and reports investments at fair value using the valuation input hierarchy established by generally accepted accounting principles as follows:

- Level 1:* Quoted prices in active markets for identical assets or liabilities;
- Level 2:* These are quoted market prices for similar assets or liabilities, quoted prices for identical or similar assets or liabilities in markets that are not active, or other than quoted prices that are observable;
- Level 3:* Unobservable inputs for an asset or liability.

Skagit County, Washington
Notes to the Financial Statements
December 31, 2016

As of December 31, 2016, the County held the following investments (with their corresponding hierarchy valuation):

Investment Type	Fair Value	Less Than 1			3 years	Hierarchy Level
		Year Maturity	1 Year	2 Years		
Certificates of Deposit	\$ 15,729,693	\$ 9,206,022	\$ 5,472,614	\$ -	\$ 1,051,057	1
Money Market	34,510,699	34,510,699				1
Registered Warrants	373,312					2
Commercial Paper						1
Bankers Acceptances						1
Treasury Bills	3,421,910	3,421,910				1
Treasury Notes	38,207,122	19,644,422	18,562,701	-	-	1
Municipal Bonds	90,996,300	23,461,790	60,495,941	4,038,841	2,999,728	1
U.S. Agencies	159,263,909	73,310,600	72,866,206	13,087,103	-	1
State Treasurer Pool	308,491,406	308,491,406				1
	\$ 650,994,352	\$ 472,046,848	\$ 157,397,463	\$ 17,125,945	\$ 4,050,785	

Total fair value of investments represents \$151,981,703 for Skagit County and \$500,512,649 for the Junior Taxing districts.

Interest Rate Risk

Interest rate risk is the risk that changes in interest rates will adversely affect the fair value of an investment. Through its investment policy, the County manages its exposure to fair value losses arising from increasing interest rates by setting maturity and effective duration limits not to exceed 36 months unless matched to a specific cash flow requirement. Funds specifically designated for capital improvements or for bond redemption purposes may in certain circumstances be invested out to five years.

Custodial Credit Risk

Custodial credit risk is the risk that in event of a failure of the counterparty to an investment transaction the county would not be able to recover the value of the investment or collateral securities. The County had no custodial credit risk as of December 31, 2016.

Concentration of Credit Risk

Concentration of credit risk is the risk of loss attributed to the magnitude of a government's investment in a single issuer. The County's policy is to limit to 15 percent of the total portfolio the amount that may be invested in any one financial institution. In addition, no more than 3 percent of the total portfolio may be invested in any one issuer of commercial paper and no more than 10 percent may be invested in any one Treasury obligation. As of December 31, 2008 the investment in the Washington State LGIP was limited to 65 percent, this was modified by resolution on March 16, 2009 to allow investment in excess of 65 percent when there are no other viable alternatives. At year end, the County had no investment in a single issuer that was greater than 15 percent of total investments.

Federal Arbitrage

Federal Arbitrage is the ability to obtain tax-exempt bond proceeds and invest the funds into higher yielding taxable securities, resulting in a profit. The County had no federal arbitrage in 2016.

Skagit County, Washington
Notes to the Financial Statements
December 31, 2016

Credit Risk

Credit risk is the risk that an issuer or other counterparty to an investment will not fulfill its obligations. The County's investment policy is to apply the prudent-person rule: Investments shall be made with the exercise of judgment and care which persons of prudence, discretion and intelligence exercise in the management of their affairs, not for speculation, but for investment, considering the probable safety of their capital as well as the probable income to be derived. The County's policy limits investments in commercial paper to ratings of A1 or P1 only.

As of December 31, 2016, the County's investments in U.S. Agencies in the amount of \$159,263,909 (fair value) was rated AAA by Standard & Poor's, an additional amount of \$5,113,027 (fair value) was rated AAA by Moody's. Details of ratings on investments in municipal bonds and banker's acceptances are as follows:

BECKER MD SD	AA+/A	250,020	KENT CO MI	A1+	2,998,770	PORTLAND OR	Aaa	753,855
BERGAN COUNTY NJ	A+/MIG1	4,521,420	KIRCKWOOD CC IA	Aa2/AA-	110,685	RANDOLPH CO IL	AA	100,447
BERGEN COUNTY NJ	Aaa	174,622	LAKE CO IL	AA+	200,000	RANDOLPH MA	AA	1,097,434
BONNEVILLE POWER	Aa1/AA-/AA	500,415	LAKE CO IL SCH	AA	302,283	ROUND ROCK SCH TX	Aaa/AAA/AAA	191,701
BONNEVILLE POWER	Aa1/AA-/AA	2,174,543	LAS VEGAS VALLEY WTR	Aa1/AA+	720,517	SALT LAKE UT SCH	Aaa/AAA	206,513
BURBANK AIRPORT AUTH	A2/A+/A	234,292	LOUISIANA	AA	997,240	SAN JOSE CA SCH	Aa1/AA	300,246
CALIFORNIA	Aa3/AA-/AA-	442,345	LOUISIANA	Aa3/AA/AA-	753,068	SNOHOMISH CO PUD	Aa3/AA-	124,248
CEDARBURG SCH WI	Aa1	500,050	LOWELL MA	Aa2	1,003,060	SNOHOMISH SCH	Aa1/AA+	924,354
CHELAN COUNTY PUD	Aa3/AA/AA+	994,190	MADISON CO MS	Aa2	150,090	ST OF ALASKA HOUSING	AAA	101,339
CHESAPEAKE VA	AA1/AAA/AAA	103,624	MADISON CO TN	Aa2	751,875	ST OF CALIFORNIA	Aa3/AA-	3,503,325
CITY COLUMBUS OH SCH	Aa2	498,875	MAHONING CO OH	AA/A+	219,448	ST OF CALIFORNIA	Aa3/AA-/A+	995,550
CITY OF OAK CREEK WI	Aa2	753,090	MAPLEWOOD MN	AA+	905,027	ST OF GEORGIA	Aaa/AAA/AAA	500,555
CITY OF RACINE WI	AA-	125,435	MASSACHUSETTS	Aa1/AA+	776,828	ST OF MAINE	Aa2/AA	399,752
CITY OF SEATTLE WA	Aa1/AAA/AA+	499,875	MELROSE PARK SCH IL	AA	130,607	STATE OF MICHIGAN	Aa2/AA-	100,754
COAST CA COMM COLLEGE	Aa1/AA	150,422	MEMPHOS TN	Aa2/AA	151,941	ST OF MINNESOTA	Aa1/AA+/AA+	452,574
CONNECTICUT	AA3/AA-	1,000,160	MENOMONEE FALLS WI	Aa2	1,008,040	ST OF MISSISSIPPI	Aa2/AA/AA+	302,169
CONNECTICUT	Aa3/AA-	752,940	MICHIGAN STATE	Aa2/AA-/AA	65,196	ST OF MISSISSIPPI	Aa2/AA/AA+	149,835
COOK CO COMM COLLEGE	Aa1/AA	300,000	MILWAUKEE CO WI	Aa2/AA/AA+	390,116	ST OF NJ	A3/A-	500,430
DANE CO WI	Aa1/AA+	25,217	MILWAUKEE WI	Aa3/AA	258,138	ST OF OHIO	Aa1/AAA/AA+	221,313
DANVILLE VA	Aa2/AA	412,739	MISSISSIPPI	Aa2/AA/AA	200,444	ST OF OREGON	Aa1/AA+/AA+	250,330
DAVIS CO UT	AAA	207,452	MONROE WA	AA-	275,022	ST OF WA	Aa1/AA+/AA+	120,199
DENTON TX	A2	370,130	MUSKEGO-NORWAY WI	Aa2	250,153	ST OF WA	Aa1/AA+/AA+	501,095
DIST OF COLUMBIA	Aa1/AA/AA	541,625	MUSKEGO-NORWAY WI	Aa2	500,490	ST OF WA	Aa1/AA+/AA+	1,228,487
DIST OF COLUMBIA	Aa1/AA/AA	152,256	NASHUA NH	Aa2/AAA	1,008,840	UNIV CALIFORNIA	Aa2/AA	601,092
DIST OF COLUMBIA	Aa1/AA/AA	507,520	NASHVILLE&DVDSN TN	Aa2/AA	671,441	VERNON WI SCH	Aa2	501,385
DOUGLAS CO PUD WA	Aa3/AA	50,070	NE IOWA CC	Aa2	265,771	WA ST TAXABLE	Aa1/AA+/AA+	1,702,822
DOWNERS GROVE IL	Aa2	178,080	NEW BRITIAN CT	A2/AA/A+	304,146	WALNUT VLY CA SCH	Aa2	250,313
DURHAM NC	Aaaa/AAA/AAA	556,776	NEW YORK NY	AA	207,706	WAREFORD WI SCH	AA	200,410
EASTERN IOWA CC	Aa1	217,359	NEW YORK NY	Aa2/AA	418,663	WA&CLACKAMUS CO OR	Aa1	403,740
EL PAST CO TX	Aa2/AA	448,389	NEW YORK NY	Aa2/AA/AA	256,480	WA CO WI	Aaa	250,075
EL PASO TX AIRPORT	AA/AA	155,293	NEW YORK NY	Aa2/AA/AA	108,569	WA STATE	Aa1/AA+/AA+	50,081
EL SEGUNDO CA SCH	Aa2/AA-	1,002,440	NEW YORK NY	Aa2/AA/AA	4,517,775	WA STATE	Aa2	378,381
ENERGY NW WA	Aa1/AA-/AA	2,025,400	NEW YORK NY	Aa2/AA/AA	515,215	WA STATE UNIV	Aa2/AA-	238,204
FAYETTE & MONT SCHOOL	AA	222,057	NEW YORK NY	Aa2/AA/AA	1,545,645	WA STATE UNIV	Aa2/AA-	461,651
FLAT ROCK SCH DIST	Aa1	299,910	OKLAHOMA CITY SCH	Aa2/AA	7,963,360	WATERLOO IA	Aa2	104,885
GALVESTON CO TX	Aa1/AA+	777,653	ONALASKA WI	Aa2	206,441	WATERLOO IA	Aa2	99,569
GEORGIA	Aaa/AAA/AAA	1,000,000	OREGON	Aa1/AA+/AA+	339,334	WATERLOO IA	Aa2	246,310
GREEN BAY WI	Aa2	250,108	PASADENA CA SCH	Aa2/A+	225,558	WAUKESHA WI	Aa2	139,783
GULF SHORES AL	Aa2/AA+	302,790	PASSIAC CO NJ	AA	1,002,920	WAUSAU WI	Aa2	223,895
HALLSVILLE TX SCH	AAA/Aaa	301,131	PEKIN IL	AA	319,221	WHATCOM CO SCH	AA+	255,618
HAWKEYE COLLEGE IA	Aa1	201,970	PENN MANOR SCH PA	AA	691,199	WHATCOM CO SCH	Aa1	473,205
HENDERSON NV	Aa2/AA+	1,019,800	PIMA CO AZ SCH	AA-	152,471	WORCESTER MA	A+/MIG1	2,023,860
HIGH POINT NC	Aa1/AAA/AA+	699,395	PORT OF NY & NJ	Aa3/AA-/AA-	233,677	WORCESTER MA	A+/MIG1	2,125,053
HOLLAND MI	AAA	551,276	PORT OF SEATTLE WA	Aa1/AAA/AAA	498,875	WORCESTER MA	A2	3,003,661
JACKSON OH SCH	AA	328,974	PORT VANCOUVER WA	A	183,875	WYANDOTTE CO KS SCH	AA-	476,382
JANESVILLE SCH WI	Aa2/AA-	408,236	PORTLAND CC OR	Aa2/AA	506,790	YSLETA TX SCH	AA	1,306,053
						TOTAL		90,996,300

Skagit County, Washington
Notes to the Financial Statements
December 31, 2016

The County also carried investments in registered warrants and the Washington State LGIP, which are unrated.

Property Taxes

The County Treasurer acts as an agent to collect property taxes levied in the County for all taxing authorities. Taxes are levied and become an enforceable lien on January 1st of each year. Collection of taxes is authorized on February 15th, with installments due on April 30th and October 31st. On May 31st the assessed value of property is established for the following year's levy. Assessed value is considered to be 100 percent of market value.

Property taxes are recorded as a receivable when levied. Property tax collected in advance of the fiscal year to which it applies is recorded as a deferred inflow. Revenue is recognized when the taxes are collected. Refunds of taxes are recorded as reductions of revenue when they are measurable and due to be issued. No allowance for uncollectible taxes is established because delinquent taxes are considered fully collectible. Prior year tax levies were recorded using the same principal, and delinquent taxes are evaluated annually.

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

- Washington State law in RCW 84.55.010 limits growth of regular property taxes to 1 percent per year, after adjustments for new construction. If the assessed valuation increases by more than 1 percent due to re-valuation, the levy rate will be decreased.
- The Washington State Constitution limits the total regular property taxes to 1 percent of the assessed valuation or \$10 per \$1,000 of value. If the taxes of all districts exceed this amount, each is proportionately reduced until the total is at or below the 1 percent limit.
- The County may voluntarily levy taxes below the legal limit. Special levies approved by the voters are not subject to the above limitations.

2016 Tax levy information is as follows:

	Levy in Dollars Assessed Per Thousand	Total Value	Levy
2016			
County	1.5281	\$ 15,466,113,686	\$ 23,602,924
Medic 1 Services	0.3689	15,430,092,909	5,692,212
Roads	1.9637	7,592,704,545	14,909,467
Conservation Futures	0.0554	15,446,113,686	855,357

The County tax rate includes a levy for general governmental services and special revenue assessments. The County is authorized to levy taxes in unincorporated areas for road construction and maintenance, subject to the same limitations as the levy for general government services. The Conservation Futures tax rate is a non-voter approved excess levy for the purpose of acquiring land development rights for preservation purposes.

B. Receivables

Governmental funds report some revenues as deferred inflow of resources if they are not available to liquidate liabilities of the current period or are not yet earned. Also see Note I. Detail of deferred inflow of resources balances in the government fund financial statements as of December 31, 2016 is as follows:

Skagit County, Washington
Notes to the Financial Statements
December 31, 2016

	Unavailable	Unearned	Total
Property Taxes Receivable (General Fund)	\$ 618,920		\$ 618,920
Property Taxes Receivable (Road Fund)	358,273		\$ 358,273
Property Taxes Receivable (Mental Health Fund)	8,251		\$ 8,251
Property Taxes Receivable (Other Government Funds)	226,797		\$ 226,797
Revenue Earned but Not yet Available	1,969,727		\$ 1,969,727
Revenue Received Prior to Meeting Eligibility Requirements		266,071	\$ 266,071
Total Deferred Inflow of Resources - Government Funds	\$ 3,181,968	\$ 266,071	\$ 3,448,039

C. Interfund Receivables, Payables and Transfers

Details of interfund payable/receivable balances of December 31, 2016 are as follows:

	General Fund	County Jail	Mental Health	County Road Fund	Non-Major	Internal Service Funds	Total
Due to Other funds							
General Fund				\$ 2,791		\$ 1,908,341	\$ 1,911,132
Non-Major Govt Funds	277,128		13,887	145,601	8,400	129,156	574,172
Mental Health	85,605					6,699	92,304
County Road Fund	775,704					1,338,903	2,114,607
Internal Service Funds	122,663			79,815		1,170,915	1,373,393
Solid Waste	92,390			202,458	25,787	64,244	384,879
Drainage Utility	38,154			50,767		13,317	102,238
Jail Fund	129,808					98,636	228,444
Total	\$1,521,453	\$ -	\$ 13,887	\$ 481,433	\$ 34,186	\$ 4,730,211	\$ 6,781,170

These balances are the result of transactions involving the exchange of goods and services in the ordinary operations of the respective funds.

Interfund loans have been made to provide cash flows for the operations of the receiving funds. Because most of these funds are within the Debt Service Fund, they are eliminated in the financial statements. Details of the interfund loans are as follows:

Borrowing Fund	Lending Fund	Balance 1/1/2016	New Loans	Repayment	Balance 12/31/2016
Water Improvement 210	Water Improvement 215	3,000		400	2,600
Water Improvement 215	Water Improvement 218	164,072		87,000	77,072
Water Improvement 216	Edison Clean Water	1,000			1,000
Water Improvement 215	Water Improvement 224	107,361		34,000	73,361
Total		\$ 275,433	\$ -	\$ 121,400	\$ 154,033

Interfund transfers represent subsidies and contributions provided to the receiving fund. Most transfers from the general fund are for the purposes of ordinary operations and debt service. Transfers out of non-major governmental funds are generally for debt service and capital project funding. Details of 2016 transfers are as follows:

Transferring Fund	Transfers In				Balance 12/31/2015
	General Fund	Jail Fund	Internal Service	Non-Major Governmental	
General Fund				\$ 4,950,438	\$ 4,950,438
Mental Health	151,702	39,600			191,302
County Roads			13,288		13,288
Drainage Utility				1,149	1,149
Non-Major	52,000		-	2,323,701	2,375,702
Total	\$ 203,702	\$ 39,600	\$ 13,288	\$ 7,275,289	\$ 7,531,880

Skagit County, Washington
Notes to the Financial Statements
December 31, 2016

D. Capital Assets

Summarized capital asset transactions for governmental activities are as follows:

Governmental Activities	Beginning Balance	Increases	Decreases	Ending Balance
Capital Assets, Non-depreciable				
Land	\$ 157,189,937	\$ 625,600	\$ 691,500	\$ 157,124,037
Development Rights	15,557,604	2,953,869		18,511,472
Construction in Progress	1,506,374	1,275,764		2,782,138
	174,253,915	4,855,233	691,500	178,417,647
Depreciable Capital Assets				
Buildings	66,148,948	436,133	207,851	66,377,230
Improvements	5,361,029	85,527		5,446,556
Machinery and Equipment	24,784,449	1,580,389	672,054	25,692,784
Infrastructure	333,100,480			333,100,480
	429,394,906	2,102,049	879,905	430,617,050
Less Accumulated Depreciation				
Buildings	(28,932,216)	(1,921,832)	8,021	(30,846,027)
Improvements	(3,173,051)	(509,052)		(3,682,103)
Machinery and Equipment	(15,283,941)	(1,547,276)	1,250,468	(15,580,749)
Infrastructure	(282,460,732)	(15,377,374)		(297,838,106)
	(329,849,940)	(19,355,534)	1,258,489	(347,946,985)
Total Net Depreciable Capital Assets	99,544,966	(17,253,485)	378,584	82,670,064
Total Net Capital Assets	\$ 273,798,884	\$ (12,398,252)	\$ (312,916)	\$ 261,087,714

Depreciation expense by function for governmental activities is as follows:

General Governmental Services	\$ 1,750,721
Judicial	5,771
Public Safety	367,428
Physical Environment	759,086
Transportation	16,219,052
Natural & Economic Environment	8,047
Health and Human Services	75,417
Culture and Recreation	170,012
Total governmental activities depreciation expense	\$ 19,355,534

Summarized capital asset transactions for business type activities are as follows:

Business - Type Activities	Beginning Balance	Increases	Decreases	Ending Balance
Capital Assets, Non-depreciable				
Land	\$ 816,556	\$ 13,456	\$ -	\$ 830,012
Construction in Progress	17,233,924	37,405,311	201,454	54,437,781
	18,050,480	37,418,768	201,454	55,267,793
Depreciable Capital Assets				
Buildings	9,899,875			9,899,875
Improvements	10,911,058	16,562		10,927,620
Machinery and Equipment	1,842,271		349,030	1,493,241
	22,653,203	16,562	349,030	22,320,736
Less Accumulated Depreciation				
Buildings	(1,524,446)	(241,076)		(1,765,522)
Improvements	(3,532,670)	(378,140)		(3,910,810)
Machinery and Equipment	(777,392)	(93,250)	331,578	(539,063)
	(5,834,508)	(712,466)		(6,215,396)
Total Net Depreciable Capital Assets	16,818,695	(695,904)	349,030	16,105,340
Total Net Capital Assets	34,869,174	36,722,863	550,484	71,373,133

Depreciation expense by function for business type activities is as follows:

Solid Waste	\$ 338,157
Drainage Utility	374,309
Total business type activities depreciation expense	\$ 712,466

Skagit County, Washington
Notes to the Financial Statements
December 31, 2016

V. LONG TERM LIABILITIES

Skagit County's long-term liabilities include general obligation bonds and loans from the State of Washington. General obligation bonds have been issued for both general government and business-type activities and are being repaid from the applicable resources. For the proprietary funds and on the government-wide financial statements, bond premiums and discounts, as well as issuance costs, are deferred and amortized over the life of the bonds. Bonds payable are reported net of the applicable bond premium or discount. Government funds recognize bond premiums, discounts, and issuance costs in the period that they are incurred. Proceeds of debt are reported as other financing sources. Premiums received on debt issuance are reported as other financing sources while discounts are reported as other financing uses. Issuance costs, including those withheld from proceeds, are reported as debt service expenditures.

Details of general obligation bonds outstanding as of December 31, 2016 are as follows:

Description	Balance
In 2007 bonds were issued in the amount of \$6,115,000 to refund a portion of the 2000 Bond issue. Principal payments are due annually on December 1, interest payments are due on June 1 and December 1. The interest rates range from 3.875% on 2007 maturities to 4.00% for maturities in 2022. Principal payments of \$450,000 and interest payments of \$139,790 were made in 2016.	3,115,000
In 2013, the outstanding balance (\$990,000) of the 2003 bond issue in the amount of \$965,000 was refunded in order to take advantage of better rates. The original was issued at \$5,340,000 to finance the acquisition and renovation of a building to house County offices, and to refund the 1993 bonds. Interest ranges from 2.00% to 3.00%. Principal payments are due annually on December 1. Interest payments are due June 1 and December 1. Principal payments of \$195,000 and interest payments of \$12,000 were made in 2016.	205,000
In 2013, the County entered into an interlocal agreement with Skagit Regional Public Facilities District to refund their 2003 bond issue, in order to take advantage of better rates. This was completed per C20130043. The County booked a receivable for the balance and will systematically reduce the debt over time from their dedicated sales tax revenue. See Note VIII. Principal payments are due annually on December 1. Interest payments are due June 1 and December 1. Principal payments of \$395,000 and interest payments of \$193,619 were made in 2016.	6,170,000
In 2014, bonds in the amount of 780,000 were issued to acquire a building for County use. Interest rates range from 3.625% to 5.00 % for maturities in 2041. Principle payments are due annually on December 1. Interest payments are due June 1 and January 1. Interest of \$35,762.71 and no principle payments were made in 2016.	780,000
In 2016 bonds in the amount of \$7,540,000 were issued to refund the 2006 bond of 4,340,000, and 3,200,000 for building improvements. Principle payments are due annually on December 1, interest payments are due on June 1 and December 1. The interest rates range from 2.0% to 3.0%. Interest payments of \$72,654 were made in 2016.	7,540,000
Total bonds payable at December 31, 2016 for government activities:	17,810,000
Proceeds in the amount of \$9,740,000 from the 2010 bond issue are for the purpose of improving the County's Solid Waste transfer station and other Capital improvements to County facilities. Principle payments are due annually on December 1. Interest payments are due June 1 and January 1. Interest rates range from 1.90% in 2014 to 5.35% for maturities in 2030. Principal payment of \$500,000 and interest payment of \$388,750 were made in 2016.	8,265,000
Proceeds in the amount of \$51,920,000 from the 2014 bond issue are for the purpose of planning, acquiring land, and constructing a 400 bed regional jail facility. Principle payments are due annually on December 1, beginning in 2015. Interest rates range from 3.625% in 2011 to 5.00% for maturities in 2030. Interest of \$2,261,906 and no principle payments were made in 2016.	51,920,000
Total bonds payable at December 31, 2015 for business-type activities:	60,185,000

Skagit County, Washington
Notes to the Financial Statements
December 31, 2016

Annual debt service requirements to maturity for the general obligations bonds are as follows:

Year Ending December 31	Government Activities		Business-Type Activities	
	Principal	Interest	Principal	Interest
2017	\$ 1,635,000	\$ 517,184	\$ 1,660,000	\$ 2,637,156
2018	1,525,000	469,271	1,715,000	2,576,621
2019	1,600,000	424,284	1,770,000	2,511,661
2020	1,670,000	376,844	1,835,000	2,441,648
2021-2025	7,670,000	1,106,739	10,395,000	10,808,416
2026-2030	2,350,000	324,831	12,875,000	8,007,691
2031-2035	1,160,000	128,350	12,045,000	5,022,438
2036-2040	200,000	6,000	14,610,000	2,454,800
2041			3,280,000	131,200
Totals	\$17,810,000	\$ 3,353,503	\$60,185,000	\$36,591,632

Refunded Bonds

In 2007 the County refunded a portion of the 2000 bond issue using proceeds from the 2007 bond issue. These proceeds were placed in an irrevocable trust to fund all future payments on the 2000 bonds. Accordingly, those 2000 bonds are considered to be defeased and the liability for them is not included in the 2015 financial statements. As of December 31, 2016 the balance of the defeased bonds outstanding is \$2,820,000.

Loans Payable

Details of loans payable as of December 31, 2016 is as follows:

Description	Balance
Payable to the State of Washington Department of Ecology Water Pollution Control Revolving Fund pursuant to a 1997 loan agreement. The term is 20 years and no interest is due. Principal payments of \$17,768 were made in 2016.	\$ 44,420
Payable to the State of Washington Department of Ecology Water Pollution Control Revolving Fund pursuant to a 2000 loan agreement. The term is 20 years and no interest is due. Principal payments of \$2,948 were made in 2016.	20,634
Payable to the State of Washington Department of Ecology pursuant to a 2007 loan agreement. The interest rate is 2.6% and the term is 20 years. Principal payments of \$96,673 and interest payments of \$41,011 were made in 2016.	1,627,631
Payable to the State of Washington Department of Ecology pursuant to a 2014 loan agreement. The interest rate is 2.7% and the term is 20 years. Principal payments of \$35,491 and interest payments of \$23,190 were made in 2016.	832,226
The Sheriff's office entered into a 5 year zero interest loan from NW Learn Board in the amount of \$47,000 for radio upgrades. No principal or interest payments were made in 2016.	47,000
Total loans payable at December 31, 2016 for governmental activities	\$ 2,571,911

Annual debt service requirements to maturity for loans payable are as follows:

Year Ending December 31	Principal	Interest
2017	\$ 166,191	\$ 60,891
2018	169,585	57,497
2019	164,179	54,018
2020	158,862	50,452
2021-2025	802,125	195,549
2026-2030	889,883	91,948
2031-2034	221,086	13,641
Totals	2,571,911	523,998

Skagit County, Washington
Notes to the Financial Statements
December 31, 2016

Debt Limitation

State law places certain restrictions on the County's ability to issue general obligation bonds. Without an authorizing vote, limited tax general obligation bonds may be issued in an amount up to 1.5% of the assessed valuation of real property within the county. Unlimited tax general obligation bonds may be issued up to 2.5% of the assessed valuation with voter approval. No combination of limited and unlimited tax bonds may exceed 2.5% of the assessed valuation.

At December 31, 2016, the County's remaining capacity for non-voted debt was \$192,546,795. Additional debt capacity with an authorizing vote is \$164,331,206.

Changes in Long-Term Liabilities

Details of changes in long term liabilities for the year ended December 31, 2016 is as follows:

	Beginning Balance	New Issue	Retirements	Ending Balance	Due Within One year
Governmental Activities:					
Bonds Payable					
General Obligation Bonds	\$ 16,205,000	\$ 7,540,000	\$ 5,935,000	\$ 17,810,000	\$ 1,635,000
Add: Net Unamortized Discounts/Premiums	588,870	424,382	145,014	868,238	
Total Bonds Payable	16,793,870	7,964,382	6,080,014	18,678,238	1,635,000
Loans Payable	2,677,792	53,027	152,881	2,577,938	166,191
Note Payable	-	-	-	-	-
Compensated Absences	2,357,533	274,743	85,250	2,547,026	2,547,026
OPEB Liability	416,907	425,038	416,907	425,038	
Net Pension Liability	24,847,823	5,646,755		30,494,578	
Environmental Liabilities	113,533	5,000	7,956	110,577	
Total Long-Term Liabilities	\$ 47,207,458	\$ 14,368,945	\$ 6,743,008	\$ 54,833,394	\$ 4,348,217
Business-Type Activities					
Bonds Payable					
General Obligation Bonds	\$ 60,685,000		\$ 500,000	\$ 60,185,000	\$ 1,660,000
Discounts/Premiums	3,727,745	22,185	165,025	\$ 3,584,905	
Less: Unamortized Refunding	-	-		\$ -	
Total Bonds Payable	64,412,745	22,185	665,025	63,769,905	1,660,000
Compensated Absences	246,401	11,003	16,311	241,093	
Post Closure Landfill Costs	2,911,426		136,562	2,774,864	50,000
Environmental Liabilities	3,937,659		5,746	3,931,913	10,500
Net Pension Liabilities	3,270,246	394,683	1,144,997	2,519,931	
Total Long-Term Liabilities	\$ 74,778,477	\$ 427,870	\$ 1,968,641	\$ 73,237,704	\$ 1,720,500

For governmental activities, the Unemployment Fund liquidates compensated absences as well as the OPEB obligation.

Skagit County, Washington
Notes to the Financial Statements
December 31, 2016

VI. PENSION AND OTHER BENEFIT PLANS

The following table represents the aggregate pension amounts for all plans subject to the requirements of GASB Statement No. 68, *Accounting and Financial Reporting for Pensions* for the year 2016:

Aggregate Pension Amounts – All Plans	
Pension Liabilities	33,014,509
Pension Assets	1,161,290
Deferred Outflows of Resources	6,192,741
Deferred Inflows of Resources	254,370
Pension Expense/Expenditures	2,287,154

State Sponsored Pension Plans

Substantially all Skagit County's full-time and qualifying part-time employees participate in a retirement plan 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 comprehensive annual financial report (CAFR) that includes financial statements and required supplementary information for each plan. The DRS CAFR may be obtained by writing to: Department of Retirement Systems, Communication Unit, P.O. Box 48380, Olympia WA 98504-8380; or it may be downloaded from the DRS website at www.drs.wa.gov.

A. Public Employees' Retirement System (PERS)

PERS members include elected officials; state employees; state employees; employees of the Supreme, Appeals, and Superior courts; employees of the legislature; employees of district and municipal courts; employees of local government; and higher education employees not participating in higher education retirement programs. PERS is comprised of three separate pension plans for membership purposes. PERS plans 1 and 2 are defined benefit plans, and PERS plan 3 is a defined benefit plan with a defined contribution component.

PERS plan 1 provides retirement, disability and death benefits. Retirement benefits are determined as two percent of the member's average final compensation (AFC) times the member's years of service. The AFC is the average of the member's 24 highest consecutive service months. Members are eligible for retirement from active status at any age with at least 30 years of service, at age 55 with at least 25 years of service, or at age 60 with at least five years of service. Members retiring from active status prior to age 65 may receive actuarially reduced benefits. Retirement benefits are actuarially reduced to reflect the choice of a survivor benefit. Other benefits include duty and non-duty disability payments, an optional cost-of-living adjustment (COLA), and a one-time duty-related death benefit, if found eligible by the Department of Labor and Industries. PERS 1 members were vested after the completion of five years eligible service. The plan was closed to new entrance on September 30, 1977.

Contributions – The PERS Plan 1 member contribution rate is established by State statute at 6 percent. The employer contribution rate is developed by the Office of the State Actuary and includes an

Skagit County, Washington
Notes to the Financial Statements
December 31, 2016

administrative expense component that is currently set at 0.18 percent. Each biennium, the state Pension Funding Council adopts Plan 1 employer contribution rates. The PERS Plan 1 required contribution rates (expressed as a percentage of covered payroll) for 2016 were as follows:

PERS Plan 1		
Actual Contribution Rates:	Employer	Employee
PERS Plan 1	6.23%	6.00%
PERS Plan 1 UAAL	4.77%	6.00%
Administrative Fee	0.18%	
Total	11.18%	6.00%

*For employees participating in JBM, the contribution rate was 12.26%

Skagit County's actual contributions to the plan were \$67,278 for the year ended December 31, 2016.

PERS Plan 2/3 provides retirement, disability and death benefits. Retirement benefits are determined as two percent of the member's average final compensation (AFC) times the member's years of service for Plan 2 and 1 percent of the AFC for Plan 3. The AFC is the average of the member's 60 highest-paid consecutive service months. There is no cap on years of service credit. 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 members who have 30 or more years of service credit and are at least 55 years old can retire under one of two provisions:

- With a benefit that is reduced by three percent for each year before age 65; or
- With a benefit that has a smaller (or no) reduction (depending on age) that imposes stricter return-to-work rules.

PERS Plan 2/3 members hired on or after May 1, 2013 have the option to retire early by accepting a reduction of five percent for each year of retirement before age 65. This option is available only to those who are age 55 or older and have at least 30 years of service credit. PERS Plan 2/3 retirement benefits are also actuarially reduced to reflect the choice of a survivor benefit. Other PERS Plan 2/3 benefits include duty and non-duty disability payments, a cost-of-living allowance (based on the CPI), capped at three percent annually and a one-time duty related death benefit, if found eligible by the Department of Labor and Industries. PERS Plan 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. PERS Plan 3 members choose their contribution rate upon joining membership and have a chance to change rates upon changing employers. As established by statute, Plan 3 required defined contribution rates are set at a minimum of 5 percent and escalate to 15 percent with a choice of six options. Employers do not contribute to the defined contribution benefits. PERS Plan 3 members are immediately vested in the defined contribution portion of their plan.

Contributions – The PERS Plan 2/3 employer and employee contribution rates are developed by the Office of State Actuary to fully fund Plan 2 and the defined benefit portion of Plan 3. The Plan 2/3 employer rates include a component to address the PERS Plan 1 UAAL and an administrative expense

Skagit County, Washington
Notes to the Financial Statements
December 31, 2016

that is currently set at 0.18 percent. Each biennium, the state Pension Funding Council adopts Plan 2 employer and employee contribution rates and Plan 3 contribution rates. The PERS Plan 2/3 required contribution rates (expressed as a percentage of covered payroll) for 2016 were as follows:

PERS Plan 2/3		
Actual Contribution Rates:	Employer 2/3	Employee 2*
PERS Plan 2/3	6.23%	6.12%
PERS Plan 1 UAAL	4.77%	
Administration Fee	0.18%	
Employee PERS Plan 3		varies
Total	11.18%	6.12%

*For employees participating in JBM, the contribution rate was 15.30%

Skagit County's actual PERSs plan contributions were \$1,511,893 to PERS Plan 1 and \$1,974,503 to PERS Plan 2/3 for the year ended December 31, 2016.

Public Safety Employees' Retirement System (PSERS)

PSERS Plan 2 was created by the 2004 Legislature and became effective July 1, 2006. To be eligible for membership, an employee must work on a full time basis and:

- Have completed a certified criminal justice training course with authority to arrest, conduct criminal investigations, enforce the criminal laws of Washington, and carry a firearm as part of the job; or
- Have primary responsibility to ensure the custody and security of incarcerated or probationary individuals; or
- Function as a limited authority Washington peace officer, as defined in RCW 10.93.020; or
- Have primary responsibility to supervise eligible members who meet the above criteria.

PSERS membership includes:

- PERS 2 or 2 employees hired by a covered employer before July 1, 2006, who met at least one of the PSERS eligibility criteria and elected membership during the period of July 1, 2006 to September 30, 2006; and
- Employees hired on or after July 1, 2006 by a covered employer, that meet at least one of the PSERS eligibility criteria.

PSERS covered employees include:

- Certain State of Washington agencies (Department of Corrections, Department of Natural Resources, Gambling Commission, Liquor Control Board, Parks and Recreation Commission, and Washington State Patrol)
- Washington State Counties
- Washington State Cities (except for Seattle, Spokane, and Tacoma)
- Correctional entities formed by PSERS employers under the Interlocal Cooperation Act.

PSERS Plan 2 provides retirement, disability and death benefits. Retirement benefits are determined as two percent of the average final compensation (AFC) for each year of service. The AFC is based on the

Skagit County, Washington
Notes to the Financial Statements
December 31, 2016

member's 60 consecutive highest creditable months of service. Benefits are actuarially reduced for each year that the member's age is less than 60 (with ten or more service credit years in PSERS), or less than 65 (with fewer than ten service credit years). There is no cap on years of service credit. Members are eligible for retirement at the age of 65 with five years of service; or at the age of 60 with at least ten years of PSERS service credit; or at age 53 with 20 years of service. Retirement before the age of 60 is considered an early retirement. PSERS members who retire prior to the age of 60 receive reduced benefits. If retirement is at age 53 or older with at least 20 years of service, a three percent per year reduction for each year between the age at retirement and age 60 applies. PSERS Plan 2 retirement benefits are actuarially reduced to reflect the choice of a survivor benefit. Other benefits include duty and non-duty disability payments, an optional cost-of-living adjustment (COLA), and a one-time duty-related death benefit, if found eligible by the Department of Labor and Industries. PSERS Plan 2 members are vested after completing five years of eligible service.

Contributions – The PSERS Plan 2 employer and employee contribution rates are developed by the Office of State Actuary to fully fund Plan 2. The Plan 2 employer rates include components to address the PERS Plan 1 unfunded actuarial accrued liability and administrative expense currently set at 0.18 percent. Each biennium, the state Pension Funding Council adopts Plan 2 employer and employee contribution rates. The PSERS Plan 2 required contribution rates (expressed as a percentage of current-year covered payroll) for 2016 were as follows:

PSERS Plan 2		
Actual Contribution Rates:	Employer	Employee
PSERS Plan 2	6.59%	6.59%
PERS Plan 1 UAAL	4.77%	
Administrative Fee	0.18%	
Total	11.54%	6.59%

Skagit County's actual plan contributions were \$195,278 to PSERS 2 and \$141,257 to PERS Plan 1 for the year ended December 31, 2016.

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

LEOFF membership includes all full-time, fully compensated, local law enforcement commissioned officers, firefighters, and as of July 24, 2005, emergency medical technicians. LEOFF is comprised of two separate benefit plans.

LEOFF Plan 1 provides retirement, disability and death benefits. Retirement benefits are determined per year of service calculated as a percent of final average salary (FAS) as follows:

- 20+ years of service – 2.0% of FAS
- 10-19 years of service – 1.5% of FAS
- 5-9 years of service – 1% of FAS

The FAS is the basic monthly salary received at the time of retirement, provided a member has held the same position or rank for 12 months preceding the date of retirement. Otherwise, it is the average of the highest consecutive 24 months' salary within the last ten years of service. Members are eligible for retirement with five years of service at the age of 50. Other benefits include duty and non-duty disability payments, a cost-of-living adjustment (COLA), and a one-time duty-related death benefit, if found eligible

Skagit County, Washington
Notes to the Financial Statements
December 31, 2016

by the Department of Labor and Industries. LEOFF 1 members were vested after the completion of five years of eligible service. The plan was closed to new entrants on September 30, 1977.

Contributions – Starting on July 1, 2000, LEOFF Plan 1 employers and employees contribute zero percent, as long as the plan remains fully funded. The LEOFF Plan 1 had no required employer or employee contributions for fiscal year 2015. Employers paid only the administrative expenses of 0.18 percent of covered payroll.

LEOFF Plan 2 provides retirement, disability and death benefits. Retirement benefits are determined as two percent of the final average salary (FAS) per year of service (the FAS is based on the highest 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, the reduction is three percent 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 duty and non-duty disability payments, a cost-of-living allowance (based on the CPI), capped at three percent annually and a one-time duty-related death benefit, if found eligible by the Department of Labor and Industries. LEOFF 2 members are vested after the completion of five years of eligible service.

Contributions – The LEOFF 2 employer and employee contribution rates are developed by the Office of the State Actuary to fully fund Plan 2. The employer rate included an administrative expense component set at 0.18 percent. Plan 2 employers and employees are required to pay at the level adopted by the LEOFF Plan 2 Retirement Board. The LEOFF Plan 2 required contributions rates (expressed as a percentage of covered payroll) for 2015 were as follows:

LEOFF Plan 2		
Actual Contribution Rates:	Employer	Employee
State and Local Government	5.05%	8.41%
Administrative Fee	0.18%	
Total	5.23%	8.41%
Port and Universities	8.41%	8.41%
Administrative Fee	0.18%	
Total	8.59%	8.41%

Skagit County’s actual contributions to the plan were \$240,242 for the year ended December 31, 2016.

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 cost of Plan 2 in accordance with the recommendations of the Pension Funding Council 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, 2016, the state contributed \$60,375,158 to the LEOFF Plan 2.

Actuarial Assumption

The total pension liability (TPL) for each of the DRS plans was determined using the most recent actuarial valuation completed in 2015 with a valuation date of June 30, 2014. The actuarial assumptions used in the valuation were based on the results of the Office of State Actuary’s (OSA) *2007-2012 Experience Study*.

Skagit County, Washington
Notes to the Financial Statements
December 31, 2016

Additional assumptions for subsequent events and law changes are current as of the 2015 actuarial valuation report. The TPL was calculated as of the valuation date and rolled forward to the measurement date of June 30, 2016. Plan liabilities were rolled forward from the June 30, 2015 to June 30, 2016 reflecting each plan's normal cost (using the entry-age cost method), assumed interest and actual benefit payments.

- **Inflation:** 3% total economic inflation; 3.75% salary inflation
- **Salary increases:** In addition to the base 3.75% salary inflation assumption, salaries are also expected to grow by promotions and longevity.
- **Investment rate of return:** 7.5%

Mortality rates were based on the *RP-2000* report's Combined Healthy Table and Combined Disabled Table, published by the Society of Actuaries. OSA applied offsets to the base table and recognized future improvements in mortality by projecting the mortality rates using 100% Scale BB. Mortality rates are applied on a generational basis; meaning, each member is assumed to receive additional mortality improvements in each future year throughout his or her lifetime.

There were minor changes in methods and assumptions since the last valuation.

- For all systems, except LEOFF Plan 2, the assumed valuation interest rate was lowered from 7.8% to 7.7%. Assumed administrative factors were updated.
- Valuation software was corrected on how the nonduty disability benefits for LEOFF Plan 2 active members are calculated.
- New LEOFF Plan 2 benefit definitions were added within the OSA valuation software to model legislation signed into law during the 2015 legislative session.

Discount Rate

The discount rate used to measure total pension liability was 7.50 percent.

To determine that rate, an asset sufficiency test included an assumed 7.7 percent long-term discount rate to determine funding liabilities for calculating future contribution rate requirements. (All plans use 7.7 percent except LEOFF 2, which has assumed 7.5 percent). Consistent with long-term expected rate of return, a 7.5 percent future investment rate of return on invested assets was assumed for the test. Contributions from plan members and employers are assumed to continue being made at contractually required rates (including PERS 2/3, PSERS 2, SERS 2/3, and TRS 2/3 employers, whose rates include a component for the PERS 1, and TRS 1 plan liabilities). Based on these 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 7.5 percent was used to determine the total liability.

Long-Term Expected Rate of Return

The long-term expected rate of return on DRS pension plan investments of 7.5 percent was determined using a building-block method. The Washington State Investment Board (WSIB) used a best estimate of expected future rates of return (expected returns, net of pension plan investment expense, including inflation) to develop each major asset class. Those expected returns make up one component of WSIB's capital market assumptions. WSIB uses the capital market assumptions and their target asset allocation

Skagit County, Washington
Notes to the Financial Statements
December 31, 2016

to simulate future investment returns at various future times. The long-term expected rate of return of 7.5% approximately equals the median of the simulated investment returns over a 50-year time horizon.

Estimated Rates of Return by Asset Class

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, 2016, are summarized in the table below. The inflation component used to create the table is 2.2% and represents WSIB's most recent long-term estimate of broad economic inflation.

Asset Class	Target Allocation	% Long-term Expected Real Rate of Return Arithmetic
Fixed Income	20%	1.70%
Tangible Assets	5%	4.40%
Real Estate	15%	5.80%
Global Equity	37%	6.60%
Private Equity	23%	9.60%
	100%	

Sensitivity of NPL

The table below presents Skagit County's proportionate share of the net pension liability calculated using the discount rate of 7.5%, as well as Skagit County's proportionate share of the net pension liability would be if it were calculated using a discount rate that is 1 – percentage point lower (6.5%) or 1-percentage point higher (8.5%) than the current rate.

	1% Decrease (6.5%)	Current Discount Rate (7.5%)	1% Increase (8.5%)
PERS 1	\$ 19,124,943	\$ 15,859,484	\$ 13,049,356
PERS 2/3	30,927,132	16,797,453	(8,744,044)
PSERS 2	1,552,631	357,571	(493,674)
LEOFF 1	(151,674)	(255,325)	(343,925)
LEOFF 2	2,540,574	(905,964)	(3,503,653)

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, 2016, Skagit County reported a total pension liability of \$33,014,506 and a total net pension asset of (1,161,290) for its proportionate share of the net pension liabilities as follows:

	Liability (or Asset)
PERS 1	15,859,482
PERS 2/3	16,797,453
PSERS 2	357,571
LEOFF 1	(255,326)
LEOFF 2	(905,964)

Skagit County, Washington
Notes to the Financial Statements
December 31, 2016

The amount of the asset reported above for LEOFF Plan1 and 2 reflects a reduction for the State pension support provided to Skagit County. The amount recognized by the County is its proportionate share of the net pension asset, the related State support, and the total portion of the net pension asset that was associated with the County are as follows:

	LEOFF 1 Asset	LEOFF 2 Asset
Employer's proportionate share	255,326	905,964
State's proportionate share of the net pension asset associated with the employer	897,585,163	229,583,226
TOTAL	897,840,489	230,489,190

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

	Proportionate Share 6/30/15	Proportionate Share 6/30/16	Change in Proportion
PERS 1	0.3007330%	0.2953090%	-0.0054240%
PERS 2/3	0.3427250%	0.3361900%	-0.0065350%
PSERS 2	0.7734850%	0.8413840%	0.0678990%
LEOFF 1	0.0248770%	0.0247820%	-0.0000950%
LEOFF 2	0.1464060%	0.1557630%	0.0093570%

Employer contribution transmittals received and processed by DRS for the fiscal year ended June 30 are used as the basis for determining each employer's proportionate share of the collective pension amounts reported by DRS in the *Schedules of Employer and Nonemployer Allocations* for all plans except LEOFF Plan 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 2016. Historical data was obtained from a 2011 study by the Office of the State Actuary (OSA). In fiscal year 2016, the state of Washington contributed 87.12% of LEOFF 1 employer contributions and all other employers contribution 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 2016, the state of Washington contributed 39.46 percent of LEOFF 2 employer contributions pursuant to RCW 41.27.726 and all other employers contributed the remaining 60.54 percent of employer contributions.

The collective net pension liability (asset) was measured as of June 30, 2016, and the actuarial valuation data on which the total pension liability (asset) is based was as of June 30, 2015, with update procedures used to roll forward the total pension liability to the measurement date.

Skagit County, Washington
Notes to the Financial Statements
December 31, 2016

Pension Expense

For the year ended December 31, 2016, the County recognized pension expense as follows:

	Pension Expense
PERS 1	(342,670)
PERS 2/3	2,295,777
PSERS 2	298,957
LEOFF 1	(32,072)
LEOFF 2	67,162

Deferred Outflows of Resources and Deferred Inflows of Resources

At December 31, 2016, the County 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
Differenced between expected and actual experience		
Net difference between projected and actual investment earnings on pension plan investments	399,317	
Changes in assumptions		
Changes in proportion and differences between contributions and proportionate share of contributions		
Contributions subsequent to the measurement date	820,814	
Total	1,220,131	

PERS 2/3	Deferred Outflows of Resources	Deferred Inflows of Resources
Differenced between expected and actual experience	894,453	554,512
Net difference between projected and actual investment earnings on pension plan investments	2,055,523	
Changes in assumptions	173,615	
Changes in proportion and differences between contributions and proportionate share of contributions		(180,179)
Contributions subsequent to the measurement date	962,300	
Total	\$ 4,085,891	\$ 374,332

PSERS 2	Deferred Outflows of Resources	Deferred Inflows of Resources
Differenced between expected and actual experience	121,799	
Net difference between projected and actual investment earnings on pension plan investments	73,747	
Changes in assumptions	1,388	
Changes in proportion		1,517
Contributions subsequent to the measurement date	90,327	
Total	\$ 287,261	\$ 1,517

Skagit County, Washington
Notes to the Financial Statements
December 31, 2016

LEOFF 1	Deferred Outflows of Resources	Deferred Inflows of Resources
Differenced between expected and actual experience		\$ -
Net difference between projected and actual investment earnings on pension plan investments	25,953	
Changes in assumptions		
Changes in proportion and differences between contributions and proportionate share of contributions		
Contributions subsequent to the measurement date		
Total	\$ 25,953	

LEOFF 2	Deferred Outflows of Resources	Deferred Inflows of Resources
Differenced between expected and actual experience	124,142	\$ -
Net difference between projected and actual investment earnings on pension plan investments	325,549	
Changes in assumptions	3,416	
Changes in proportion		(121,479)
Contributions subsequent to the measurement date	120,397	
Total	\$ 573,504	\$ (121,479)

Deferred outflows of resources related to pensions resulting from the County's contributions subsequent to the measurement date will be recognized as a reduction of the net pension liability in the year ended December 31, 2016. Other amounts reported as deferred inflows and deferred outflows of resources related to pensions will be recognized in pension expense as follows:

Year ended December 31:	PERS Plan 2/3
2017	255,072
2018	255,072
2019	28,067
2020	(24,654)
2021	-
Thereafter	-

Year ended December 31:	PSERS 2
2017	24,568
2018	24,568
2019	24,568
2020	24,568
2021	24,568
Thereafter	345

Year ended December 31:	LEOFF 2
2017	29,955
2018	29,955
2019	29,955
2020	29,955
2021	29,955
Thereafter	7,738

Skagit County, Washington
Notes to the Financial Statements
December 31, 2016

D. Other Post Employment Benefit Plans (OPEB)

Plan Description

As required by the Revised Code of Washington (RCW) Chapter 41.26, the County provides direct cost funding for benefits (other than pensions) promised to the Law Enforcement Officers Fire Fighters Plan 1 (LEOFF1). This is a single employer benefit plan. The benefit provides medical and long term care expenses not payable by worker's compensation, social security, insurance provided by another employer or other pension plan. As of December 31, 2014, there were no active members and 13 inactive members. Authority for changes in benefits for the LEOFF Plan 1 resides with the Washington state law and the Employee Retirement Benefits Board (ERBB). Members of the ERBB are appointed by the Governor.

Funding Policy

The funding policy is based upon the pay-as-you-go financing requirements.

Annual OPEB Cost and Net OPEB Obligation

Effective beginning the County's 2008 reporting year, GASB Statement No. 45 *Accounting and Financial Reporting by Employers for Post Employment Benefits Other Than Pensions* requires other post employment benefits (OPEB) expenses to be accrued based on a computed annual required contribution (ARC). ARC represents the current period's service cost and the amount necessary to amortize the unfunded actuarial liability.

We have used the alternative measurement method permitted under GASB Statement No. 45. A single retirement age of 56.24 was assumed for all active members for the purpose of determining the actuarial accrued liability. Retirement, disablement, termination and mortality rates were assumed to follow the LEOFF Plan 1 termination and mortality rates used in the June 30, 2007 actuarial valuation report issued by the Office of the Washington State Actuary (OSA). Healthcare costs and trends were determined by Milliman, Inc., actuarial consultants, and used by OSA in a statewide LEOFF Plan 1 medical study performed in 2007. The expected medical inflation trend starts at 9.0% in 2007 and decreases to 5.0% in 2015; it remains at 5.0% after 2015. The expected long-term care inflation trend is 4.5% for all years. The results were based on grouped data with 4 active groupings and 4 inactive groupings. The actuarial cost method used to determine the actuarial accrued liability was Projected Unit Credit. The AAL and NOO are amortized on an open basis as a level dollar over 15 years. These assumptions are individually and collectively reasonable for the purpose of this valuation. The medical inflation trend is the percentage that medical costs are expected to increase in future years. The actuarial valuations involve estimates of the value of reported amounts and assumptions of the probability of events far into the future and actuarially determined amounts are subject to continual revision as results are compared to past expectations and new estimates are made about the future.

Skagit County, Washington
Notes to the Financial Statements
December 31, 2016

The following table illustrates the components of the January 6, 2015 calculation:

		PVFB	AAL
Inactive:			
	Medical Expenses	3,784,738	3,784,738
	Long-Term Care	1,743,577	1,743,577
	Total Inactive	5,528,315	5,528,315
ARC			
	Normal Cost	-	
	UAAL Amortization	497,223	
ARC		\$ 497,223	
Annual OPEB Cost			
	ARC	497,223	
	NOO Interest	9,626	
	NOO Amortization	(21,645)	
Annual OPEB Cost		485,204	
NOO			
	Starting NOO	240,652	
	Annual OPEB Cost	485,204	
	Contributions*	72,100	
NOO		653,756	

Annual OPEB costs of \$485,204 less expenses of \$60,166 resulted in a net 2015 OPEB obligation of \$425,038. As of December 31, 2016 there were no active members in the LEOFF 1 plan.

The actual expense constitutes 12.4% of the ARC. The County's actuarial accrued liability (AAL) of \$5,528,316 was unfunded as of December 31, 2016.

The following table illustrates prior year's alternative method OPEB calculation as well as benefits cost contributed and net pension obligation:

Year	Annual OPEB Cost	Ending Net OPEB Obligation	Percent of Annual OPEB Cost Contributed
2016	\$ 485,204	\$ 425,038	12.40%
2015	485,204	416,907	14.90%
2014	485,204	413,104	14.50%

Funded Status and Schedule of Funding Progress

As of January 6, 2015, the most recent actuarial valuation date, the plan was zero percent funded. The actuarial accrued liability for benefits was \$5,528,316 and the actuarial value of the assets was zero percent resulting in an Unfunded Actuarial Accrued Liability (UAAL) of \$5,528,316. See RSI section for the Schedule of Funding Progress.

VII. RISK MANAGEMENT

Skagit County is a participating member of the Washington Counties Risk Pool (WCRP). Chapter 48.62 RCW authorizes the governing body of one or more governmental entities to join together for the joint purchasing of insurance, and/or joint self-insuring, and/or joint hiring or contracting for risk management services to the same extent that they may individually purchase insurance, self-insure, or hire or contract for risk management services.

Skagit County, Washington
Notes to the Financial Statements
December 31, 2016

An agreement to form a pooling arrangement was made pursuant to the provisions of Chapter 39.34 RCW, the Interlocal Cooperation Act. The Pool was formed in August of 1988 when 15 counties in the state of Washington joined together by signing an Interlocal Governmental Agreement to pool their self-insured losses and jointly purchase insurance and administrative services. As of December 31, 2016, 26 counties participate in the WCRP.

The Pool allows members to jointly establish a plan of self-insurance, and provides related services, such as risk management and claims administration. Members enjoy occurrence-based, jointly purchased and/or jointly self-insured liability coverage for bodily injury, personal injury, property damage, errors and omissions, and advertising injury caused by a covered occurrence during an eligible period and occurring anywhere in the world. Total coverage limits are \$25 million per occurrence and each member selects its occurrence deductible amount for the ensuing coverage year from these options: \$10,000, \$25,000, \$50,000, \$100,000, \$250,000 or \$500,000. For losses occurring in 2016, Skagit County selects a per-occurrence deductible of \$100,000.

Members make an annual contribution to fund the Pool. The Pool acquires reinsurance for further protection from larger losses, direct protection for the Pool and indirect for the member counties due to the contingent liabilities they would otherwise incur from risk-sharing those losses. The reinsurance agreements are written with self-insured retentions (“SIRs”) equal to the greater of the deductible for the member with the claim or \$100,000. More recent years’ reinsurance programs have included “corridor deductibles” with aggregated stop losses which have the effect of increasing the Pool’s SIR. For 2014-15, this “corridor” increased the SIR to \$2 million, but with an aggregated stop loss of \$3.35 million. Other reinsurance agreements respond up to the applicable policy limits. Those reinsurance agreements contain aggregate limits for the maximum annual reimbursements to the Pool of \$40 million (lowest reinsured layer), \$20 million, (second layer), \$30 million (third layer) and \$50 million (final reinsured layer). Since the Pool is a cooperative program, there is a joint liability among the participating members.

New members may be asked to pay modest fees to cover the costs to analyze their loss data and risk profiles, and for their proportional shares of the entry year’s assessments. New members contract under the Interlocal Agreement to remain in the Pool for at least five years. Following its initial 60-month term, any member may terminate its membership at the conclusion of any Pool fiscal year, provided the county timely files the required advance written notice. Otherwise, the Interlocal Agreement and membership automatically renews for another year. Even after termination, former members remain responsible for reassessments by the Pool for the members’ proportional shares of any unresolved, unreported, and in-process claims for the periods that the former members were signatories to the Interlocal Agreement.

The Pool is fully funded by its member participants. Claims are filed directly with the Pool by members and adjusted by one of the six staff members responsible for evaluating each claim for coverage, establishing reserves, and investigating for any risk-shared liability. The Pool does not contract with any third party administrators for claims adjustment or loss prevention services.

During 2015-16, Skagit County was also one of twenty-six (26) counties which participated in the Washington Counties Property Program (WCPP). Property losses are covered under the WCPP to the participating counties’ buildings and contents, vehicles, mobile/contractor equipment, EDP and communication equipment, etc. that have been scheduled. The WCPP includes ‘All Other Perils (“AOP”)' coverage limits of \$500 million per occurrence as well as Flood and Earthquake (catastrophe) coverages with separate occurrence limits, each being \$200 million. There are no AOP annual aggregate limits, but the flood and earthquake coverages include annual aggregate limits of \$200 million each. Each

Skagit County, Washington
Notes to the Financial Statements
December 31, 2016

participating county is solely responsible for paying their selected deductible, ranging between \$5,000 and \$50,000. Higher deductibles apply to losses resulting from catastrophe-type losses.

Skagit County also participates in the jointly purchased cyber risk and security coverage from a highly-rated commercial insurer.

The Pool is governed by a board of directors which is comprised of one designated representative from each participating member. The Board of Directors generally meets three-times each year with the Annual Meeting of the Pool being held in summer. The Board approves the extent of risk-sharing, approves the Pool's self-insuring coverage documents, approves the selection of reinsurance and excess agreements, and approves the Pool's annual operating budget.

An 11-member executive committee is elected by and from the WCRP Board for staggered, 3-year terms. Authority has been delegated to the Committee by the Board of Directors to, a) approve all disbursements and reviews the Pool's financial health, b) approve case settlements exceeding the applicable member's deductible by at least \$50,000, c) review all claims with incurred loss estimates exceeding \$100,000, and d) evaluate the Pool's operations, program deliverables, and the Executive Director's performance. Committee members are expected to participate in the Board's standing committees (finance, personnel, risk management, and underwriting) which develop or review/revise proposals for and/or recommendations to the association's policies and its coverages for the Board to consider and act upon

During 2015-16, the WCRP's assets grew 4% to \$46.8 million while its liabilities increased slightly to \$29 million. The Pool's net position decreased slightly from \$18.9 million to \$17.9 million. The Pool more than satisfies the State Risk Manager's solvency requirements (WAC 200.100.03001). The Pool is a cooperative program with joint liability amongst its participating members.

Deficits of the Pool resulting from any fiscal year are financed by reassessments of the deficient year's membership in proportion with the initially levied and collected deposit assessments. The Pool's reassessments receivable balance as of December 31, 2016 was zero (\$0). As such, there were no known contingent liabilities at that time for disclosure by the member counties.

The following schedule details the current year's and the prior two year's claims liability activity:

	Current Year			
Fiscal Year	Beginning Balance	Claims & Changes in Estimate	Claim Payments	Year End Balance
2016	\$ 784,945	\$ (61,429)	\$ 252,777	\$ 470,739
2015	609,600	187,385	12,041	784,945
2014	876,500	84,021	350,921	609,600

Other Insurance

Employee on-the-job injuries are covered by industrial insurance through the State of Washington Department of Labor & Industries (L&I). All employees and some volunteers, except LEOFF-1 members and ferry crewmembers, are covered to statutory limits. Industrial insurance (L&I) rates are occupation and experienced based, with base premiums adjusted for individual entity claims experience. The experience modification multiplier was, 1.1994 in 2014, and 1.1572 in 2015, and 1.0809 in 2016.

Skagit County is self-insured for unemployment claims. These claims are processed by the Washington State Department of Employment Security and the county is billed for them on a quarterly basis. The

Skagit County, Washington
Notes to the Financial Statements
December 31, 2016

County has established an Unemployment Compensation Fund which charges other County funds based on estimates of future claims, and pays the claims when they are billed. The Unemployment Compensation Fund had Net Position of \$549,458 at December 31, 2016.

The County is self-insured for dental insurance claims. Washington Dental Services serves as the third party administrator and bills the County for claims paid. Administrative fees and charges paid to Washington Dental Service totaled \$77,225 for 2016. Dental claims activity for 2016 and the preceding two years are as follows:

		Current Year		
Fiscal Year	Beginning Balance	Claims & Changes in Estimate	Claim Payments	Year End Balance
2016	\$ 108,055	\$ 667,394	\$ 672,056	\$ 103,393
2015	105,367	705,048	702,359	108,055
2014	101,567	688,682	684,882	105,367

The County is self-insured for medical insurance coverage for eligible employees. The claims processing is administered by Trusteed Plans. The County's health benefits broker, Wells Fargo, recommends the premiums charged to County funds. These amounts are transferred to the Insurance Services Fund, which pays the amount billed by the claims processor. An insurance policy is in place to cover claims in excess of \$175,000 per claimant. Administrative fees and charges paid to Trusteed Plans totaled \$341,611 for 2016. Medical claims activity for 2016 and the preceding two years are as follows:

		Current Year		
Fiscal Year	Beginning Balance	Claims & Changes in Estimate	Claim Payments	Year End Balance
2016	\$ 1,781,199	\$ 9,816,338	\$ 9,838,537	\$ 1,759,000
2015	1,415,833	11,943,160	11,577,794	1,781,199
2014	1,308,446	9,310,303	9,202,916	1,415,833

VIII. COMMITMENTS, CONTINGENCIES AND LITIGATION

Amounts received or receivable from grantor agencies are subject to audit and adjustment. Any disallowed claims, including amounts already collected, may constitute a liability of the applicable fund. The amount, if any, of expenditures which may be disallowed by a grantor is expected to be immaterial. As discussed in Note V, the County is contingently liable for repayment of refunded debt.

Skagit County is named as the defendant in various lawsuits. Although the outcome of these legal actions is not presently determinable, the County is of the opinion that present reserves are available to adequately cover potential settlements without adversely affecting the financial condition of the County.

In January of 2013, the County entered into an Interlocal agreement contract number C20130043 with the Skagit Regional Public Facilities District whereby the County agreed to issue bonds to refund the PFD 2003 bond issue in order to take advantage of better rates. In February of 2013, the County issued \$8.6 million GO Refunding bonds to refund both the County's 2003 bond issue as well as the Public Facilities District's 2003 bond issue. The PFD's portion of the refunding bonds was \$7,985,000. The balance of the PFD portion of the bond on December 31, 2016 was \$6,170,000, of which \$435,000 is current. The average interest rate received on the refinancing bonds, which pay principal and interest in 2013 through 2026, is 1.89%. The County will reduce the PFD's dedicated sales and use tax to cover the debt service

Skagit County, Washington
Notes to the Financial Statements
December 31, 2016

of the PFD's portion of the refunded bonds. In the event that the PFD cannot cover the debt service for any given year, the County remains responsible for that debt, however; the debt is legally owed to the County by the PFD and secured by the Interlocal agreement. The County used the balance sheet method to account for the PFD debt service. Accordingly, the County reports a receivable in the debt service fund that will be systematically reduced as the funds are received and the bonds are paid.

Leasing Commitments

Future minimum rental payments required under operating leases that have initial or remaining non-cancelable lease terms in excess of one year as of December 31, 2016 are as follows:

	Rental Payments
Year	Due
2016	162,766
2017	42,486
Total	205,252

2015 rent expense for all operating leases, except those with terms of a month or less were all renewed.

Construction

At December 31, 2016, the County had pending construction project contracts in progress. The commitments related to the remaining contract balances are summarized as follows:

	Total	Expended to	Balance
	Contracts	12/31/2016	Unexpended
Governmental Activities			
Clean Water Fund	\$ 2,601,889	\$ 1,718,588	\$ 883,301
Non-Major Government Funds	2,843,421	982,895	1,860,526
Road Fund	16,145,779	6,590,722	9,555,057

Landfill Post Closure Costs

State and federal laws and regulations require Skagit County to perform landfill maintenance and monitoring activities for a minimum of twenty to thirty years after closure. Accordingly, a long-term liability for post closure costs in the amount of \$2774,863, of which \$50,000 is the current portion, is reported in the Solid Waste Fund at December 31, 2016.

Post closure care cost estimates are based on the minimum number of years of maintenance and monitoring required by law multiplied by the current annual expense incurred. The actual future cost may be higher due to inflation, changes in technology, or changes in landfill laws and regulations.

Liabilities for Pollution Remediation Obligations

In accordance with Governmental Accounting Standards Board Statement No. 49, "Accounting and Financial Reporting for Pollution Remediation Obligations", which became effective for the 2008 reporting year, liabilities for environmental cleanup obligations were recorded in the Solid Waste fund and the Equipment Rental and Revolving Fund.

Skagit County, Washington
Notes to the Financial Statements
December 31, 2016

Whitmarsh Landfill

The Solid Waste Fund recognized a liability of \$3,410,216, of which \$10,000 is the current portion, for the closed Whitmarsh Landfill site. In 2007, Skagit County received notice from the Department of Ecology that it was being named a Potentially Liable Party (PLP) under Washington's Model Toxics Control Act (MTCA), as a former operator of the landfill, for releases of leachate from the landfill to the environment. Skagit County implemented a preliminary investigation of the site in 2008 and entered into an Agreed Order with the Department of Ecology along with 3 other named parties. As of December 31, 2016, the County is in Phase II Remedial Investigation stage. Work remaining is Phase II Remedial Investigation, Feasibility Study, and a Cleanup Action Plan.

Sinnes Road Landfill

The Solid Waste Fund recognized a liability of \$521,696, of which \$500 is the current portion for the closed Sinnes Road Landfill site. The Skagit County Health Department facilitated an Agreed Order between the County and two other parties to address the releases of leachate from the landfill to the environment. As of December 31, 2016, the County is in the remedial action stage, with long-term monitoring and maintenance to be determined.

Burlington Road Shop

The Equipment Rental and Revolving Fund recognized a liability of \$110,575, of which \$6,000 is the current portion for costs relating to the monitoring and potential cleanup of soil and water contamination at the site of underground fuel storage tanks. Petroleum-impacted soil and groundwater were initially discovered in 1992 during the removal of three underground fuel storage tanks. Subsequent soil and groundwater investigations were conducted in 1993 by the County. Subsequently, four underground fuel storage tanks were removed. Annual groundwater monitoring using the existing well network was voluntarily implemented in 2003 and has continued to the present. Long-term groundwater monitoring is planned to continue until groundwater conditions improve.

Alger Landfill

The Department of Ecology has ranked the closed Alger Landfill under the Model Toxics Control Act State Hazard Assessment program. It scored a "3" on a scale of 1 to 5, with 1 being the highest relative priority. As of December 31, 2016, no further action has been taken either by the Department of Ecology or the County.

Panorama Landfill

The Department of Ecology has ranked the closed Panorama Landfill under the Model Toxics Control Act State Hazard Assessment program. It scored a "5" on a scale of 1 to 5, with 1 being the highest relative priority. As of December 31, 2016, no further action has been taken either by the Department of Ecology or the County.

These liabilities were computed using the expected cash flow technique, with probabilities assigned to a range of potential costs. They are recorded net of possible insurance recoveries. The actual future costs may be higher due to inflation, changes in technology, changes in remedial plans, or changes in environmental laws and regulations.

Skagit County, Washington
Notes to the Financial Statements
December 31, 2016

IX. PRIOR PERIOD ADJUSTMENTS

Solid Waste – A prior period adjustment of \$41,756 was the result of an accrual error made in 2015.

THIS PAGE INTENTIONALLY LEFT BLANK

Required Supplementary Information



SKAGIT COUNTY, WASHINGTON

General Fund

Schedule of Revenues

Budget (GAAP Basis) and Actual For the Year Ended December 31, 2016

	Budgeted Amounts		Actual	Variance with Final Budget
	Original Budget	Final Budget		
General Property Taxes	24,935,335	24,935,335	24,965,001	29,666
Timber Harvest Taxes	-	-		-
Retail Sales and Use Taxes	8,697,850	8,697,850	9,311,596	613,746
Business Taxes			-	-
Excise Taxes	598,000	598,000	512,519	(85,481)
Penalties and Interest on Delinquent Taxes	-	-	-	-
Total Taxes	34,231,185	34,231,185	34,789,116	557,931
Non-Business Licenses and Permits	282,000	282,000	334,627	52,627
Total Licenses and Permits	282,000	282,000	334,627	52,627
Federal Shared Revenue	-	-	-	-
Indirect Federal Grants	1,795,527	1,795,527	1,891,734	96,207
State Grants	1,231,651	1,231,651	1,547,590	315,939
State Shared Revenue	1,132,300	1,132,300	1,351,994	219,694
In Lieu and State Entitlement Revenue	1,963,381	1,945,920	2,048,466	102,546
Intergovernmental Revenue	1,383,980	1,416,458	1,476,674	60,216
Total Intergovernmental Revenue	7,506,839	7,521,856	8,316,458	794,602
General Government	2,154,086	2,154,086	2,317,979	163,893
Public Safety	268,350	268,350	267,996	(354)
Health and Human Services	52,500	52,500	54,583	2,083
Economic Environment	14,000	14,000	13,860	(140)
Culture and Recreation	-	-	-	-
Interfund Charges for Services	1,455,000	1,455,000	1,677,275	222,275
Total Charges for Goods and Services	3,943,936	3,943,936	4,331,693	387,757
Superior Court Felony/Misdemeanor Penalties	77,000	77,000	68,073	(8,927)
Civil Penalties	9,600	9,600	21,575	11,975
Civil Infraction Penalties	1,358,000	1,358,000	1,120,114	(237,886)
Civil Parking Infraction	2,000	2,000	1,890	(110)
Criminal Traffic Misdemeanor	185,800	185,800	173,523	(12,277)
Criminal Non-Traffic Fines	33,200	33,200	31,044	(2,156)
Criminal Costs	5,100	5,100	7,718	2,618
Non-Court Fines, Forfeitures	30,000	30,000	490,397	460,397
Total Fines and Forfeits	1,700,700	1,700,700	1,914,334	213,634
Interest Earnings	1,898,500	1,898,500	1,747,765	(150,735)
Rents, Leases, Concessions	22,730	22,730	68,765	46,035
Interfund/Interdepartment Miscellaneous	-	-	-	-
Contributions/Donations	37,877	37,877	45,127	7,250
Other Miscellaneous Revenue	30,460	30,460	43,891	13,431
Total Miscellaneous Revenues	1,989,567	1,989,567	1,905,548	(84,019)
Agency Type Deposits	2,000	2,000	2,110	110
Total Non-Revenues	2,000	2,000	2,110	110
Total Revenues	49,656,227	49,671,244	51,593,885	1,922,642

SKAGIT COUNTY, WASHINGTON
Schedule of Expenditures Budget (GAAP Basis) and Actual
For the Year Ending December 31, 2016

	<u>Budgeted Amounts</u>			Variance with Final Budget
	Original Budget	Final Budget	Actual	
<u>General Government</u>				
<u>Assessor</u>				
Salaries and Wages	1,134,672	1,134,672	1,090,692	(43,980)
Personnel Benefits	666,678	666,678	611,411	(55,267)
Supplies	6,000	6,000	5,137	(863)
Other Services and Charges	33,000	33,000	46,619	13,619
Interfund Payments for Services	16,073	16,073	-	(16,073)
Total Assessor	1,856,423	1,856,423	1,753,859	(102,564)
<u>Auditor</u>				
Salaries and Wages	829,125	836,788	836,430	(358)
Personnel Benefits	422,423	422,423	416,158	(6,265)
Supplies	15,200	15,200	13,080	(2,120)
Other Services and Charges	16,450	16,450	15,212	(1,238)
Total Auditor	1,283,198	1,290,861	1,280,880	(9,981)
<u>Board of Equalization</u>				
Salaries and Wages	46,534	46,534	25,058	(21,476)
Personnel Benefits	17,461	17,461	7,619	(9,842)
Supplies	100	100	85	(15)
Other Services and Charges	1,075	1,075	64	(1,011)
Total Board of Equalization	65,170	65,170	32,826	(32,344)
<u>Commissioners</u>				
Salaries and Wages	407,567	415,167	416,795	1,628
Personnel Benefits	174,026	175,526	168,640	(6,886)
Supplies	2,500	2,500	1,104	(1,396)
Other Services and Charges	34,210	34,210	24,897	(9,313)
Total Commissioners	618,303	627,403	611,436	(15,967)
<u>Administrative Services</u>				
Salaries and Wages	573,215	590,015	590,959	944
Personnel Benefits	254,785	261,685	253,562	(8,123)
Supplies	7,000	7,000	2,933	(4,067)
Other Services and Charges	302,360	332,360	296,261	(36,099)
Total Administrative Services	1,137,360	1,191,060	1,143,715	(47,345)
<u>General Maintenance</u>				
Salaries and Wages	649,566	649,566	621,488	(28,078)
Personnel Benefits	410,249	410,249	375,947	(34,302)
Supplies	174,975	174,975	127,233	(47,742)
Other Services and Charges	790,165	790,165	782,649	(7,516)
Interfund Payments for Services	43,477	43,477	-	(43,477)
Total General Maintenance	2,068,432	2,068,432	1,907,317	(161,115)

SKAGIT COUNTY, WASHINGTON
Schedule of Expenditures Budget (GAAP Basis) and Actual
For the Year Ending December 31, 2016

<u>Prosecuting Attorney</u>					-
Salaries and Wages	2,714,751	2,730,003	2,675,453	(54,550)	
Personnel Benefits	1,314,879	1,316,372	1,224,003	(92,369)	
Supplies	34,750	35,050	38,781	3,731	
Other Services and Charges	278,250	278,250	165,247	(113,003)	
Interfund Payments for Services	3,313	5,162	-	(5,162)	
Total Prosecuting Attorney	4,345,943	4,364,837	4,103,484	(261,353)	
<u>Treasurer</u>					-
Salaries and Wages	582,192	582,192	579,641	(2,551)	
Personnel Benefits	307,580	307,580	298,592	(8,988)	
Supplies	17,000	17,000	8,256	(8,744)	
Other Services and Charges	118,000	167,000	157,434	(9,566)	
Total Treasurer	1,024,772	1,073,772	1,043,923	(29,849)	
<u>Non Departmental Expenditures</u>					-
Salaries and Wages	-	-	-	-	
Personnel Benefits	149,814	149,814	143,987	(5,827)	
Supplies	-	-	-	-	
Other Services and Charges	1,153,874	1,096,411	5,999,208	4,902,797	
Interfund Payments for Services	6,704,368	6,704,368	180,661	(6,523,707)	
Total Non Departmental Expenditures	8,008,056	7,950,593	6,323,856	(1,626,737)	
Total General Government					\$ (2,287,255)
\$ 20,407,657					\$ 20,488,551
					\$ 18,201,297
					\$ (2,287,255)
<u>Judicial</u>					
<u>County Clerk</u>					-
Salaries and Wages	982,868	992,868	977,878	(14,990)	
Personnel Benefits	568,753	568,753	545,579	(23,174)	
Supplies	25,000	30,500	25,896	(4,604)	
Other Services and Charges	18,600	30,600	25,773	(4,827)	
Total County Clerk	1,595,221	1,622,721	1,575,126	(47,595)	
<u>District Court</u>					-
Salaries and Wages	1,501,266	1,501,266	1,473,502	(27,764)	
Personnel Benefits	714,906	714,906	681,689	(33,217)	
Supplies	18,000	24,952	24,930	(22)	
Other Services and Charges	62,990	62,990	66,105	3,115	
Interfund Payments for Services	-	-	-	-	
Total District Court	2,297,162	2,304,114	2,246,226	(57,888)	
<u>Public Defender</u>					-
Salaries and Wages	1,790,453	1,790,453	1,748,844	(41,609)	
Personnel Benefits	856,480	856,480	795,920	(60,560)	
Supplies	11,610	12,010	12,226	216	
Other Services and Charges	316,687	322,787	358,088	35,301	
Total Public Defender	2,975,230	2,981,730	2,915,078	(66,652)	
<u>Superior Courts</u>					-
Salaries and Wages	1,118,506	1,118,506	1,109,975	(8,531)	
Personnel Benefits	416,959	416,959	376,391	(40,568)	
Supplies	21,870	21,870	14,016	(7,854)	
Other Services and Charges	363,272	403,612	402,813	(799)	
Total Superior Courts	1,920,607	1,960,947	1,903,195	(57,752)	

SKAGIT COUNTY, WASHINGTON
Schedule of Expenditures Budget (GAAP Basis) and Actual
For the Year Ending December 31, 2016

<u>Assigned Counsel</u>					-
Salaries and Wages	142,860	142,860	143,076	216	
Personnel Benefits	86,592	86,592	76,307	(10,285)	
Supplies	1,100	1,100	1,249	149	
Other Services and Charges	410,000	410,000	427,014	17,014	
Total Assigned Counsel	<u>640,552</u>	<u>640,552</u>	<u>647,646</u>	<u>7,094</u>	
<u>Mediation Services</u>					-
Other Services and Charges	79,310	79,310	72,060	(7,250)	
Total Mediation Services	<u>79,310</u>	<u>79,310</u>	<u>72,060</u>	<u>(7,250)</u>	
Total Judicial					\$ (230,043)
\$ 9,508,082					\$ 9,589,374
\$ 9,359,331					\$ (230,043)
 Public Safety					
<u>District Court Probation</u>					-
Salaries and Wages	358,769	358,769	351,703	(7,066)	
Personnel Benefits	180,129	180,129	172,792	(7,337)	
Supplies	3,000	3,000	1,439	(1,561)	
Other Services and Charges	2,800	2,800	3,124	324	
Total District Court Probation	<u>544,698</u>	<u>544,698</u>	<u>529,058</u>	<u>(15,640)</u>	
<u>Non-Departmental - County Jail Costs</u>					
Interfund Payments for Services	5,637,763	5,637,763	5,637,763	-	
Total Non-Departmental - County Jail Costs	<u>5,637,763</u>	<u>5,637,763</u>	<u>5,637,763</u>	<u>-</u>	
 <u>Office of Juvenile Court</u>					-
Salaries and Wages	1,860,376	1,860,376	1,824,562	(35,814)	
Personnel Benefits	1,015,841	1,015,841	945,578	(70,263)	
Supplies	22,850	22,850	16,397	(6,453)	
Other Services and Charges	67,323	67,323	50,762	(16,561)	
Interfund Payments for Services	1,825	1,825	-	(1,825)	
Total Office of Juvenile Court	<u>2,968,215</u>	<u>2,968,215</u>	<u>2,837,299</u>	<u>(130,916)</u>	
 <u>Civil Service Commission</u>					-
Salaries and Wages	22,472	22,472	16,869	(5,603)	
Personnel Benefits	3,573	3,573	4,479	906	
Supplies	-	-	-	-	
Other Services and Charges	1,400	1,400	875	(525)	
Total Civil Service Commission	<u>27,445</u>	<u>27,445</u>	<u>22,223</u>	<u>(5,222)</u>	
 <u>Sheriff</u>					-
Salaries and Wages	5,201,788	5,290,027	5,159,073	(130,954)	
Personnel Benefits	2,223,517	2,254,041	2,145,609	(108,432)	
Supplies	75,775	113,659	104,978	(8,681)	
Other Services and Charges	194,200	220,541	864,228	643,687	
Interfund Payments for Services	920,775	920,775	249,390	(671,385)	
Total Sheriff	<u>8,616,055</u>	<u>8,799,043</u>	<u>8,523,278</u>	<u>(275,765)</u>	
 Total Public Safety					\$ (427,543)
\$ 17,794,176					\$ 17,977,164
\$ 17,549,621					\$ (427,543)

SKAGIT COUNTY, WASHINGTON
Schedule of Expenditures Budget (GAAP Basis) and Actual
For the Year Ending December 31, 2016

Physical Environment

<u>Sustainability</u>					-
Salaries and Wages	3,804	4,304	3,880	(424)	
Personnel Benefits	1,723	1,723	1,673	(50)	
Supplies	5,500	5,000	-	(5,000)	
Other Services and Charges	3,000	3,000	-	(3,000)	
Interfund Payments for Services	1,032	1,032	-	(1,032)	
Total Sustainability	<u>15,059</u>	<u>15,059</u>	<u>5,553</u>	<u>(9,506)</u>	
Total Physical Environment					
	\$ 15,059	\$ 15,059	\$ 5,553	\$ (9,506)	

Economic Environment

<u>Boundary Review Board</u>					-
Salaries and Wages	2,820	2,820	1,687	(1,133)	
Personnel Benefits	1,535	1,535	670	(865)	
Supplies	-	-	-	-	
Other Services and Charges	10,000	10,000	8,743	(1,257)	
Total Boundary Review Board	<u>14,355</u>	<u>14,355</u>	<u>11,100</u>	<u>(3,255)</u>	

Hearing Examiner

					-
Salaries and Wages	25,381	25,381	15,919	(9,462)	
Personnel Benefits	13,813	13,813	6,409	(7,404)	
Supplies	100	100	105	5	
Other Services and Charges	65,000	65,000	60,420	(4,580)	
Total Hearing Examiner	<u>104,294</u>	<u>104,294</u>	<u>82,853</u>	<u>(21,441)</u>	

Animal Control

					-
Salaries and Wages	52,770	52,770	52,973	203	
Personnel Benefits	31,145	31,145	32,754	1,609	
Supplies	3,000	3,000	157	(2,843)	
Other Services and Charges	31,500	31,500	32,726	1,226	
Interfund Payments for Service	12,528	12,528	-	(12,528)	
Total Animal Control	<u>130,943</u>	<u>130,943</u>	<u>118,610</u>	<u>(12,333)</u>	

Noxious Weed Control

					-
Salaries and Wages	92,030	92,030	81,493	(10,537)	
Personnel Benefits	39,892	39,892	35,672	(4,220)	
Supplies	5,100	5,100	4,947	(153)	
Other Services and Charges	5,595	5,595	16,176	10,581	
Interfund Payments for Service	8,731	13,236	4,543	(8,693)	
Total Noxious Weed Control	<u>151,348</u>	<u>155,853</u>	<u>142,831</u>	<u>(13,022)</u>	

AG Advisory Board

					-
Salaries and Wages	2,921	2,921	1,795	(1,126)	
Personnel Benefits	1,556	1,556	923	(633)	
Other Services and Charges	100	100	77	(23)	
Total AG Advisory Board	<u>4,577</u>	<u>4,577</u>	<u>2,795</u>	<u>(1,782)</u>	

Total Economic Environment **\$ 405,517** **\$ 410,022** **\$ 358,189** **\$ (51,833)**

**Schedule of Expenditures Budget (GAAP Basis) and Actual
General Fund
For the Year Ended December 31, 2016**

	<u>Budgeted Amounts</u>			Variance with Final Budget
	Original Budget	Final Budget	Actual	
<i>Health and Human Services</i>				
<u>Coroner</u>				
Salaries and Wages	113,145	134,278	126,576	(7,702)
Personnel Benefits	42,650	50,627	47,885	(2,742)
Supplies	4,000	8,500	13,825	5,325
Other Services and Charges	139,262	139,262	120,896	(18,366)
Interfund Payment for Services	11,999	11,999	-	(11,999)
Total Coroner Extension	<u>311,056</u>	<u>344,666</u>	<u>309,182</u>	<u>(35,484)</u>
Total Health and Human Services	\$ 311,056	\$ 344,666	\$ 309,182	\$ (35,484)
<i>Culture and Recreation</i>				
<u>Cooperative Extension</u>				
Salaries and Wages	-	-	-	-
Personnel Benefits	-	-	-	-
Supplies	-	-	-	-
Other Services and Charges	319,405	324,405	324,405	-
Total Cooperative Extension	<u>319,405</u>	<u>324,405</u>	<u>324,405</u>	<u>-</u>
<u>Historical Museum</u>				
Salaries and Wages	-	-	-	-
Personnel Benefits	-	-	-	-
Supplies	-	-	-	-
Other Services and Charges	154,500	154,500	154,500	-
Total Historical Museum	<u>154,500</u>	<u>154,500</u>	<u>154,500</u>	<u>-</u>
Total Culture and Recreation	\$ 473,905	\$ 478,905	\$ 478,905	\$ -
Capital Outlay				
<u>Capital Outlay</u>				
Capital Outlay	20,000	20,000	10,085	(9,915)
Total Capital Outlay	<u>20,000</u>	<u>20,000</u>	<u>10,085</u>	<u>(9,915)</u>
TOTAL EXPENDITURES	<u>\$ 48,935,452</u>	<u>\$ 49,323,741</u>	<u>\$ 46,272,163</u>	<u>\$ (3,051,579)</u>

SKAGIT COUNTY, WASHINGTON
Schedule of Revenues, Expenditures and Changes in Fund Balances - Budget to Actual
Mental Health Fund
For the Year Ended December 31, 2016

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance</u>
	<u>Original</u>	<u>Final</u>		
Budgeted Fund Balance, January 1	\$ 719,692	\$ 905,916	\$ 6,922,415	
Resources (in-flows)				
General Property Taxes	306,149	306,149	335,545	29,396
Timber Harvest Taxes	9,895	9,895	6,700	(3,195)
Excise Taxes	2,593,399	2,593,399	2,882,637	289,238
Licenses and Permits				-
Intergovernmental Revenues	445,310	2,211,480	2,563,098	351,618
Charges for Services	1,427,770	-	-	-
Interest Earnings	7,556	7,556	12,433	4,877
Other Revenue	99	99	243	144
Total Resources (in-flows)	<u>4,790,178</u>	<u>5,128,578</u>	<u>5,800,656</u>	<u>672,078</u>
Amounts Available for Appropriation	5,509,870	6,034,494	12,723,071	
Charges to Appropriations (out-flows)				
Health and Human Services	5,236,683	5,761,307	4,896,097	(865,210)
Transfers Out	273,187	273,187	191,302	(81,885)
Amount Charged to Appropriations (out-flows)	<u>5,509,870</u>	<u>6,034,494</u>	<u>5,087,399</u>	<u>(947,095)</u>
Budgeted Fund Balance, December 31	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 7,635,672</u>	

SKAGIT COUNTY, WASHINGTON
Schedule of Revenues, Expenditures and Changes in Fund Balances - Budget to Actual
County Road Fund
For the Year Ended December 31, 2016

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance</u>
	<u>Original</u>	<u>Final</u>		
Budgeted Fund Balance, January 1	\$ (1,230,769)	\$ (1,230,769)	\$ 4,269,029	
Resources (in-flows)				
General Property Taxes	13,375,372	13,375,372	13,546,832	171,460
Timber Harvest Taxes	-	-	-	-
Excise Taxes	350,000	350,000	417,362	67,362
Licenses and Permits	104,000	104,000	81,598	(22,402)
Intergovernmental Revenues	10,445,545	10,445,545	7,168,263	(3,277,282)
Charges for Services	2,489,788	2,489,788	1,574,158	(915,630)
Interest Earnings	1,100	1,100	477	(623)
Other Revenue	56,000	56,000	182,526	126,526
Total Resources (in-flows)	<u>26,821,805</u>	<u>26,821,805</u>	<u>22,971,216</u>	<u>(3,850,589)</u>
Amounts Available for Appropriation	25,591,036	25,591,036	27,240,245	
Charges to Appropriations (out-flows)				
General Government	94,686	94,686	94,327	(359)
Transportation	18,623,020	19,034,227	18,163,294	(870,933)
Capital Expenditures	6,873,330	6,462,123	846,976	(5,615,147)
Transfers Out	-	-	13,288	13,288
Amount Charged to Appropriations (out-flows)	<u>25,591,036</u>	<u>25,591,036</u>	<u>19,117,885</u>	<u>(6,473,151)</u>
Budgeted Fund Balance, December 31	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 8,122,360</u>	

SKAGIT COUNTY, WASHINGTON

Notes to Required Supplementary Information

The annual budget for Skagit County is adopted in accordance with the provisions of the Revised Code of Washington (RCW), as interpreted by the Budget, Accounting, and Reporting System (BARS) of the State of Washington, and on a basis consistent with generally accepted accounting principles. All government funds with the exception of the Treasurer's O&M fund, as per RCW 84.56.020(9), have legally adopted budgets.

The annual appropriated budget is adopted at the department level within the General Fund, and at the fund level for government funds.

Appropriations at the department level and the budgets constitute the legal authority for expenditures at purposes, expenditures are further segregated by object class of expenditure. Object class refers to a segmentation of expenditures into five categories. These categories are salaries and wages, personnel benefits, supplies, other services and charges, and capital expenditures. Expenditures may not exceed appropriations at the department level and the budgets constitute the legal authority for expenditures at that level. All appropriations lapse thirty days after the close of each year.

Budget status reports are used to compare the budgeted amounts with actual revenues and expenditures. Revenues and expenditures can be monitored at fund, department, division, activity, or object class level.

Skagit County adheres to the statutory provisions established by the Revised Code of Washington (RCW) 36.40. Significant procedures in the budget process include the following:

On or before the second Monday in July, County officials are requested to prepare estimates of revenues and expenditures for the next fiscal year.

On or before the third Friday in August, each County official submits detailed estimates of probable revenues and expenditures for the ensuing year.

On or before the first Tuesday in September, the preliminary annual budget is submitted to the Board of County Commissioners.

The Commissioners conduct public meetings on the proposed budget from September through October.

The Commissioners hold a public hearing on or before the first Monday in December to receive testimony on the budget.

The Commissioners make adjustments to the proposed budget and adopt, by resolution, a final balanced budget no later than December 31.

Upon Adoption, the final budget is made available to the public.

Budget revisions in the form of supplemental appropriation resolutions are approved by the Board of County Commissioners in the legally prescribed manner during public meetings throughout the year. Any proposed revisions which alter the total appropriation of any fund are published in the County's legal newspaper once per week for two consecutive weeks before the public hearing to enable taxpayer input.

Changes to the appropriation for object classes that do not alter the total budget for any fund may be made by resolution approved by a simple majority during any public meeting.

Required Supplementary Information
Schedule of Proportionate Share of the Net Pension Liability
PERS Plan 1
As of June 30, 2016

	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024
Employer's proportion of the net pension liability (asset)	0.300733%	0.295309%								
Employer's proportionate share of the net pension liability	\$ 15,731,133	\$ 15,859,484								
Total	15,731,133	15,859,484	-	-	-	-	-	-	-	-
Employer's covered employee payroll	\$ 797,955	\$ 34,498,770								
Employer's proportionate share of the net pension liability as a percentage of covered employee payroll	1971.4307%	45.9712%								
Plan fiduciary net position as a percentage of the total pension liability	59.10%	57.03%								

PERS Plan 2/3
As of June 30, 2016

	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024
Employer's proportion of the net pension liability (asset)	0.342725%	0.333619%								
Employer's proportionate share of the net pension liability	\$ 12,245,760	\$ 16,797,453								
Total	12,245,760	16,797,453	-	-	-	-	-	-	-	-
Employer's covered employee payroll	\$ 30,413,995	\$ 31,186,047								
Employer's proportionate share of the net pension liability as a percentage of covered employee payroll	40.263568%	53.862078%								
Plan fiduciary net position as a percentage of the total pension liability	89.20%	85.82%								

Required Supplementary Information
Schedule of Proportionate Share of the Net Pension Liability
PSERS 2
As of June 30, 2016

	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024
Employer's proportion of the net pension liability (asset)	0.773485%	0.841384%								
Employer's proportionate share of the net pension liability	\$ 141,176	\$ 357,571								
Total	141,176	357,571	-	-	-	-	-	-	-	-
Employer's covered employee payroll	\$ 2,264,702	\$ 2,727,837								
Employer's proportionate share of the net pension liability as a percentage of covered employee payroll	6.2337762%	13.1082269%								
Plan fiduciary net position as a percentage of the total pension liability	95.08%	90.41%								

LEOFF 1
As of June 30, 2016

	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024
Employer's proportion of the net pension liability	0.024877%	0.24782%								
Employer's proportionate share of the net pension liability (asset)	\$ (299,823)	\$ (255,325)								
Total	(299,823)	(255,325)	-	-	-	-	-	-	-	-
Employer's covered employee payroll	\$ -	\$ -								
Employer's proportionate share of the net pension liability as a percentage of covered employee payroll	-	-								
Plan fiduciary net position as a percentage of the total pension liability	127.36%	123.74%								

Required Supplementary Information
Schedule of Proportionate Share of the Net Pension Liability
LEOFF 2
As of June 30, 2016

	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024
Employer's proportion of the net pension liability (asset)	0.1464060%	0.155763%								
State's proportionate share of the net pension liability (asset) associated with the employer	39.80258%	39.464647%								
Employer's proportionate share of the net pension liability	\$ (1,504,761)	\$ (905,964)								
Total	(1,504,760)	(905,964)	-	-	-	-	-	-	-	-
Employer's covered employee payroll	\$ 4,249,285	\$ 4,718,706								
Employer's proportionate share of the net pension liability as a percentage of covered employee payroll	-35.412099%	-19.199416%								
Plan fiduciary net position as a percentage of the total pension liability	111.67%	106.04%								

**Required Supplementary Information
Schedule of Employer Contributions
PERS Plan 1
As of December 31, 2016
Last 10 Fiscal Years***

	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024
Contractually required contributions	1,382,161	1,646,844.69								
Contributions in relation to the contractually required contributions	1,382,161	1,646,844.69								
Contribution deficiency (excess)	-									
Covered Employer Payroll	\$ 797,955	\$ 32,315,060								
Contributions as a percentage of covered employee payroll	173.2129%	5.0962%								

* Until a full 10-year trend is compiled, only those years for which the information is available is presented.

**PERS Plan 2/3
As of December 31, 2016
Last 10 Fiscal Years***

	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024
Contractually required contributions	1,526,676	1,890,136								
Contributions in relation to the contractually required contributions	1,526,676	1,890,136								
Contribution deficiency (excess)	-	-								
Covered Employer Payroll	30,413,995	30,353,338								
Contributions as a percentage of covered employee payroll	5.0196497%	6.2271107%								

* Until a full 10-year trend is compiled, only those years for which the information is available is presented.

**Required Supplementary Information
Schedule of Employer Contributions
PSERS 2
As of December 31, 2016
Last 10 Fiscal Years***

	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024
Contractually required contributions	144,140	186,909								
Contributions in relation to the contractually required contributions	144,140	186,909								
Contribution deficiency (excess)	-	-								
Covered Employer Payroll	\$ 2,264,702	\$ 2,836,671								
Contributions as a percentage of covered employee payroll	6.364611%	6.589011%								

* Until a full 10-year trend is compiled, only those years for which the information is available is presented.

**LEOFF 2
Last 10 Fiscal Years***

	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024
Contractually required contributions	\$ 214,589	\$ 228,832								
Contributions in relation to the contractually required contributions	214,589	228,832								
Contribution deficiency (excess)	-	-								
Covered Employer Payroll	4,249,285	4,531,335								
Contributions as a percentage of covered employee payroll	5.0500058%	5.0499972%								

* Until a full 10-year trend is compiled, only those years for which the information is available is presented.

**Required Supplementary Information
Other Postemployment Benefits
LEOFF 1 Retiree Medical Benefits
Schedule of Funding Progress
12/31/2016**

For the Year Ended	Actuarial Valuation Date	Actuarial Valuation of Assets	Actuarial Accrued Liability	Unfunded Actuarial Accrued Liabilities (UAAL)	Funded Ratio	Annual Required Contribution (ARC)	Covered Payroll	AAL as a Percentage of Covered Payroll
2008	5/13/2009	\$ -	\$ 4,574,084	\$ 4,574,084	0%	\$ 465,505	\$ 59,932	7632%
2009	5/13/2009	\$ -	\$ 4,574,084	\$ 4,574,084	0%	\$ 465,505	\$ 24,262	18853%
2010	5/13/2009	\$ -	\$ 4,574,084	\$ 4,574,084	0%	\$ 465,505	\$ -	0%
2011	1/23/2012	\$ -	\$ 3,513,272	\$ 3,513,272	0%	\$ 327,134	\$ -	0%
2012	1/23/2012	\$ -	\$ 3,513,272	\$ 3,513,272	0%	\$ 327,134	\$ -	0%
2013	1/23/2012	\$ -	\$ 3,513,272	\$ 3,513,272	0%	\$ 327,134	\$ -	0%
2014	1/16/2015	\$ -	\$ 5,528,315	\$ 5,528,315	0%	\$ 497,223	\$ -	0%
2015	1/16/2015	\$ -	\$ 5,528,315	\$ 5,528,315	0%	\$ 497,223	\$ -	0%
2016	1/16/2015	\$ -	\$ 5,528,315	\$ 5,528,315	0%	\$ 497,223	\$ -	0%

The LEOFF 1 AAL has been prepared using the alternative method issued by the Office of State Actuary (OSA).

The actuarial calculations of the OPEB plan reflect a long-term perspective.

Actuarial Assumptions

Medical Inflation Trend*	+or- 1%
UAAL Amortization Trend	30 years
Annual Growth Budget Rate	5%

* The medical inflation trend is the percent that medical costs are expected to increase in future years. The expected medical inflation trend starts at 9.0% in 2007 and decreases to 5.0% in 2015; it remains at 5.0% after 2015. The expected long-term care inflation trend is 4.5% for all years. These were developed from health care actuaries contracted at Milliman.

Please see Note VI D for further information.

THIS PAGE INTENTIONALLY LEFT BLANK

Individual and Combining Statements and Schedules



SKAGIT COUNTY, WASHINGTON
COMBINING BALANCE SHEET
NONMAJOR GOVERNMENTAL FUNDS
AS OF DECEMBER 31, 2016

	Non Major Funds			Total
	Special	Debt	Capital	
	Revenue	Service	Project	
ASSETS and OUTFLOWS of RESOURCES				
Cash/Cash Equivalents	\$ 10,955,709	\$ 588,830	\$ 4,299,185	\$ 15,843,724
Investments	7,115,540	1,041,017	11,256,329	19,412,886
Taxes Receivable	226,717	80	-	226,797
Accounts Receivable	128,851	-	-	128,851
Due From Other Funds	34,186	-	-	34,186
Due From Other Governmental Units	1,919,703	-	475,247	2,394,948
Interfund Loan Receivable	1,000	-	-	1,000
Inventory/Prepayments	-	-	-	-
Total Assets	20,381,705	1,629,926	16,030,761	38,042,391
Deferred Outflows of Resources				
Total Assets and Deferred Outflows of Resources	20,381,705	1,629,926	16,030,761	38,042,391
LIABILITIES, DEFERRED INFLOWS of RESOURCES and FUND BALANCES				
<u>Liabilities</u>				
Accounts/Vouchers Payable	827,090	-	\$ 464,916	1,292,000
Due To Other Funds	574,172	-	-	574,172
Due To Other Governmental Units	344,183	-	-	344,183
Accrued Wages Payable	275,552	-	-	275,552
Accrued Employee Benefits	121,192	-	-	121,192
Custodial Accounts	81,925	-	-	81,925
Deferred Revenue	248,162	-	-	248,162
Long-Term Interfund Loans Payable	-	1,000	-	1,000
Total Liabilities	2,472,276	1,000	464,916	2,938,187
Deferred Inflows of Resources	226,717	80		226,797
<u>Fund Balance</u>				
Nonspendable	0		-	-
Restricted	10,175,161	1,628,846	15,565,845	27,369,852
Committed	7,507,552		-	7,507,552
Assigned	-		-	-
Unassigned	-		-	-
Total Fund Balances	17,682,712	1,628,846	15,565,845	34,877,407
Total Liabilities, Deferred Inflows of Resources and Fund Balances	\$ 20,381,705	\$ 1,629,926	\$ 16,030,761	\$ 38,042,391

SKAGIT COUNTY, WASHINGTON
COMBINING STATEMENT OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCE
NONMAJOR GOVERNMENTAL FUNDS
FOR THE YEAR ENDED DECEMBER 31, 2016

	Non Major Funds			
	Special Revenue	Debt Service	Capital Project	Total
<u>Revenues</u>				
Property Taxes	\$8,208,582	-	\$1,980,318	\$ 10,188,900
Sales and Use Taxes	4,558,720		2,608,331	7,167,051
Other Taxes	216,707		-	216,707
Licenses and Permits	1,302,412	-	-	1,302,412
Intergovernmental	6,404,494	-	-	6,404,494
Charges for Services	3,604,844	-	11,825	3,616,669
Fines and Forfeits	134,422	-	-	134,422
Interest Earnings	33,508	69,911	47,639	151,058
Donations	510,807	-	-	510,807
Other Revenues	349,257	391,072	62,946	803,275
Total Revenues	<u>25,323,754</u>	<u>460,982</u>	<u>4,711,059</u>	<u>30,495,796</u>
<u>Expenditures</u>				
Current:				
General Governmental Services	1,334,391	-	-	1,334,390
Public Safety	10,774,356	-	-	10,774,356
Physical Environment	3,324,385	-	-	3,324,385
Transportation	182,610	-	-	182,610
Economic Environment	3,167,652	-	1,248,600	4,416,252
Health and Human Services	6,697,567	-	-	6,697,567
Culture and Recreation	1,861,637	-	162,796	2,024,433
Debt Service:	-	-	-	-
Principal	-	1,557,880	-	1,557,880
Interest	-	627,770	-	627,770
Capital Outlay	2,970,415	-	1,881,336	4,851,751
Total Expenditures	<u>30,313,014</u>	<u>2,185,650</u>	<u>3,292,732</u>	<u>35,791,395</u>
Excess (Deficit) Revenues Over Expenditures	<u>(4,989,260)</u>	<u>(1,724,668)</u>	<u>1,418,327</u>	<u>(5,295,599)</u>
<u>Other Financing Sources (Uses)</u>				
<u>Interfund Loan receivable</u>				
Proceeds of Long-Term Debt	142,014	588,619	3,303,699	4,034,332
Proceeds of Capital Assets	8,000	-	-	8,000
Transfers In	5,039,187	1,379,950	856,152	7,275,289
Transfers Out	(139,600)	-	(2,236,102)	(2,375,702)
Total Other Financing Source (Uses)	<u>5,049,601</u>	<u>1,968,569</u>	<u>1,923,749</u>	<u>8,941,919</u>
Net Change in Fund Balance	<u>60,341</u>	<u>243,901</u>	<u>3,342,076</u>	<u>3,646,320</u>
Fund Balance-January 1	17,622,373	1,384,945	12,223,769	31,231,087
Prior Period Adjustment	-	-	-	-
Fund Balance-December 31	<u>17,682,714</u>	<u>1,628,846</u>	<u>15,565,845</u>	<u>\$ 34,877,407</u>

SKAGIT COUNTY, WASHINGTON
NONMAJOR SPECIAL REVENUE FUNDS
AS OF DECEMBER 31, 2016

Special Revenue Funds are utilized to account for the proceeds from specific revenue sources other than expendable trusts or major capital project that are legally restricted for the purposes so designated. Both revenues and expenditures are budgeted in compliance with the Revised Code of Washington 36.40. The modified accrual basis of accounting is applied. A description of each fund follows:

Public Health Fund - A fund to account for the financial operations of County health programs.

Special Paths Fund - A fund established in accordance with RCW 46.68.100. The specific purpose of the fund is to set aside monies for establishing and maintaining paths and trails within the right-of-way of County roads for pedestrians, equestrians or bicyclist.

Emergency Management Fund - A fund established to account for emergency services within the County.

County Fair Fund - A fund to finance the promotion of the Skagit County Fair as established by Skagit County Code. Partial funding for the Fair is derived from the State Department of Agriculture, so the Fair must conform to RCW 15.76.

Veterans Relief Fund - This is a fund to finance emergency financial assistance to veterans and their surviving spouses.

Law Library Fund - A fund to finance the purchase of legal publications and maintenance of a law library used by judges, attorneys, and the general public.

River Improvement Fund - A fund established to account for river improvements.

Treasurer's Operation & Maintenance Fund - A fund to account for extraordinary costs incurred collecting delinquent real and personal taxes.

Document Preservation Fund - A fund to finance the acquisition, installation, operation and maintenance of equipment to copy, preserve, and index documents recorded in the county.

Election Reserves Fund - A fund to finance election services and equipment.

Parks & Recreation Fund - A fund to finance the maintenance of parks and the needs of the County through recreational facilities and programs.

Substance Abuse Fund - A fund established to coordinate alcohol/substance abuse rehabilitation within the County.

Community Services Fund - A fund established to assist senior citizens.

Convention Center Fund - A fund to account for the programs funded through the accommodations excise tax.

Clean Water Fund – A fund established to account for salmon recovery projects

Conservation Futures Fund - A fund created for the purpose of preserving farmland and critical areas in the County.

Medic 1 Services Fund - A fund to finance the overall coordination of basic and advanced life support services within the County.

Crime/Victim Fund - A fund established for the administration of the Victim/Witness Program.

SKAGIT COUNTY, WASHINGTON
NONMAJOR SPECIAL REVENUE FUNDS
AS OF DECEMBER 31, 2016

Communication System Fund - A fund established to administer the emergency services communication system.

Water Quality - A fund established to account for the county's revolving loan fund program for The Clean Water District.

Planning & Development Services Fund - A Fund established for the administration of Planning and Development Services.

Lake Management District No. 1 – A fund established to collect assessments and to pay for costs related to lake improvements and maintenance activities on Big Lake.

Lake Management District No. 2 – A fund established to collect assessments and to pay for costs related to lake improvements and maintenance activities on Lake McMurray.

Lake Management District No. 3 – A fund established to collect assessments and to pay for costs related to lake improvements and maintenance activities on Lakes Erie and Campbell.

Lake Management District No. 4 – A fund established to collect assessments and to pay for costs related to lake improvements and maintenance activities on Clear and Beaver Lakes.

Edison Clean Water District Subarea – A fund established to collect operating assessments and to pay for the operations and maintenance of the Edison wastewater collection and treatment system.

Drug Enforcement - A fund established for drug enforcement activities.

Boating Safety – A fund established to receive state funding to be used exclusively for safety costs related to boating safety programs within the County.

Low Income Housing - A fund established to collect recording fees and to spend those fees on low-income housing projects.

Title III Projects – A fund established to collect revenues and to expend on projects in accordance with Public Law 106-393.

Treasurer's REET - A fund established to collect certain excise Tax fees and expend for the development and maintenance of an electronic reporting system for real estate excise tax affidavits.

Housing & Assistance - A fund established to collect and expend certain recorded document fees for very low-income housing projects and administration.

Interlocal Investigations - A fund established for use by participating law enforcement agencies for investigative activities.

SKAGIT COUNTY, WASHINGTON
COMBINING BALANCE SHEET
NONMAJOR SPECIAL REVENUE FUNDS
AS OF DECEMBER 31, 2016

ASSETS and OUTFLOWS of RESOURCES	Public Health	Special Paths	Emergency Mgmt	County Fair
Cash and Cash Equivalents	\$872,532	\$365,782	\$161,336	\$715,476
Investments	100,389	58,348		
Taxes Receivable				
Accounts Receivable	10,448		-	
Due from Other Funds	27,487		-	-
Due from Other Governments	382,483		48,885	
Interfund Loans Receivable				
Inventories	-			
Prepaid Items				
Total Assets	1,393,339	424,130	210,221	715,476
Deferred Outflows of Resources				
Total Assets and Deferred Outflows of Resources	1,393,339	424,130	210,221	715,476
 LIABILITIES, DEFERRED INFLOWS of REOURCES and FUND BALANCES				
<u>Liabilities</u>				
Accounts and Vouchers Payable	2,554	4,693	761	2,974
Due to Other Funds	232,608	3,771	38,397	11,393
Due to Other Governments	-	-	-	
Accrued Wages Payable	83,689	3,336	6,615	2,882
Accrued Employee Benefits	18,294	747	1,452	709
Custodial Accounts	(2,605)			-
Unearned Revenue	-			107,934
Interfund Loans Payable				
Total Liabilities	334,539	12,547	47,225	125,892
Deferred Inflows of Resources	-			
<u>Fund Balance</u>				
Nonspendable	-			
Restricted	733,431	411,583		
Committed	325,369		162,996	589,585
Assigned				
Unassigned				
Total Fund Balances	1,058,800	411,583	162,996	589,585
Total Liabilities, Deferred Inflows of Resources and Fund Balances	1,393,339	424,130	210,221	715,476

SKAGIT COUNTY, WASHINGTON
COMBINING BALANCE SHEET
NONMAJOR SPECIAL REVENUE FUNDS
AS OF DECEMBER 31, 2016

ASSETS and OUTFLOWS of RESOURCES	Veterans' Relief	Law Library	River Imp	Treasurer O&M
Cash and Cash Equivalents	\$632,109	\$49,287	(\$7,596)	\$47,745
Investments			105,108	222,276
Taxes Receivable	5,057			
Accounts Receivable			-	
Due from Other Funds			-	
Due from Other Governments			12,885	
Interfund Loans Receivable				
Inventories				
Prepaid Items				
Total Assets	637,166	49,287	110,398	270,021
Deferred Outflows of Resources				
Total Assets and Deferred Outflows of Resources	637,166	49,287	110,398	270,021
LIABILITIES, DEFERRED INFLOWS of RECOURCES and FUND BALANCES				
<u>Liabilities</u>				
Accounts and Vouchers Payable	35,695	2,260	33,439	-
Due to Other Funds	3,764		3,642	
Due to Other Governments		-		
Accrued Wages Payable		2,408	1,348	-
Accrued Employee Benefits		453	314	
Custodial Accounts				
Unearned Revenue				
Interfund Loans Payable				
Total Liabilities	39,459	5,121	38,743	-
Deferred Inflows of Resources	5,057			
<u>Fund Balance</u>				
Nonspendable				
Restricted	592,650			270,021
Committed		44,166	71,655	
Assigned				
Unassigned				
Total Fund Balances	592,650	44,166	71,655	270,021
Total Liabilities, Deferred Inflows of Resources and Fund Balances	637,166	49,287	110,398	270,021

SKAGIT COUNTY, WASHINGTON
COMBINING BALANCE SHEET
NONMAJOR SPECIAL REVENUE FUNDS
AS OF DECEMBER 31, 2016

ASSETS and OUTFLOWS of RESOURCES	Document			Substance
	Preserv	Election	Parks & Rec	Abuse
Cash and Cash Equivalents	\$366,543	\$708,834	\$397,631	\$543,081
Investments	327,090		422,735	
Taxes Receivable				
Accounts Receivable	-	-		11,326
Due from Other Funds				6,699
Due from Other Governments		-		(79,294)
Interfund Loans Receivable				
Inventories				
Prepaid Items				
Total Assets	693,633	708,834	820,366	481,812
Deferred Outflows of Resources				
Total Assets and Deferred Outflows of Resources	693,633	708,834	820,366	481,812
 LIABILITIES, DEFERRED INFLOWS of RECOURCES and FUND BALANCES				
<u>Liabilities</u>				
Accounts and Vouchers Payable	2,245	2,775	14,247	22,642
Due to Other Funds		54,795		19,939
Due to Other Governments		-	-	-
Accrued Wages Payable	1,899	7,452	20,731	-
Accrued Employee Benefits	386	1,522	4,608	-
Custodial Accounts			1,821	
Unearned Revenue			132,851	
Interfund Loans Payable		-		
Total Liabilities	4,530	66,545	174,258	42,581
Deferred Inflows of Resources				
<u>Fund Balance</u>				
Nonspendable				
Restricted	689,103			439,231
Committed		642,289	646,108	
Assigned				
Unassigned				
Total Fund Balances	689,103	642,289	646,108	439,231
Total Liabilities, Deferred Inflows of Resources and Fund Balances	693,633	708,834	820,366	481,812

SKAGIT COUNTY, WASHINGTON
COMBINING BALANCE SHEET
NONMAJOR SPECIAL REVENUE FUNDS
AS OF DECEMBER 31, 2016

ASSETS and OUTFLOWS of RESOURCES	Community Services	Conv. Center	Clean Water	Conserv. Futures
Cash and Cash Equivalents	\$290,307	\$217,798	\$260,232	\$1,375,687
Investments		130,705	4	668,116
Taxes Receivable			58,345	20,905
Accounts Receivable	106,319	-	-	
Due from Other Funds			-	
Due from Other Governments	52,192	52,450	153,948	231,000
Interfund Loans Receivable				
Inventories				
Prepaid Items				
Total Assets	448,818	400,953	472,529	2,295,708
Deferred Outflows of Resources				
Total Assets and Deferred Outflows of Resources	448,818	400,953	472,529	2,295,708
 LIABILITIES, DEFERRED INFLOWS of REOURCES and FUND BALANCES				
<u>Liabilities</u>				
Accounts and Vouchers Payable	38,733	36,092	82,654	11,351
Due to Other Funds	1,700	-	127,256	64,882
Due to Other Governments				
Accrued Wages Payable	31,666		21,965	1,377
Accrued Employee Benefits	6,446		4,525	283
Custodial Accounts				
Unearned Revenue				
Interfund Loans Payable				
Total Liabilities	78,545	36,092	236,400	77,893
Deferred Inflows of Resources			58,345	20,905
<u>Fund Balance</u>				
Nonspendable				
Restricted	70,843	364,861	177,784	2,196,910
Committed	299,430			
Assigned				
Unassigned				
Total Fund Balances	370,273	364,861	177,784	2,196,910
Total Liabilities, Deferred Inflows of Resources and Fund Balances	448,818	400,953	472,530	2,295,708

SKAGIT COUNTY, WASHINGTON
COMBINING BALANCE SHEET
NONMAJOR SPECIAL REVENUE FUNDS
AS OF DECEMBER 31, 2016

ASSETS and OUTFLOWS of RESOURCES	Medic 1	Crime Victim	Comm. System	Water Quality
Cash and Cash Equivalents	\$1,162,676	\$18,409	\$328,555	\$162,676
Investments	3,905,384	119,347		99,811
Taxes Receivable	138,468			-
Accounts Receivable			-	
Due from Other Funds				
Due from Other Governments			793,319	13,231
Interfund Loans Receivable				
Inventories				
Prepaid Items				
Total Assets	5,206,528	137,757	1,121,873	275,718
Deferred Outflows of Resources				
Total Assets and Deferred Outflows of Resources	5,206,528	137,757	1,121,873	275,718
 LIABILITIES, DEFERRED INFLOWS of RECOURCES and FUND BALANCES				
<u>Liabilities</u>				
Accounts and Vouchers Payable	233,795	-	72,400	(33)
Due to Other Funds	-			126
Due to Other Governments	344,183			
Accrued Wages Payable	17,411	847		-
Accrued Employee Benefits	57,860	175		
Custodial Accounts	23,709			
Unearned Revenue	-			-
Interfund Loans Payable				
Total Liabilities	676,958	1,022	72,400	93
Deferred Inflows of Resources	138,468			
<u>Fund Balance</u>				
Nonspendable				
Restricted		136,734	1,049,474	275,625
Committed	4,391,102			
Assigned				
Unassigned				
Total Fund Balances	4,391,102	136,734	1,049,474	275,625
Total Liabilities, Deferred Inflows of Resources and Fund Balances	5,206,528	137,756	1,121,874	275,718

SKAGIT COUNTY, WASHINGTON
COMBINING BALANCE SHEET
NONMAJOR SPECIAL REVENUE FUNDS
AS OF DECEMBER 31, 2016

ASSETS and OUTFLOWS of RESOURCES	Planning & Development	Lake Mgmt Dist. 1	Lake Mgmt Dist. 2	Lake Mgmt Dist. 3
Cash and Cash Equivalents	\$1,384,034	\$139,597	\$65,975	\$73,270
Investments		-	-	-
Taxes Receivable		1,374	120	975
Accounts Receivable				
Due from Other Funds	-			
Due from Other Governments	38,657			
Interfund Loans Receivable				
Inventories				
Prepaid Items				
Total Assets	1,422,692	140,971	66,095	74,245
Deferred Outflows of Resources				
Total Assets and Deferred Outflows of Resources	1,422,692	140,971	66,095	74,245
LIABILITIES, DEFERRED INFLOWS of REOURCES and FUND BALANCES				
<u>Liabilities</u>				
Accounts and Vouchers Payable	3,707	54,375	10,538	23,124
Due to Other Funds	-			
Due to Other Governments	-			
Accrued Wages Payable	64,829			299
Accrued Employee Benefits	23,418			
Custodial Accounts				
Unearned Revenue	7,377	-	-	-
Interfund Loans Payable	-			
Total Liabilities	99,330	54,375	10,538	23,423
Deferred Inflows of Resources	-	1,374	120	975
<u>Fund Balance</u>				
Nonspendable				
Restricted	1,323,362	85,222	55,436	49,847
Committed				
Assigned				
Unassigned				
Total Fund Balances	1,323,362	85,222	55,436	49,847
Total Liabilities, Deferred Inflows of Resources and Fund Balances	1,422,692	140,971	66,094	74,245

SKAGIT COUNTY, WASHINGTON
COMBINING BALANCE SHEET
NONMAJOR SPECIAL REVENUE FUNDS
AS OF DECEMBER 31, 2016

ASSETS and OUTFLOWS of RESOURCES	Lake Mgmt Dist. 4	Edison Clean Wtr	Drug Enforce.	Boating Safety
Cash and Cash Equivalents	\$67,806	\$134,852	\$13,126	\$34,268
Investments	-	200,000	170,461	55,215
Taxes Receivable	-	1,473		
Accounts Receivable				523
Due from Other Funds				
Due from Other Governments			-	-
Interfund Loans Receivable		1,000		
Inventories				
Prepaid Items				
Total Assets	67,806	337,325	183,587	90,006
Deferred Outflows of Resources				
Total Assets and Deferred Outflows of Resources	67,806	337,325	183,587	90,006
 LIABILITIES, DEFERRED INFLOWS of RECOURCES and FUND BALANCES				
<u>Liabilities</u>				
Accounts and Vouchers Payable	12,181		-	406
Due to Other Funds				-
Due to Other Governments				
Accrued Wages Payable	1,050			-
Accrued Employee Benefits				
Custodial Accounts				
Unearned Revenue	-	-		
Interfund Loans Payable				
Total Liabilities	13,231	-	-	406
Deferred Inflows of Resources	-	1,473		
<u>Fund Balance</u>				
Nonspendable				
Restricted	54,575	1,000	183,587	89,599
Committed		334,852		
Assigned				
Unassigned				
Total Fund Balances	54,575	335,852	183,587	89,599
Total Liabilities, Deferred Inflows of Resources and Fund Balances	67,806	337,325	183,587	90,006

SKAGIT COUNTY, WASHINGTON
COMBINING BALANCE SHEET
NONMAJOR SPECIAL REVENUE FUNDS
AS OF DECEMBER 31, 2016

ASSETS and OUTFLOWS of RESOURCES	Low Inc. Housing	Title III Projects	Treasurer REET	Housing Assistance
Cash and Cash Equivalents	(\$83,288)	\$20,799	\$171,885	\$62,159
Investments	149,047		68,351	229,631
Taxes Receivable				
Accounts Receivable				
Due from Other Funds				
Due from Other Governments	178,532			17,350
Interfund Loans Receivable				
Inventories				
Prepaid Items				
Total Assets	244,291	20,799	240,236	309,140
Deferred Outflows of Resources				
Total Assets and Deferred Outflows of Resources	244,291	20,799	240,236	309,140
 LIABILITIES, DEFERRED INFLOWS of RECOURCES and FUND BALANCES				
<u>Liabilities</u>				
Accounts and Vouchers Payable	36,410	782		60,423
Due to Other Funds	2,066			4,853
Due to Other Governments				
Accrued Wages Payable	530			2,904
Accrued Employee Benefits				
Custodial Accounts				
Unearned Revenue				
Interfund Loans Payable				
Total Liabilities	39,006	782	-	68,180
Deferred Inflows of Resources				
<u>Fund Balance</u>				
Nonspendable				
Restricted	205,284	20,018	240,236	240,960
Committed				
Assigned				
Unassigned				
Total Fund Balances	205,284	20,018	240,236	240,960
Total Liabilities, Deferred Inflows of Resources and Fund Balances	244,290	20,800	240,236	309,140

SKAGIT COUNTY, WASHINGTON
COMBINING BALANCE SHEET
NONMAJOR SPECIAL REVENUE FUNDS
AS OF DECEMBER 31, 2016

ASSETS and OUTFLOWS of RESOURCES	Interlocal Invest.	TOTAL
Cash and Cash Equivalents	\$202,125	\$10,955,709
Investments	83,522	7,115,540
Taxes Receivable		226,717
Accounts Receivable	235	128,851
Due from Other Funds	-	34,186
Due from Other Governments	24,063	1,919,703
Interfund Loans Receivable		1,000
Inventories	-	-
Prepaid Items		
Total Assets	309,945	20,381,705
Deferred Outflows of Resources		
Total Assets and Deferred Outflows of Resources	309,945	20,381,705
LIABILITIES, DEFERRED INFLOWS of REOURCES and FUND BALANCES		
<u>Liabilities</u>		
Accounts and Vouchers Payable	25,868	827,090
Due to Other Funds	4,980	574,172
Due to Other Governments	-	344,183
Accrued Wages Payable	2,316	275,552
Accrued Employee Benefits		121,192
Custodial Accounts	59,000	81,925
Unearned Revenue		248,162
Interfund Loans Payable		-
Total Liabilities	92,164	2,472,276
Deferred Inflows of Resources		226,717
<u>Fund Balance</u>		
Nonspendable		-
Restricted	217,781	10,175,161
Committed		7,507,552
Assigned		-
Unassigned		-
Total Fund Balances	217,781	17,682,712
Total Liabilities, Deferred Inflows of Resources and Fund Balances	309,945	20,381,705

SKAGIT COUNTY, WASHINGTON
COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND
CHANGES IN FUND BALANCE
NONMAJOR SPECIAL REVENUE FUNDS
FOR THE YEAR ENDED DECEMBER 31, 2016

REVENUES	Public Health	Special Paths	Emergency Mgmt	County Fair
Property Taxes				
Sales and Use Taxes				
Other Taxes				
Licenses and Permits	483,764		-	
Intergovernmental	1,617,360	165,638	302,695	17,378
Charges for Services	523,826		0	259,533
Fines and Forfeits	6,009			
Interest Earnings	389	244		
Donations	91,250	0		27,715
Other Revenue	5,117		-	65,103
Total Revenue	<u>2,727,715</u>	<u>165,882</u>	<u>302,695</u>	<u>369,729</u>
EXPENDITURES				
Current:				
General Governmental Services				
Public Safety			502,324	
Utilities and Environment				
Transportation		182,610		
Economic Environment				
Health & Human Services	3,445,872			
Culture and Recreation				364,559
Debt Service:				
Principal				
Interest				
Capital Outlay			-	
Total Expenditures	<u>3,445,872</u>	<u>182,610</u>	<u>502,324</u>	<u>364,559</u>
Excess (Deficit) of Revenues Over Expenditures	<u>(718,157)</u>	<u>(16,728)</u>	<u>(199,629)</u>	<u>5,170</u>
Other Financing Sources (Uses)				
Proceeds from Long Term Debt				
Proceeds from Sale of Capital Assets				
Transfers In	1,401,980		108,225	20,000
Transfers Out				
Total Other Financial Sources (Uses)	<u>1,401,980</u>	<u>-</u>	<u>108,225</u>	<u>20,000</u>
Net Change in Fund Balance	<u>683,823</u>	<u>(16,728)</u>	<u>(91,404)</u>	<u>25,170</u>
Fund Balance, January 1	374,976	428,311	254,400	564,415
Prior Period Adjustments				
Fund Balance, January 1, restated	<u>374,976</u>	<u>428,311</u>	<u>254,400</u>	<u>564,415</u>
Fund Balance, December 31	<u>\$1,058,800</u>	<u>\$411,583</u>	<u>\$162,996</u>	<u>\$589,585</u>

SKAGIT COUNTY, WASHINGTON
COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND
CHANGES IN FUND BALANCE
NONMAJOR SPECIAL REVENUE FUNDS
FOR THE YEAR ENDED DECEMBER 31, 2016

REVENUES	Veterans'	Law	River	Treasurer
	Relief	Library	Imp	O&M
Property Taxes	\$232,782			
Sales and Use Taxes	4,666			
Other Taxes				
Licenses and Permits				
Intergovernmental	12,419		87,579	
Charges for Services		42,777		30,195
Fines and Forfeits				
Interest Earnings	-		711	866
Donations				
Other Revenue	67	1,454		
Total Revenue	<u>249,934</u>	<u>44,231</u>	<u>88,290</u>	<u>31,061</u>
EXPENDITURES				
Current:				
General Governmental Services		136,130		20,920
Public Safety				
Utilities and Environment			227,494	
Transportation				
Economic Environment				
Health & Human Services	149,006			
Culture and Recreation				
Debt Service:				
Principal				
Interest				
Capital Outlay				
Total Expenditures	<u>149,006</u>	<u>136,130</u>	<u>227,494</u>	<u>20,920</u>
Excess (Deficit) of Revenues Over Expenditures	<u>100,927</u>	<u>(91,899)</u>	<u>(139,204)</u>	<u>10,141</u>
Other Financing Sources (Uses)				
Proceeds from Long Term Debt				
Proceeds from Sale of Capital Assets				
Transfers In		94,191	1,149	
Transfers Out				
Total Other Financial Sources (Uses)	<u>-</u>	<u>94,191</u>	<u>1,149</u>	<u>-</u>
Net Change in Fund Balance	<u>100,927</u>	<u>2,292</u>	<u>(138,055)</u>	<u>10,141</u>
Fund Balance, January 1	491,723	41,874	209,710	259,880
Prior Period Adjustments				
Fund Balance, January 1, restated	<u>491,723</u>	<u>41,874</u>	<u>209,710</u>	<u>259,880</u>
Fund Balance, December 31	<u>\$592,650</u>	<u>\$44,166</u>	<u>\$71,655</u>	<u>\$270,021</u>

SKAGIT COUNTY, WASHINGTON
COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND
CHANGES IN FUND BALANCE
NONMAJOR SPECIAL REVENUE FUNDS
FOR THE YEAR ENDED DECEMBER 31, 2016

REVENUES	Document Preserv	Election	Parks & Rec	Substance Abuse
Property Taxes				
Sales and Use Taxes				
Other Taxes				
Licenses and Permits				
Intergovernmental	68,416		43,005	532,733
Charges for Services	65,400	580,899	374,656	
Fines and Forfeits				
Interest Earnings	1,299		1,769	
Donations			6,763	
Other Revenue		10	218,633	8,298
Total Revenue	<u>135,114</u>	<u>580,910</u>	<u>644,826</u>	<u>541,031</u>
EXPENDITURES				
Current:				
General Governmental Services	95,836	964,967		
Public Safety				
Utilities and Environment				
Transportation				
Economic Environment				
Health & Human Services				492,974
Culture and Recreation			1,313,844	
Debt Service:				
Principal				
Interest				
Capital Outlay				
Total Expenditures	<u>95,836</u>	<u>964,967</u>	<u>1,313,844</u>	<u>492,974</u>
Excess (Deficit) of Revenues Over Expenditures	<u>39,278</u>	<u>(384,057)</u>	<u>(669,018)</u>	<u>48,056</u>
Other Financing Sources (Uses)				
Proceeds from Long Term Debt				
Proceeds from Sale of Capital Assets				
Transfers In		428,000	726,492	-
Transfers Out				(7,600)
Total Other Financial Sources (Uses)	<u>-</u>	<u>428,000</u>	<u>726,492</u>	<u>(7,600)</u>
Net Change in Fund Balance	<u>39,278</u>	<u>43,943</u>	<u>57,474</u>	<u>40,456</u>
Fund Balance, January 1	649,825	598,346	588,634	398,775
Prior Period Adjustments				
Fund Balance, January 1, restated	<u>649,825</u>	<u>598,346</u>	<u>588,634</u>	<u>398,775</u>
Fund Balance, December 31	<u>\$689,103</u>	<u>\$642,289</u>	<u>\$646,108</u>	<u>\$439,231</u>

SKAGIT COUNTY, WASHINGTON
COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND
CHANGES IN FUND BALANCE
NONMAJOR SPECIAL REVENUE FUNDS
FOR THE YEAR ENDED DECEMBER 31, 2016

REVENUES	Community Services	Conv. Center	Clean Water	Conserv. Futures
Property Taxes			\$1,434,762	\$854,589
Sales and Use Taxes		352,570		17,067
Other Taxes				
Licenses and Permits				
Intergovernmental	575,816		600,361	1,364,152
Charges for Services	2,991		433	
Fines and Forfeits				
Interest Earnings		547	2,912	6,286
Donations	384,555			525
Other Revenue	16,219	-	18,232	230
Total Revenue	<u>979,580</u>	<u>353,117</u>	<u>2,056,699</u>	<u>2,242,849</u>
EXPENDITURES				
Current:				
General Governmental Services				
Public Safety				
Utilities and Environment				
Transportation				
Economic Environment				
Health & Human Services				
Culture and Recreation				
Debt Service:				
Principal				
Interest				
Capital Outlay	16,546			2,953,869
Total Expenditures	<u>1,872,801</u>	<u>183,234</u>	<u>2,440,745</u>	<u>3,117,923</u>
Excess (Deficit) of Revenues Over Expenditures	<u>(893,220)</u>	<u>169,883</u>	<u>(384,046)</u>	<u>(875,073)</u>
Other Financing Sources (Uses)				
Proceeds from Long Term Debt				
Proceeds from Sale of Capital Assets				
Transfers In				
Transfers Out				
Total Other Financial Sources (Uses)	<u>907,304</u>	<u>(132,000)</u>	<u>9,532</u>	<u>-</u>
Net Change in Fund Balance	<u>14,084</u>	<u>37,883</u>	<u>(374,514)</u>	<u>(875,073)</u>
Fund Balance, January 1	356,189	326,978	552,298	3,071,983
Prior Period Adjustments				
Fund Balance, January 1, restated	<u>356,189</u>	<u>326,978</u>	<u>552,298</u>	<u>3,071,983</u>
Fund Balance, December 31	<u>\$370,273</u>	<u>\$364,861</u>	<u>\$177,784</u>	<u>\$2,196,910</u>

SKAGIT COUNTY, WASHINGTON
COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND
CHANGES IN FUND BALANCE
NONMAJOR SPECIAL REVENUE FUNDS
FOR THE YEAR ENDED DECEMBER 31, 2016

REVENUES	Medic 1	Crime Victim	Comm. System	Water Quality
Property Taxes	\$5,686,449			
Sales and Use Taxes	113,348		4,071,069	
Other Taxes			-	5,114
Licenses and Permits				
Intergovernmental	302,631		107,849	36,720
Charges for Services	75,931	74,909		1,680
Fines and Forfeits				
Interest Earnings	10,690	500	797	794
Donations				
Other Revenue	1,535			
Total Revenue	<u>6,190,584</u>	<u>75,409</u>	<u>4,179,715</u>	<u>44,309</u>
EXPENDITURES				
Current:				
General Governmental Services		85,199		
Public Safety	6,145,163		3,793,017	
Utilities and Environment				318,614
Transportation				
Economic Environment				
Health & Human Services				
Culture and Recreation				
Debt Service:				
Principal				
Interest				
Capital Outlay				
Total Expenditures	<u>6,145,163</u>	<u>85,199</u>	<u>3,793,017</u>	<u>318,614</u>
Excess (Deficit) of Revenues Over Expenditures	<u>45,421</u>	<u>(9,791)</u>	<u>386,699</u>	<u>(274,305)</u>
Other Financing Sources (Uses)				
Proceeds from Long Term Debt				142,014
Proceeds from Sale of Capital Assets	8,000			
Transfers In	7,600			
Transfers Out				
Total Other Financial Sources (Uses)	<u>15,600</u>	<u>-</u>	<u>-</u>	<u>142,014</u>
Net Change in Fund Balance	<u>61,021</u>	<u>(9,791)</u>	<u>386,699</u>	<u>(132,292)</u>
Fund Balance, January 1	4,330,081	146,525	662,775	407,917
Prior Period Adjustments				
Fund Balance, January 1, restated	<u>4,330,081</u>	<u>146,525</u>	<u>662,775</u>	<u>407,917</u>
Fund Balance, December 31	<u>\$4,391,102</u>	<u>\$136,734</u>	<u>\$1,049,474</u>	<u>\$275,625</u>

SKAGIT COUNTY, WASHINGTON
COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND
CHANGES IN FUND BALANCE
NONMAJOR SPECIAL REVENUE FUNDS
FOR THE YEAR ENDED DECEMBER 31, 2016

REVENUES	Planning & Development	Lake Mgmt Dist. 1	Lake Mgmt Dist. 2	Lake Mgmt Dist. 3
Property Taxes				
Sales and Use Taxes				
Other Taxes		58,204	14,610	27,934
Licenses and Permits	818,648			
Intergovernmental	10,866			
Charges for Services	679,668			
Fines and Forfeits	11,951			
Interest Earnings		76	46	53
Donations				
Other Revenue	1,925			
Total Revenue	<u>1,523,058</u>	<u>58,280</u>	<u>14,656</u>	<u>27,987</u>
EXPENDITURES				
Current:				
General Governmental Services				
Public Safety				
Utilities and Environment		74,717	12,018	31,074
Transportation				
Economic Environment	2,763,747			
Health & Human Services				
Culture and Recreation				
Debt Service:				
Principal				
Interest				
Capital Outlay				
Total Expenditures	<u>2,763,747</u>	<u>74,717</u>	<u>12,018</u>	<u>31,074</u>
Excess (Deficit) of Revenues Over Expenditures	<u>(1,240,689)</u>	<u>(16,437)</u>	<u>2,638</u>	<u>(3,088)</u>
Other Financing Sources (Uses)				
Proceeds from Long Term Debt				
Proceeds from Sale of Capital Assets				
Transfers In	1,334,714			
Transfers Out				
Total Other Financial Sources (Uses)	<u>1,334,714</u>	<u>-</u>	<u>-</u>	<u>-</u>
Net Change in Fund Balance	<u>94,025</u>	<u>(16,437)</u>	<u>2,638</u>	<u>(3,088)</u>
Fund Balance, January 1	1,229,337	101,659	52,798	52,935
Prior Period Adjustments				
Fund Balance, January 1, restated	<u>1,229,337</u>	<u>101,659</u>	<u>52,798</u>	<u>52,935</u>
Fund Balance, December 31	<u>\$1,323,362</u>	<u>\$85,222</u>	<u>\$55,436</u>	<u>\$49,847</u>

SKAGIT COUNTY, WASHINGTON
COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND
CHANGES IN FUND BALANCE
NONMAJOR SPECIAL REVENUE FUNDS
FOR THE YEAR ENDED DECEMBER 31, 2016

REVENUES	Lake Mgmt Dist. 4	Edison Clean Wtr	Drug Enforce.	Boating Safety
Property Taxes				
Sales and Use Taxes				
Other Taxes	20,183	90,663		
Licenses and Permits	0			
Intergovernmental			19,000	81,902
Charges for Services				
Fines and Forfeits				
Interest Earnings	38	854	813	173
Donations				
Other Revenue				1,719
Total Revenue	<u>20,221</u>	<u>91,517</u>	<u>19,813</u>	<u>83,793</u>
EXPENDITURES				
Current:				
General Governmental Services				
Public Safety			51,265	54,991
Utilities and Environment	15,792	39,878		
Transportation				
Economic Environment				
Health & Human Services				
Culture and Recreation				
Debt Service:				
Principal				
Interest				
Capital Outlay				
Total Expenditures	<u>15,792</u>	<u>39,878</u>	<u>51,265</u>	<u>54,991</u>
Excess (Deficit) of Revenues Over Expenditures	<u>4,429</u>	<u>51,639</u>	<u>(31,452)</u>	<u>28,802</u>
Other Financing Sources (Uses)				
Proceeds from Long Term Debt				
Proceeds from Sale of Capital Assets				
Transfers In				
Transfers Out				
Total Other Financial Sources (Uses)	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Net Change in Fund Balance	<u>4,429</u>	<u>51,639</u>	<u>(31,452)</u>	<u>28,802</u>
Fund Balance, January 1	50,146	284,213	215,039	60,797
Prior Period Adjustments				
Fund Balance, January 1, restated	<u>50,146</u>	<u>284,213</u>	<u>215,039</u>	<u>60,797</u>
Fund Balance, December 31	<u>\$54,575</u>	<u>\$335,852</u>	<u>\$183,587</u>	<u>\$89,599</u>

SKAGIT COUNTY, WASHINGTON
COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND
CHANGES IN FUND BALANCE
NONMAJOR SPECIAL REVENUE FUNDS
FOR THE YEAR ENDED DECEMBER 31, 2016

REVENUES	Low Inc. Housing	Title III Projects	Treasurer REET	Housing Assistance
Property Taxes				
Sales and Use Taxes				
Other Taxes				
Licenses and Permits				
Intergovernmental	226,310	40,644	15,010	73,930
Charges for Services	148,276		14,818	728,851
Fines and Forfeits				
Interest Earnings	624		286	2,392
Donations				
Other Revenue				
Total Revenue	<u>375,210</u>	<u>40,644</u>	<u>30,113</u>	<u>805,173</u>
EXPENDITURES				
Current:				
General Governmental Services		31,341		
Public Safety				
Utilities and Environment				
Transportation				
Economic Environment	403,906			
Health & Human Services				753,460
Culture and Recreation				
Debt Service:				
Principal				
Interest				
Capital Outlay				
Total Expenditures	<u>403,906</u>	<u>31,341</u>	<u>0</u>	<u>753,460</u>
Excess (Deficit) of Revenues Over Expenditures	<u>(28,696)</u>	<u>9,303</u>	<u>30,113</u>	<u>51,713</u>
Other Financing Sources (Uses)				
Proceeds from Long Term Debt				
Proceeds from Sale of Capital Assets				
Transfers In				
Transfers Out				
Total Other Financial Sources (Uses)	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Net Change in Fund Balance	<u>(28,696)</u>	<u>9,303</u>	<u>30,113</u>	<u>51,713</u>
Fund Balance, January 1	233,980	10,715	210,123	189,247
Prior Period Adjustments				
Fund Balance, January 1, restated	<u>233,980</u>	<u>10,715</u>	<u>210,123</u>	<u>189,247</u>
Fund Balance, December 31	<u>\$205,284</u>	<u>\$20,018</u>	<u>\$240,236</u>	<u>\$240,960</u>

SKAGIT COUNTY, WASHINGTON
COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND
CHANGES IN FUND BALANCE
NONMAJOR SPECIAL REVENUE FUNDS
FOR THE YEAR ENDED DECEMBER 31, 2016

REVENUES	Interlocal Invest.	TOTAL
Property Taxes		\$8,208,582
Sales and Use Taxes		4,558,720
Other Taxes		216,707
Licenses and Permits		1,302,412
Intergovernmental	102,081	6,404,494
Charges for Services		3,604,844
Fines and Forfeits	116,462	134,422
Interest Earnings	350	33,508
Donations		510,807
Other Revenue	10,715	349,257
Total Revenue	229,608	25,323,754
 EXPENDITURES		
Current:		
General Governmental Services		1,334,391
Public Safety	227,596	10,774,356
Utilities and Environment		3,324,385
Transportation		182,610
Economic Environment		3,167,652
Health & Human Services		6,697,567
Culture and Recreation		1,861,637
Debt Service:		-
Principal		-
Interest		-
Capital Outlay		2,970,415
Total Expenditures	227,596	30,313,014
Excess (Deficit) of Revenues Over Expenditures	2,012	(4,989,260)
 Other Financing Sources (Uses)		
Proceeds from Long Term Debt		142,014
Proceeds from Sale of Capital Assets		8,000
Transfers In		5,039,187
Transfers Out		(139,600)
Total Other Financial Sources (Uses)	-	5,049,601
Net Change in Fund Balance	2,012	60,341
Fund Balance, January 1	215,769	17,622,373
Prior Period Adjustments		0
Fund Balance, January 1, restated	215,769	17,622,373
Fund Balance, December 31	\$217,781	\$17,682,714

SKAGIT COUNTY, WASHINGTON

Public Health

Schedule of Revenues, Expenditures and Changes in Fund Balance

Budget (GAAP Basis) and Actual

For the Year Ended December 31, 2016

	Budgeted Amounts			Variance with Final Budget
	Original Budget	Final Budget	Actual	
Budgeted Fund Balance, January 1	\$ 80,000	\$ 100,003	\$ 374,976	
Resources (in-flows)				
Licenses and Permits	513,622	513,622	483,764	(29,858)
Intergovernmental Revenue	1,625,848	1,537,786	1,617,360	79,574
Charges for Goods and Services	434,665	481,376	523,826	42,450
Fines and Forfeits	6,000	6,000	6,009	9
Interest Revenue	150	150	389	239
Donations	75,000	75,000	91,250	16,250
Transfers In	1,401,980	1,401,980	1,401,980	-
Miscellaneous Revenues	250	250	5,117	4,867
Total Resources (in-flows)	4,057,515	4,016,164	4,129,695	113,531
Amounts Available for Appropriation	4,137,515	4,116,167	4,504,671	
Charges to Appropriations (out-flows)				
Salaries and Wages	2,252,196	2,236,385	1,855,821	(380,564)
Personnel Benefits	1,110,762	1,105,225	911,916	(193,309)
Supplies	62,065	62,065	70,996	8,931
Services and Charges	134,706	249,706	409,629	159,923
Capital Outlays				-
Interfund Payments for Services	577,786	462,786	197,510	(265,276)
Transfers Out				-
Amount Charged to Appropriations (out-flows)	4,137,515	4,116,167	3,445,872	(670,295)
Budgeted Fund Balance, December 31	\$ -	\$ -	\$ 1,058,800	

SKAGIT COUNTY, WASHINGTON

Special Paths

Schedule of Revenues, Expenditures and Changes in Fund Balance

Budget (GAAP Basis) and Actual
For the Year Ended December 31, 2016

	Budgeted Amounts		Actual	Variance with Final Budget
	Original Budget	Final Budget		
Budgeted Fund Balance, January 1	\$ 191,240	\$ 191,240	\$ 428,311	
Resources (in-flows)				
Intergovernmental Revenue	158,000	158,000	165,638	7,638
Miscellaneous Revenue	2,000	2,000	244	(1,756)
Total Resources (in-flows)	<u>160,000</u>	<u>160,000</u>	<u>165,882</u>	<u>5,882</u>
Amounts Available for Appropriation	351,240	351,240	594,193	
Charges to Appropriations (out-flows)				
Salaries and Wages	78,329	78,329	77,140	(1,189)
Personnel Benefits	41,091	41,091	40,246	(845)
Supplies	28,500	28,500	5,991	(22,509)
Services and Charges	75,200	75,200	55,463	(19,737)
Capital Outlays	32,000	32,000	-	(32,000)
Interfund Payments for Services	96,120	96,120	3,771	(92,349)
Transfers Out	-	-	-	-
Amount Charged to Appropriations (out-flows)	<u>351,240</u>	<u>351,240</u>	<u>182,611</u>	<u>(168,629)</u>
Budgeted Fund Balance, December 31	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 411,582</u>	

SKAGIT COUNTY, WASHINGTON

Emergency Management

Schedule of Revenues, Expenditures and Changes in Fund Balance

Budget (GAAP Basis) and Actual
For the Year Ended December 31, 2016

	Budgeted Amounts		Actual	Variance with Final Budget
	Original Budget	Final Budget		
Budgeted Fund Balance, January 1	\$ 116,016	\$ 196,628	\$ 254,400	
Resources (in-flows)				
Licenses and Permits				-
Intergovernmental Revenue	228,192	289,422	302,695	13,273
Charges for Goods and Services	-	-	-	-
Transfers In	108,225	108,225	108,225	-
Miscellaneous Revenues	-	-	-	-
Total Resources (in-flows)	336,417	397,647	410,920	13,273
Amounts Available for Appropriation	452,433	594,275	665,320	
Charges to Appropriations (out-flows)				
Salaries and Wages	221,198	257,213	229,363	(27,850)
Personnel Benefits	94,005	103,270	96,264	(7,006)
Supplies	13,200	20,441	41,329	20,888
Services and Charges	27,200	42,800	63,668	20,868
Capital Outlays	-	33,415	-	(33,415)
Interfund Payments for Services	96,830	137,136	71,701	(65,435)
Transfers Out	-	-	-	-
Amount Charged to Appropriations (out-flows)	452,433	594,275	502,325	(91,950)
Budgeted Fund Balance, December 31	\$ -	\$ -	\$ 162,996	

SKAGIT COUNTY, WASHINGTON

Skagit County Fair

Schedule of Revenues, Expenditures and Changes in Fund Balance

Budget (GAAP Basis) and Actual

For the Year Ended December 31, 2016

	Budgeted Amounts			Variance with Final Budget
	Original Budget	Final Budget	Actual	
Budgeted Fund Balance, January 1	\$ 1,640	\$ 1,640	\$ 564,415	
Resources (in-flows)				
Licenses and Permits				-
Intergovernmental Revenue	40,670	40,670	17,378	(23,292)
Charges for Goods and Services	233,575	233,575	259,533	25,958
Donations	25,000	25,000	27,715	2,715
Other Revenue	44,007	44,007	65,103	21,096
Transfers In	20,000	20,000	20,000	-
Miscellaneous Revenues			-	-
Total Resources (in-flows)	363,252	363,252	389,729	26,477
Amounts Available for Appropriation	364,892	364,892	954,144	
Charges to Appropriations (out-flows)				
Salaries and Wages	114,366	123,366	119,988	(3,378)
Personnel Benefits	42,485	48,485	49,548	1,063
Supplies	26,392	20,292	18,521	(1,771)
Services and Charges	150,300	141,400	165,961	24,561
Capital Outlays				-
Interfund Payments for Services	31,349	31,349	10,541	(20,808)
Transfers Out	-	-	-	-
Amount Charged to Appropriations (out-flows)	364,892	364,892	364,559	(333)
Budgeted Fund Balance, December 31	\$ -	\$ -	\$ 589,585	

SKAGIT COUNTY, WASHINGTON

Veterans Relief

Schedule of Revenues, Expenditures and Changes in Fund Balance

Budget (GAAP Basis) and Actual

For the Year Ended December 31, 2016

	Budgeted Amounts			Variance with Final Budget
	Original Budget	Final Budget	Actual	
Budgeted Fund Balance, January 1	\$ (7,669)	\$ (7,669)	\$ 491,723	
Resources (in-flows)				
Property Tax	221,305	221,305	232,782	11,477
Sales and Use Tax	3,810	3,810	4,666	856
Intergovernmental Revenue	10,511	10,511	12,419	1,908
Interest Revenue	2	2	4	2
Miscellaneous Revenues	41	41	63	22
Total Resources (in-flows)	235,669	235,669	249,934	14,265
Amounts Available for Appropriation	228,000	228,000	741,657	
Charges to Appropriations (out-flows)				
Salaries and Wages				-
Personnel Benefits				-
Supplies				-
Services and Charges	228,000	228,000	145,242	(82,758)
Capital Outlays				-
Interfund Payments for Services	-	-	3,764	3,764
Transfers Out	-	-	-	-
Amount Charged to Appropriations (out-flows)	228,000	228,000	149,006	(78,994)
Budgeted Fund Balance, December 31	\$ -	\$ -	\$ 592,650	

SKAGIT COUNTY, WASHINGTON

Law Library

Schedule of Revenues, Expenditures and Changes in Fund Balance

**Budget (GAAP Basis) and Actual
For the Year Ended December 31, 2016**

	<u>Budgeted Amounts</u>		Actual	Variance with Final Budget
	Original Budget	Final Budget		
Budgeted Fund Balance, January 1		\$ (4,460)	\$ 41,874	
Resources (in-flows)				
Charges for Goods and Services	46,900	46,900	42,777	(4,123)
Donations	-	-		-
Transfers In	84,506	94,191	94,191	-
Miscellaneous Revenues	2,500	2,500	1,454	(1,046)
Total Resources (in-flows)	<u>133,906</u>	<u>143,591</u>	<u>138,422</u>	<u>(5,169)</u>
Amounts Available for Appropriation	133,906	139,131	180,296	
Charges to Appropriations (out-flows)				
Salaries and Wages	52,204	52,204	52,016	(188)
Personnel Benefits	29,552	29,552	28,482	(1,070)
Supplies	7,300	12,525	11,178	(1,347)
Services and Charges	44,850	44,850	44,454	(396)
Capital Outlays				-
Interfund Payments for Services				-
Transfers Out				-
Amount Charged to Appropriations (out-flows)	<u>133,906</u>	<u>139,131</u>	<u>136,130</u>	<u>(3,001)</u>
Budgeted Fund Balance, December 31	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 44,166</u>	

SKAGIT COUNTY, WASHINGTON

River Improvement

Schedule of Revenues, Expenditures and Changes in Fund Balance

Budget (GAAP Basis) and Actual

For the Year Ended December 31, 2016

	Budgeted Amounts		Actual	Variance with Final Budget
	Original Budget	Final Budget		
Budgeted Fund Balance, January 1	\$ 68,733	\$ 68,733	\$ 209,710	
Resources (in-flows)				
Intergovernmental Revenue	327,220	327,220	87,579	(239,641)
Charges for Goods and Services	-	-	-	-
Interest Revenue	-	-	711	711
Transfers In	5,000	5,000	1,149	(3,851)
Miscellaneous Revenues	16,000	16,000	-	(16,000)
Total Resources (in-flows)	348,220	348,220	89,439	(258,781)
Amounts Available for Appropriation	416,953	416,953	299,149	
Charges to Appropriations (out-flows)				
Salaries and Wages	122,020	122,020	59,652	(62,368)
Personnel Benefits	68,402	68,402	32,777	(35,625)
Supplies	500	500	174	(326)
Services and Charges	150,000	150,000	91,076	(58,924)
Capital Outlays	-	-	-	-
Interfund Payments for Services	76,031	76,031	43,815	(32,216)
Transfers Out	-	-	-	-
Amount Charged to Appropriations (out-flows)	416,953	416,953	227,494	(189,459)
Budgeted Fund Balance, December 31	\$ -	\$ -	\$ 71,655	

SKAGIT COUNTY, WASHINGTON
Centennial Document Preservation
Schedule of Revenues, Expenditures and Changes in Fund Balance
Budget (GAAP Basis) and Actual
For the Year Ended December 31, 2016

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance with Final Budget</u>
	<u>Original Budget</u>	<u>Final Budget</u>		
Budgeted Fund Balance, January 1	\$ 107,655	\$ 120,905	\$ 649,825	
Resources (in-flows)				
Intergovernmental Revenue	65,000	65,000	68,416	3,416
Charges for Goods and Services	60,000	60,000	65,400	5,400
Interest Revenue	2,500	2,500	1,299	(1,201)
Total Resources (in-flows)	<u>127,500</u>	<u>127,500</u>	<u>135,115</u>	<u>7,615</u>
Amounts Available for Appropriation	235,155	248,405	784,940	
Charges to Appropriations (out-flows)				
Salaries and Wages	47,073	48,573	47,749	(824)
Personnel Benefits	27,832	27,832	27,876	44
Supplies	-	-	269	269
Services and Charges	10,250	8,750	7,291	(1,459)
Capital Outlays		13,250	12,651	(599)
Interfund Payments for Services	150,000	150,000	-	(150,000)
Transfers Out				-
Amount Charged to Appropriations (out-flows)	<u>235,155</u>	<u>248,405</u>	<u>95,836</u>	<u>(152,569)</u>
Budgeted Fund Balance, December 31	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 689,103</u>	

SKAGIT COUNTY, WASHINGTON

Election Services

Schedule of Revenues, Expenditures and Changes in Fund Balance

Budget (GAAP Basis) and Actual

For the Year Ended December 31, 2016

	Budgeted Amounts			Variance with Final Budget
	Original Budget	Final Budget	Actual	
Budgeted Fund Balance, January 1	\$ 201,678	\$ 181,678	\$ 598,346	
Resources (in-flows)				
Intergovernmental Revenue	-	-	-	-
Charges for Goods and Services	374,000	374,000	580,899	206,899
Transfers In	428,000	428,000	428,000	-
Miscellaneous Revenues	-	-	10	10
Total Resources (in-flows)	802,000	802,000	1,008,909	206,909
Amounts Available for Appropriation	1,003,678	983,678	1,607,255	
Charges to Appropriations (out-flows)				
Salaries and Wages	221,796	231,796	226,980	(4,816)
Personnel Benefits	97,507	97,507	95,850	(1,657)
Supplies	4,500	7,000	7,014	14
Services and Charges	596,250	385,750	452,884	67,134
Capital Outlays	-	198,000	181,475	(16,525)
Interfund Payments for Services	83,625	63,625	764	(62,861)
Transfers Out				-
Amount Charged to Appropriations (out-flows)	1,003,678	983,678	964,967	(18,711)
Budgeted Fund Balance, December 31	\$ -	\$ -	\$ 642,289	

SKAGIT COUNTY, WASHINGTON

Parks and Recreation

Schedule of Revenues, Expenditures and Changes in Fund Balance

Budget (GAAP Basis) and Actual

For the Year Ended December 31, 2016

	Budgeted Amounts		Actual	Variance with Final Budget
	Original Budget	Final Budget		
Budgeted Fund Balance, January 1	\$ 100,003	\$ 100,000	\$ 588,634	
Resources (in-flows)				
Intergovernmental Revenue	2,500	2,500	43,005	40,505
Charges for Goods and Services	365,330	365,330	374,656	9,326
Interest Revenue	400	400	1,769	1,369
Donations	8,000	8,000	6,763	(1,237)
Transfers In	726,492	726,492	726,492	-
Miscellaneous Revenues	167,750	167,750	218,633	50,883
Total Resources (in-flows)	1,270,472	1,270,472	1,371,318	100,846
Amounts Available for Appropriation	1,370,475	1,370,472	1,959,952	
Charges to Appropriations (out-flows)				
Salaries and Wages	557,541	557,541	544,011	(13,530)
Personnel Benefits	268,159	268,159	265,428	(2,731)
Supplies	87,108	87,108	64,595	(22,513)
Services and Charges	339,523	339,523	426,770	87,247
Capital Outlays	6,300	6,300	5,022	(1,278)
Interfund Payments for Services	111,844	111,841	8,017	(103,824)
Transfers Out				-
Amount Charged to Appropriations (out-flows)	1,370,475	1,370,472	1,313,843	(56,629)
Budgeted Fund Balance, December 31	\$ -	\$ -	\$ 646,108	

SKAGIT COUNTY, WASHINGTON

Substance Abuse

Schedule of Revenues, Expenditures and Changes in Fund Balance

Budget (GAAP Basis) and Actual
For the Year Ended December 31, 2016

	Budgeted Amounts		Actual	Variance with Final Budget
	Original Budget	Final Budget		
Budgeted Fund Balance, January 1	\$ 73,293	\$ 38,570	\$ 398,775	
Resources (in-flows)				
Intergovernmental Revenue	463,428	463,428	532,733	69,305
Miscellaneous Revenue	-	-	8,298	8,298
Transfers In	-	-	-	-
Total Resources (in-flows)	<u>463,428</u>	<u>463,428</u>	<u>541,031</u>	<u>77,603</u>
Amounts Available for Appropriation	536,721	501,998	939,806	
Charges to Appropriations (out-flows)				
Salaries and Wages	48,685	27,097	26,678	(419)
Personnel Benefits	25,878	12,743	12,857	114
Supplies	-	-	3,895	3,895
Services and Charges	457,073	457,073	445,069	(12,004)
Capital Outlays	-	-	-	-
Interfund Payments for Services	5,085	5,085	12,075	6,990
Transfers Out	-	-	-	-
Amount Charged to Appropriations (out-flows)	<u>536,721</u>	<u>501,998</u>	<u>500,574</u>	<u>(1,424)</u>
Budgeted Fund Balance, December 31	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 439,231</u>	

SKAGIT COUNTY, WASHINGTON

Community Service

Schedule of Revenues, Expenditures and Changes in Fund Balance

Budget (GAAP Basis) and Actual

For the Year Ended December 31, 2016

	Budgeted Amounts		Actual	Variance with Final Budget
	Original Budget	Final Budget		
Budgeted Fund Balance, January 1			\$ 356,189	
Resources (in-flows)				
Intergovernmental Revenue	524,828	1,084,828	575,816	(509,012)
Charges for Goods and Services	3,400	3,400	2,991	(409)
Donations	348,783	348,783	384,555	35,772
Transfers In	907,304	907,304	907,304	-
Miscellaneous Revenues	27,186	27,186	16,219	(10,967)
Total Resources (in-flows)	1,811,501	2,371,501	1,886,885	(484,616)
Amounts Available for Appropriation	1,811,501	2,371,501	2,243,074	
Charges to Appropriations (out-flows)				
Salaries and Wages	731,447	731,447	730,328	(1,119)
Personnel Benefits	447,331	447,331	438,885	(8,446)
Supplies	429,326	429,326	398,424	(30,902)
Services and Charges	180,741	740,741	288,618	(452,123)
Capital Outlays			16,546	16,546
Interfund Payments for Services	22,656	22,656	-	(22,656)
Transfers Out				-
Amount Charged to Appropriations (out-flows)	1,811,501	2,371,501	1,872,801	(498,700)
Budgeted Fund Balance, December 31	\$ -	\$ -	\$ 370,273	

SKAGIT COUNTY, WASHINGTON

Convention Center

Schedule of Revenues, Expenditures and Changes in Fund Balance

Budget (GAAP Basis) and Actual

For the Year Ended December 31, 2016

	Budgeted Amounts		Actual	Variance with Final Budget
	Original Budget	Final Budget		
Budgeted Fund Balance, January 1	\$ 16,450	\$ 16,450	\$ 326,978	
Resources (in-flows)				
Sales and Use Tax	300,000	300,000	352,570	52,570
Miscellaneous Revenue		-	-	-
Interest Revenue	-	-	547	547
Total Resources (in-flows)	<u>300,000</u>	<u>300,000</u>	<u>353,117</u>	<u>53,117</u>
Amounts Available for Appropriation	316,450	316,450	680,095	
Charges to Appropriations (out-flows)				
Salaries and Wages				-
Personnel Benefits				-
Supplies				-
Services and Charges	184,450	184,450	183,234	(1,216)
Capital Outlays				-
Interfund Payments for Services				-
Transfers Out	132,000	132,000	132,000	-
Amount Charged to Appropriations (out-flows)	<u>316,450</u>	<u>316,450</u>	<u>315,234</u>	<u>(1,216)</u>
Budgeted Fund Balance, December 31	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 364,861</u>	

SKAGIT COUNTY, WASHINGTON

Clean Water Program

Schedule of Revenues, Expenditures and Changes in Fund Balance

Budget (GAAP Basis) and Actual

For the Year Ended December 31, 2016

	Budgeted Amounts		Actual	Variance with Final Budget
	Original Budget	Final Budget		
Budgeted Fund Balance, January 1	\$ 37,880	\$ 200,398	\$ 552,298	
Resources (in-flows)				
Property Tax	1,444,390	1,444,390	1,434,762	(9,628)
Intergovernmental Revenue	1,341,528	1,566,528	600,361	(966,167)
Charges for Goods and Services	-	-	433	433
Interest Revenue	-	-	2,912	2,912
Miscellaneous Revenues	37,433	37,433	18,232	(19,201)
Transfers In	32,126	32,126	9,532	(22,594)
Total Resources (in-flows)	2,855,477	3,080,477	2,066,232	(1,014,245)
Amounts Available for Appropriation	2,893,357	3,280,875	2,618,530	
Charges to Appropriations (out-flows)				
Salaries and Wages	562,946	762,946	588,509	(174,437)
Personnel Benefits	304,209	304,209	288,879	(15,330)
Supplies	48,000	88,000	73,036	(14,964)
Services and Charges	1,372,705	1,497,705	1,104,284	(393,421)
Capital Outlays	205,000	180,000	-	(180,000)
Interfund Payments for Services	400,497	448,015	386,038	(61,977)
Transfers Out	-	-	-	-
Amount Charged to Appropriations (out-flows)	2,893,357	3,280,875	2,440,746	(840,129)
Budgeted Fund Balance, December 31	\$ -	\$ -	\$ 177,784	

SKAGIT COUNTY, WASHINGTON

Conservation Futures

Schedule of Revenues, Expenditures and Changes in Fund Balance

Budget (GAAP Basis) and Actual

For the Year Ended December 31, 2016

	Budgeted Amounts			Variance with Final Budget
	Original Budget	Final Budget	Actual	
Budgeted Fund Balance, January 1	\$ 365,883	\$ 376,426	\$ 3,071,983	
Resources (in-flows)				
Property Tax	827,998	827,998	854,589	26,591
Sales and Use Tax	13,200	13,200	17,067	3,867
Intergovernmental Revenue	526,200	1,844,925	1,364,152	(480,773)
Interest Revenue	131	1,310	6,286	4,976
Donations	-	-	525	525
Miscellaneous Revenues	250,148	250,148	230	(249,918)
Total Resources (in-flows)	1,617,677	2,937,581	2,242,849	(694,732)
Amounts Available for Appropriation	1,983,560	3,314,007	5,314,832	
Charges to Appropriations (out-flows)				
Salaries and Wages	51,429	51,426	35,335	(16,091)
Personnel Benefits	26,780	26,780	17,240	(9,540)
Supplies	500	500	88	(412)
Services and Charges	126,600	127,050	43,006	(84,044)
Capital Outlays	1,770,000	3,100,000	2,953,869	(146,131)
Interfund Payments for Services	8,251	8,251	68,385	60,134
Transfers Out				-
Amount Charged to Appropriations (out-flows)	1,983,560	3,314,007	3,117,923	(196,084)
Budgeted Fund Balance, December 31	\$ -	\$ -	\$ 2,196,910	

SKAGIT COUNTY, WASHINGTON

Medic I

Schedule of Revenues, Expenditures and Changes in Fund Balance

Budget (GAAP Basis) and Actual

For the Year Ended December 31, 2016

	Budgeted Amounts			Variance with Final Budget
	Original Budget	Final Budget	Actual	
Budgeted Fund Balance, January 1	\$ (340,878)	\$ 22,722	\$ 4,330,081	
Resources (in-flows)				
Property Tax	5,670,316	5,670,316	5,686,449	16,133
Sales and Use Tax	163,000	163,000	113,348	(49,652)
Intergovernmental Revenue	273,500	273,500	302,631	29,131
Charges for Services	12,000	12,000	75,931	63,931
Interest Revenue	4,000	4,000	10,690	6,690
Transfers In	-	-	7,600	7,600
Miscellaneous Revenues	1,000	1,000	9,535	8,535
Total Resources (in-flows)	6,123,816	6,123,816	6,206,184	82,368
Amounts Available for Appropriation	5,782,938	6,146,538	10,536,265	
Charges to Appropriations (out-flows)				
Salaries and Wages	453,963	466,463	452,808	(13,655)
Personnel Benefits	159,907	181,857	175,035	(6,822)
Supplies	133,200	133,200	138,498	5,298
Services and Charges	769,571	1,124,071	1,543,359	419,288
Capital Outlays	793,000	272,000	-	(272,000)
Interfund Payments for Services	3,473,297	3,968,947	3,835,463	(133,484)
Transfers Out	-	-	-	-
Amount Charged to Appropriations (out-flows)	5,782,938	6,146,538	6,145,163	(1,375)
 Budgeted Fund Balance, December 31	 \$ -	 \$ -	 \$ 4,391,102	

SKAGIT COUNTY, WASHINGTON

Crime Victim Services

Schedule of Revenues, Expenditures and Changes in Fund Balance

Budget (GAAP Basis) and Actual
For the Year Ended December 31, 2016

	Budgeted Amounts		Actual	Variance with Final Budget
	Original Budget	Final Budget		
Budgeted Fund Balance, January 1	\$ 16,408	\$ 16,408	\$ 146,525	
Resources (in-flows)				
Charges for Goods and Services	75,000	75,000	74,909	(91)
Interest Revenue	125	125	500	375
Total Resources (in-flows)	<u>75,125</u>	<u>75,125</u>	<u>75,409</u>	<u>284</u>
Amounts Available for Appropriation	91,533	91,533	221,934	
Charges to Appropriations (out-flows)				
Salaries and Wages	19,462	19,462	19,604	142
Personnel Benefits	13,571	13,571	13,049	(522)
Supplies	200	200	76	(124)
Services and Charges	8,300	8,300	2,470	(5,830)
Capital Outlays				-
Interfund Payments for Services	50,000	50,000	50,000	-
Transfers Out				-
Amount Charged to Appropriations (out-flows)	<u>91,533</u>	<u>91,533</u>	<u>85,199</u>	<u>(6,334)</u>
Budgeted Fund Balance, December 31	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 136,734</u>	

SKAGIT COUNTY, WASHINGTON

Communication System

Schedule of Revenues, Expenditures and Changes in Fund Balance

Budget (GAAP Basis) and Actual

For the Year Ended December 31, 2016

	Budgeted Amounts			
	Original Budget	Final Budget	Actual	Variance with Final Budget
Budgeted Fund Balance, January 1			\$ 662,775	
Resources (in-flows)				
Sales and Use Tax	4,245,000	4,245,000	4,071,069	(173,931)
Other Tax	-	-		-
Interest Earnings			797	797
Intergovernmental Revenue	54,500	54,500	107,849	53,349
Total Resources (in-flows)	4,299,500	4,299,500	4,179,715	(119,785)
Amounts Available for Appropriation	4,299,500	4,299,500	4,842,490	
Charges to Appropriations (out-flows)				
Salaries and Wages				-
Personnel Benefits				-
Supplies				-
Services and Charges	4,299,500	4,299,500	3,793,017	(506,483)
Capital Outlays				-
Interfund Payments for Services				-
Transfers Out				-
Amount Charged to Appropriations (out-flows)	4,299,500	4,299,500	3,793,017	(506,483)
 Budgeted Fund Balance, December 31	\$ -	\$ -	\$ 1,049,474	

SKAGIT COUNTY, WASHINGTON

Water Quality Fund

Schedule of Revenues, Expenditures and Changes in Fund Balance

Budget (GAAP Basis) and Actual

For the Year Ended December 31, 2016

	Budgeted Amounts			Variance with Final Budget
	Original Budget	Final Budget	Actual	
Budgeted Fund Balance, January 1	\$ 6,513	\$ 6,513	\$ 407,917	
Resources (in-flows)				
Property Tax	-	-	5,114	5,114
Intergovernmental Revenue	20,000	20,000	36,720	16,720
Charges for Goods and Services	1,900	1,900	1,680	(220)
Interest Revenue	1,200	1,200	794	(406)
Proceeds of Long Term Debt	300,000	400,000	142,014	(257,986)
Total Resources (in-flows)	323,100	423,100	186,322	(236,778)
Amounts Available for Appropriation	329,613	429,613	594,239	
Charges to Appropriations (out-flows)				
Salaries and Wages	19,214	19,214	16,423	(2,791)
Personnel Benefits	8,649	8,649	7,436	(1,213)
Supplies	-	-	-	-
Services and Charges	301,750	401,750	294,756	(106,994)
Capital Outlays	-	-	-	-
Interfund Payments for Services	-	-	-	-
Transfers Out	-	-	-	-
Amount Charged to Appropriations (out-flows)	329,613	429,613	318,615	(110,998)
Budgeted Fund Balance, December 31	\$ -	\$ -	\$ 275,625	

SKAGIT COUNTY, WASHINGTON

Planning and Development

Schedule of Revenues, Expenditures and Changes in Fund Balance

Budget (GAAP Basis) and Actual

For the Year Ended December 31, 2016

	Budgeted Amounts			Variance with Final Budget
	Original Budget	Final Budget	Actual	
Budgeted Fund Balance, January 1	\$ 300,000	\$ 323,212	\$ 1,229,337	
Resources (in-flows)				
Licenses and Permits	581,500	581,500	818,648	237,148
Intergovernmental Revenue	10,800	10,800	10,866	66
Charges for Goods and Services	531,800	531,800	679,668	147,868
Fines and Forfeits	-	-	11,951	11,951
Interest Earnings	-	-	-	-
Transfers In	1,334,714	1,334,714	1,334,714	-
Miscellaneous Revenues	-	-	1,925	1,925
Total Resources (in-flows)	2,458,814	2,458,814	2,857,772	398,958
Amounts Available for Appropriation	2,758,814	2,782,026	4,087,109	
Charges to Appropriations (out-flows)				
Salaries and Wages	1,732,215	1,755,427	1,761,841	6,414
Personnel Benefits	808,826	808,826	795,491	(13,335)
Supplies	16,950	16,950	20,073	3,123
Services and Charges	158,900	158,900	182,889	23,989
Capital Outlays	-	-	-	-
Interfund Payments for Services	41,923	41,923	3,452	(38,471)
Transfers Out	-	-	-	-
Amount Charged to Appropriations (out-flows)	2,758,814	2,782,026	2,763,746	(18,280)
Budgeted Fund Balance, December 31	\$ -	\$ -	\$ 1,323,362	

SKAGIT COUNTY, WASHINGTON

Lake Management District 1

Schedule of Revenues, Expenditures and Changes in Fund Balance

Budget (GAAP Basis) and Actual

For the Year Ended December 31, 2016

	Budgeted Amounts		Actual	Variance with Final Budget
	Original Budget	Final Budget		
Budgeted Fund Balance, January 1	\$ 38,013	\$ 56,213	\$ 101,659	
Resources (in-flows)				
Other Tax	58,000	58,000	58,204	204
Interest Earnings	76	76	76	-
Total Resources (in-flows)	<u>58,076</u>	<u>58,076</u>	<u>58,280</u>	<u>204</u>
Amounts Available for Appropriation	96,089	114,289	159,939	
Charges to Appropriations (out-flows)				
Salaries and Wages	4,302	4,302	1,449	(2,853)
Personnel Benefits	2,406	2,406	693	(1,713)
Supplies	-	-	-	-
Services and Charges	89,381	107,581	72,575	(35,006)
Capital Outlays	-	-	-	-
Interfund Payments for Services	-	-	-	-
Transfers Out	-	-	-	-
Amount Charged to Appropriations (out-flows)	<u>96,089</u>	<u>114,289</u>	<u>74,717</u>	<u>(39,572)</u>
Budgeted Fund Balance, December 31	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 85,222</u>	

SKAGIT COUNTY, WASHINGTON

Lake Management District 2

Schedule of Revenues, Expenditures and Changes in Fund Balance

Budget (GAAP Basis) and Actual

For the Year Ended December 31, 2016

	Budgeted Amounts		Actual	Variance with Final Budget
	Original Budget	Final Budget		
Budgeted Fund Balance, January 1	\$ 26,743	\$ 26,743	\$ 52,798	
Resources (in-flows)				
Other Tax	14,670	14,670	14,610	(60)
Interest Earnings	90	90	46	(44)
Total Resources (in-flows)	<u>14,760</u>	<u>14,760</u>	<u>14,656</u>	<u>(60)</u>
Amounts Available for Appropriation	41,503	41,503	67,454	
Charges to Appropriations (out-flows)				
Salaries and Wages	1,229	1,229	1,005	(224)
Personnel Benefits	686	686	474	(212)
Supplies				-
Services and Charges	39,588	39,588	10,538	(29,050)
Capital Outlays				-
Interfund Payments for Services	-	-		-
Transfers Out	-	-		-
Amount Charged to Appropriations (out-flows)	<u>41,503</u>	<u>41,503</u>	<u>12,017</u>	<u>(29,486)</u>
Budgeted Fund Balance, December 31	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 55,436</u>	

SKAGIT COUNTY, WASHINGTON

Lake Management District 3

Schedule of Revenues, Expenditures and Changes in Fund Balance

Budget (GAAP Basis) and Actual

For the Year Ended December 31, 2016

	Budgeted Amounts		Actual	Variance with Final Budget
	Original Budget	Final Budget		
Budgeted Fund Balance, January 1	\$ 21,230	\$ 27,438	\$ 52,935	
Resources (in-flows)				
Other Tax	28,860	28,860	27,934	(926)
Interest Earnings	106	106	53	(53)
Total Resources (in-flows)	<u>28,966</u>	<u>28,966</u>	<u>27,987</u>	<u>(979)</u>
Amounts Available for Appropriation	50,196	56,404	80,922	
Charges to Appropriations (out-flows)				
Salaries and Wages	2,458	2,458	1,227	(1,231)
Personnel Benefits	1,374	1,374	516	(858)
Supplies	-	-	-	-
Services and Charges	46,364	52,572	29,332	(23,240)
Capital Outlays	-	-	-	-
Interfund Payments for Services	-	-	-	-
Transfers Out	-	-	-	-
Amount Charged to Appropriations (out-flows)	<u>50,196</u>	<u>56,404</u>	<u>31,075</u>	<u>(25,329)</u>
Budgeted Fund Balance, December 31	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 49,847</u>	

SKAGIT COUNTY, WASHINGTON

Lake Management District 4

Schedule of Revenues, Expenditures and Changes in Fund Balance

Budget (GAAP Basis) and Actual

For the Year Ended December 31, 2016

	<u>Budgeted Amounts</u>		Actual	Variance with Final Budget
	Original Budget	Final Budget		
Budgeted Fund Balance, January 1	\$ 24,470	\$ 24,470	\$ 50,146	
Resources (in-flows)				
Other Tax	20,670	20,670	20,183	(487)
Interest Earnings	76	76	38	(38)
Total Resources (in-flows)	<u>20,746</u>	<u>20,746</u>	<u>20,221</u>	<u>(525)</u>
Amounts Available for Appropriation	45,216	45,216	70,367	
Charges to Appropriations (out-flows)				
Salaries and Wages	1,844	1,844	2,604	760
Personnel Benefits	1,031	1,031	1,007	(24)
Supplies				-
Services and Charges	42,341	42,341	12,181	(30,160)
Capital Outlays				-
Interfund Payments for Services	-	-		-
Transfers Out				-
Amount Charged to Appropriations (out-flows)	<u>45,216</u>	<u>45,216</u>	<u>15,792</u>	<u>(29,424)</u>
Budgeted Fund Balance, December 31	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 54,575</u>	

SKAGIT COUNTY, WASHINGTON

Edison Clean Water District

Schedule of Revenues, Expenditures and Changes in Fund Balance

Budget (GAAP Basis) and Actual

For the Year Ended December 31, 2016

	<u>Budgeted Amounts</u>		Actual	Variance with Final Budget
	Original Budget	Final Budget		
Budgeted Fund Balance, January 1	\$ (32,600)	\$ (32,600)	\$ 284,213	
Resources (in-flows)				
Property Tax	78,500	78,500	90,663	12,163
Charges for Goods and Services	900	900	-	(900)
Interest Earnings	-	-	854	854
Miscellaneous Revenues	-	-	-	-
Total Resources (in-flows)	<u>79,400</u>	<u>79,400</u>	<u>91,517</u>	<u>12,117</u>
Amounts Available for Appropriation	46,800	46,800	375,730	
Charges to Appropriations (out-flows)				
Salaries and Wages	-	-	-	-
Personnel Benefits	-	-	-	-
Supplies	1,300	1,300	58	(1,242)
Services and Charges	45,500	45,500	39,820	(5,680)
Capital Outlays	-	-	-	-
Interfund Payments for Services	-	-	-	-
Transfers Out	-	-	-	-
Amount Charged to Appropriations (out-flows)	<u>46,800</u>	<u>46,800</u>	<u>39,878</u>	<u>(6,922)</u>
Budgeted Fund Balance, December 31	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 335,852</u>	

SKAGIT COUNTY, WASHINGTON
Drug Enforcement Cumulative
Schedule of Revenues, Expenditures and Changes in Fund Balance
Budget (GAAP Basis) and Actual
For the Year Ended December 31, 2016

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance with Final Budget</u>
	<u>Original Budget</u>	<u>Final Budget</u>		
Budgeted Fund Balance, January 1		\$ 37,800	\$ 215,039	
Resources (in-flows)				
Intergovernmental Revenue	20,000	20,000	19,000	(1,000)
Interest Revenue	300	300	813	513
Miscellaneous Revenues	5,265	5,265	-	(5,265)
Total Resources (in-flows)	<u>25,565</u>	<u>25,565</u>	<u>19,813</u>	<u>(5,752)</u>
Amounts Available for Appropriation	25,565	63,365	234,852	
Charges to Appropriations (out-flows)				
Salaries and Wages	12,000	18,000	17,448	(552)
Personnel Benefits	-	-	-	-
Supplies	5,565	23,365	17,555	(5,810)
Services and Charges	8,000	22,000	16,262	(5,738)
Capital Outlays				-
Interfund Payments for Services				-
Transfers Out				-
Amount Charged to Appropriations (out-flows)	<u>25,565</u>	<u>63,365</u>	<u>51,265</u>	<u>(12,100)</u>
Budgeted Fund Balance, December 31		<u>\$ -</u>	<u>\$ -</u>	<u>\$ 183,587</u>

SKAGIT COUNTY, WASHINGTON

Boating Safety

Schedule of Revenues, Expenditures and Changes in Fund Balance

Budget (GAAP Basis) and Actual

For the Year Ended December 31, 2016

	Budgeted Amounts		Actual	Variance with Final Budget
	Original Budget	Final Budget		
Budgeted Fund Balance, January 1	\$ 625	\$ 625	\$ 60,797	
Resources (in-flows)				
Intergovernmental Revenue	101,700	101,700	81,902	(19,798)
Interest Earnings	185	185	173	(12)
Miscellaneous Revenues	2,500	2,500	1,719	(781)
Total Resources (in-flows)	104,385	104,385	83,794	(20,591)
Amounts Available for Appropriation	105,010	105,010	144,591	
Charges to Appropriations (out-flows)				
Salaries and Wages	50,000	50,000	24,436	(25,564)
Personnel Benefits	16,535	16,535	8,329	(8,206)
Supplies	11,500	11,500	9,791	(1,709)
Services and Charges	20,500	20,500	12,435	(8,065)
Capital Outlays	5,000	5,000	-	(5,000)
Interfund Payments for Services	1,475	1,475	-	(1,475)
Transfers Out			-	-
Amount Charged to Appropriations (out-flows)	105,010	105,010	54,991	(50,019)
Budgeted Fund Balance, December 31	\$ -	\$ -	\$ 89,599	

SKAGIT COUNTY, WASHINGTON

Low-Income Housing Fund

Schedule of Revenues, Expenditures and Changes in Fund Balance

Budget (GAAP Basis) and Actual

For the Year Ended December 31, 2016

	Budgeted Amounts		Actual	Variance with Final Budget
	Original Budget	Final Budget		
Budgeted Fund Balance, January 1	\$ 20,000	\$ 17,912	\$ 233,980	
Resources (in-flows)				
Charges for Goods and Services	130,000	147,000	148,276	1,276
Intergovernmental Revenue	-	500,000	226,310	(273,690)
Interest Revenue	-	-	624	624
Total Resources (in-flows)	<u>130,000</u>	<u>647,000</u>	<u>375,210</u>	<u>(271,790)</u>
Amounts Available for Appropriation	150,000	664,912	609,190	
Charges to Appropriations (out-flows)				
Salaries and Wages	-	10,892	9,952	(940)
Personnel Benefits	-	5,020	4,880	(140)
Supplies	-	-	101	101
Services and Charges	150,000	649,000	386,907	(262,093)
Capital Outlays	-	-	-	-
Interfund Payments for Services	-	-	2,066	2,066
Transfers Out	-	-	-	-
Amount Charged to Appropriations (out-flows)	<u>150,000</u>	<u>664,912</u>	<u>403,906</u>	<u>(261,006)</u>
Budgeted Fund Balance, December 31	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 205,284</u>	

SKAGIT COUNTY, WASHINGTON

Title III Projects Fund

Schedule of Revenues, Expenditures and Changes in Fund Balance

**Budget (GAAP Basis) and Actual
For the Year Ended December 31, 2016**

	Budgeted Amounts		Actual	Variance with Final Budget
	Original Budget	Final Budget		
Budgeted Fund Balance, January 1	\$ 2,754	\$ 13,469	\$ 10,715	
Resources (in-flows)				
Intergovernmental Revenue	41,246	41,246	40,644	(602)
Total Resources (in-flows)	41,246	41,246	40,644	(602)
 Amounts Available for Appropriation	 44,000	 54,715	 51,359	
Charges to Appropriations (out-flows)				
Salaries and Wages				-
Personnel Benefits				-
Supplies				-
Services and Charges	44,000	54,715	31,341	(23,374)
Capital Outlays				-
Interfund Payments for Services				-
Transfers Out				-
Amount Charged to Appropriations (out-flows)	44,000	54,715	31,341	(23,374)
 Budgeted Fund Balance, December 31	\$ -	\$ -	\$ 20,018	

SKAGIT COUNTY, WASHINGTON

Treasurer's Reet

Schedule of Revenues, Expenditures and Changes in Fund Balance

Budget (GAAP Basis) and Actual
For the Year Ended December 31, 2016

	Budgeted Amounts		Actual	Variance with Final Budget
	Original Budget	Final Budget		
Budgeted Fund Balance, January 1			\$ 210,123	
Resources (in-flows)				
Sales and Use Tax			-	-
Intergovernmental			15,010	15,010
Services and Charges			14,818	14,818
Interest Revenue	-	-	286	286
Total Resources (in-flows)	-	-	30,114	30,114
Amounts Available for Appropriation	-	-	240,237	
Charges to Appropriations (out-flows)				
Salaries and Wages	-	-	-	-
Personnel Benefits				-
Supplies				-
Services and Charges				-
Capital Outlays				-
Interfund Payments for Services				-
Transfers Out				-
Amount Charged to Appropriations (out-flows)	-	-	-	-
 Budgeted Fund Balance, December 31			\$ -	\$ -
			\$ 240,236	

SKAGIT COUNTY, WASHINGTON

Homeless Housing

Schedule of Revenues, Expenditures and Changes in Fund Balance

Budget (GAAP Basis) and Actual

For the Year Ended December 31, 2016

	Budgeted Amounts		Actual	Variance with Final Budget
	Original Budget	Final Budget		
Budgeted Fund Balance, January 1	\$ 21,732	\$ 73,637	\$ 189,247	
Resources (in-flows)				
Intergovernmental Revenue	623,317	623,317	73,930	(549,387)
Charges for Goods and Services	676,000	676,000	728,851	52,851
Interest Revenue	-	-	2,392	2,392
Total Resources (in-flows)	<u>1,299,317</u>	<u>1,299,317</u>	<u>805,173</u>	<u>55,243</u>
Amounts Available for Appropriation	1,321,049	1,372,954	994,420	
Charges to Appropriations (out-flows)				
Salaries and Wages	64,517	69,772	60,100	(9,672)
Personnel Benefits	34,382	31,032	31,244	212
Supplies			468	468
Services and Charges	1,222,150	1,272,150	656,796	(615,354)
Capital Outlays				-
Interfund Payments for Services			4,853	4,853
Transfers Out				-
Amount Charged to Appropriations (out-flows)	<u>1,321,049</u>	<u>1,372,954</u>	<u>753,461</u>	<u>(619,493)</u>
Budgeted Fund Balance, December 31	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 240,960</u>	

SKAGIT COUNTY, WASHINGTON

Interlocal Investigation

Schedule of Revenues, Expenditures and Changes in Fund Balance

**Budget (GAAP Basis) and Actual
For the Year Ended December 31, 2016**

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance with Final Budget</u>
	<u>Original Budget</u>	<u>Final Budget</u>		
Budgeted Fund Balance, January 1	\$ 1,471	\$ 1,471	\$ 215,769	
Resources (in-flows)				
Intergovernmental Revenue	130,000	115,901	102,081	(13,820)
Charges for Goods and Services	100	100	-	(100)
Fines and Forfeits	255,981	255,981	116,462	(139,519)
Interest Revenue	150	150	350	200
Miscellaneous Revenues	8,000	8,000	10,715	2,715
Total Resources (in-flows)	394,231	380,132	229,608	(150,524)
Amounts Available for Appropriation	395,702	381,603	445,377	
Charges to Appropriations (out-flows)				
Salaries and Wages	55,775	43,455	37,028	(6,427)
Personnel Benefits	29,682	22,584	20,880	(1,704)
Supplies	24,210	24,210	11,410	(12,800)
Services and Charges	220,035	220,035	146,424	(73,611)
Capital Outlays	21,000	21,000	-	(21,000)
Interfund Payments for Services	45,000	50,319	11,855	(38,464)
Transfers Out				-
Amount Charged to Appropriations (out-flows)	395,702	381,603	227,597	(154,006)
Budgeted Fund Balance, December 31	\$ -	\$ -	\$ 217,781	

SKAGIT COUNTY, WASHINGTON

NONMAJOR DEBT SERVICE FUND

The Debt Service Fund is established to account for the accumulation of resources and the payment of expenditures, principal and interest for certain debt service arrangements.

For the Year Ended December 31, 2016

SKAGIT COUNTY, WASHINGTON
BALANCE SHEET
Combining Nonmajor Debt Service Fund
As of December 31, 2016

ASSETS AND OTHER DEBITS:	TOTALS
ASSETS:	
Cash	\$588,830
Investments	1,041,017
Accounts Receivable	80
Interfund Loans Receivable	
TOTAL ASSETS	\$1,629,927
LIABILITIES AND FUND BALANCES	
LIABILITIES	
Unearned Revenue	-
Interfund Loans Payable	1,000
TOTAL LIABILITIES	1,000
Deferred Inflow of Resources	80
FUND BALANCES	
Reserved for Debt Service	1,628,846
TOTAL FUND BALANCES	1,628,846
TOTAL LIABILITIES AND FUND BALANCES	1,629,927

SKAGIT COUNTY, WASHINGTON
Combing Statement of Revenues, Expenditures
And Changes in Fund Balances
DEBT SERVICE FUND
For the Year Ended December 31, 2016

REVENUES:	Total
Interest Revenue	\$69,911
Miscellaneous Revenues	391,072
TOTAL REVENUES	460,984
EXPENDITURES:	
Debt Service: Principal	1,557,880
Debt Service: Interest and Related Costs	627,770
TOTAL EXPENDITURES	2,185,650
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	<u>(1,724,667)</u>
OTHER FINANCING SOURCES (USES):	
Transfers In	1,379,950
Proceeds of Long Term Debt	588,619
TOTAL OTHER FINANCING SOURCES (USES)	1,968,568
EXCESS (DEFICIENCY) OF REVENUES AND OTHER FINANCING SOURCES OVER EXPENDITURES AND OTHER FINANCING USES	<u>243,901</u>
FUND BALANCES:	
Fund Balance, January 1	1,384,945
FUND BALANCE, DECEMBER 31	<u>1,628,846</u>

SKAGIT COUNTY, WASHINGTON

Debt Service

Schedule of Revenues, Expenditures and Changes in Fund Balance Budget (GAAP Basis) and Actual For the Year Ended December 31, 2016

	<u>Budgeted Amounts</u>			Variance with Final Budget
	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	
Budgeted Fund Balance, January 1	\$ (26,576)	\$ (26,576)	\$ 1,384,945	
Resources (in-flows)				
Intergovernmental Revenues			-	-
Transfers In	1,976,883	2,049,537	1,968,568	(80,969)
Interest Revenue	51,162	51,162	69,911	18,749
Other Revenue	259,500	259,500	391,072	131,572
Total Resources (in-flows)	<u>2,287,545</u>	<u>2,360,199</u>	<u>2,429,551</u>	<u>69,352</u>
Amounts Available for Appropriation	2,260,969	2,333,623	3,814,496	
Charges to Appropriations (out-flows)				
Debt Service				-
Principal	1,597,883	1,670,537	1,557,880	(112,657)
Interest	663,086	663,086	627,770	(35,316)
Transfers Out	-	-	-	-
Amount Charged to Appropriations (out-flows)	<u>2,260,969</u>	<u>2,333,623</u>	<u>2,185,650</u>	<u>(147,973)</u>
Budgeted Fund Balance, December 31	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 1,628,846</u>	

SKAGIT COUNTY, WASHINGTON NONMAJOR CAPITAL PROJECT FUNDS

Facility Improvement Fund - A fund established in 1978 to account for the expenses incurred in investigation, planning, construction, improvement, replacement, repair, acquisition of property, property rights, facilities and equipment of public facilities.

Capital Improvements Fund - A fund established in 1990 to account for the expenses incurred in improving and maintaining capital facilities.

Distressed County Public Improvement Fund - A fund established to collect the 0.04% distressed County sales and use tax as authorized by RCW 82.14.370 and authorized by the Board of County Commissioners. The fund will also be utilized for expending proceeds from the tax for financing and construction of public facilities.

Park Improvement Fund - A fund established to provide for accounting for the expenses incurred in investigation, planning, construction, improvement, replacement, repair, acquisition of property, property rights, facilities, and equipment.

SKAGIT COUNTY, WASHINGTON
BALANCE SHEET
NONMAJOR CAPITAL PROJECTS FUNDS
As of December 31, 2016

ASSETS:	FACILITY IMPROVEMENTS	CAPITAL IMPROVEMENT	DISTRESSED PUBLIC IMPROVEMENTS	PARKS IMPROVEMENT	TOTALS
ASSETS:					
Cash		\$1,712,647	\$2,340,944	\$245,594	\$4,299,185
Investments	3,356,534	2,156,950	5,742,845	-	\$11,256,329
Due from Other Funds		-	-	-	\$0
Due from another government unit		-	475,247	-	\$475,247
Interfund Loan Receivable	-	-	-	-	0
TOTAL ASSETS	<u>3,356,534</u>	<u>3,869,597</u>	<u>8,559,037</u>	<u>245,594</u>	<u>\$16,030,761</u>
LIABILITIES AND FUND BALANCES					
LIABILITIES:					
Accounts/vouchers payable	419,320	-	33,508	12,090	464,918
Due to other funds	-	-	-	-	-
Unearned Revenue	-	-	-	-	0
TOTAL LIABILITIES	<u>419,320</u>	<u>-</u>	<u>33,508</u>	<u>12,090</u>	<u>\$464,918</u>
FUND BALANCES					
Fund balances:					
Nonspendable	-	-	-	-	-
Restricted	2,937,213	3,869,597	8,525,529	233,504	15,565,844
Committed	-	-	-	-	-
Unassigned	-	-	-	-	-
TOTAL FUND BALANCES	<u>2,937,213</u>	<u>3,869,597</u>	<u>8,525,529</u>	<u>233,504</u>	<u>\$15,565,844</u>
TOTAL LIABILITIES AND FUND BALANCES	<u>\$3,356,534</u>	<u>\$3,869,597</u>	<u>\$8,559,037</u>	<u>\$245,594</u>	<u>\$16,030,761</u>

SKAGIT COUNTY, WASHINGTON
COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES
IN FUND BALANCE
NONMAJOR CAPITAL PROJECTS FUNDS
For the Year Ended December 31, 2016

REVENUES:	Facility IMPROVEMENTS FUND	CAPITAL IMPROVEMENTS FUND	DISTRESSED PUBLIC IMPROVEMENT	PARK IMPROVEMENT FUND	TOTALS
Property Taxes	\$0	\$1,980,318			\$1,980,318
Excise Taxes			\$2,608,331	\$0	\$2,608,331
Intergovernmental Revenue		-	-	-	\$0
Charges for Goods and Services	-	-	-	11,825	\$11,825
Interest Revenue	7,338	16,327	23,975		\$47,639
Other Revenue	22,946	-	-	40,000	62,946
TOTAL REVENUES	30,284	1,996,645	2,632,305	51,825	4,711,058
EXPENDITURES:					
Current	-	-	-	-	-
Economic Environment			1,248,600	-	1,248,600
Culture and Recreation	-			162,796	162,796
Capital Outlay	1,710,130	-	-	171,206	1,881,336
Total Expenditures	1,710,130	-	1,248,600	334,002	3,292,732
TOTAL EXPENDITURES	1,710,130	-	1,248,600	334,002	3,292,732
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	(1,679,847)	1,996,645	1,383,705	(282,177)	1,418,326
OTHER FINANCING SOURCES (USES):					
Issuance of Long Term Debt	3,303,699	-	-	-	3,303,699
Proceeds of Capital Assets	-	-	-	-	-
Transfers In	577,152	-	-	279,000	856,152
Transfers Out	-	(1,646,312)	(589,790)	-	(2,236,102)
TOTAL OTHER FINANCING SOURCES (USES)	3,880,851	(1,646,312)	(589,790)	279,000	1,923,750
EXCESS (DEFICIENCY) OF REVENUES AND OTHER FINANCING SOURCES OVER EXPENDITURES AND OTHER FINANCING USE	2,201,004	350,333	793,915	(3,177)	3,342,076
FUND BALANCES:					
Fund Balance, January 1	736,209	3,519,265	7,731,614	236,681	12,223,769
Prior Period Adjustment					-
FUND BALANCE, DECEMBER 31	\$2,937,213	3,869,597	\$8,525,529	233,504	15,565,845

SKAGIT COUNTY, WASHINGTON
Facility Improvement
Schedule of Revenues, Expenditures and Changes in Fund Balance
Budget (GAAP Basis) and Actual
For the Year Ended December 31, 2016

	<u>Budgeted Amounts</u>			Variance with Final Budget
	Original Budget	Final Budget	Actual	
Budgeted Fund Balance, January 1	\$ (4,697)	\$ 917,268	\$ 736,209	
Resources (in-flows)				
Intergovernmental Revenues	-	-	-	-
Proceeds of Lt Debt	-	-	-	-
Transfers In	757,946	757,946	3,880,851	3,122,905
Interest Revenue	-	-	7,338	7,338
Other Revenue	36,000	36,000	22,946	(13,054)
Total Resources (in-flows)	<u>793,946</u>	<u>793,946</u>	<u>3,911,135</u>	<u>3,117,189</u>
Amounts Available for Appropriation	789,249	1,711,214	4,647,344	
Charges to Appropriations (out-flows)				
Salaries and Wages	76,681	76,681	74,341	(2,340)
Personnel Benefits	37,068	37,068	34,316	(2,752)
Supplies	-	-	-	-
Services and Charges	117,500	117,500	125,136	7,636
Capital Outlays	558,000	1,479,965	1,476,338	(3,627)
Interfund Payments for Services	-	-	-	-
Transfers Out	-	-	-	-
Amount Charged to Appropriations (out-flows)	<u>789,249</u>	<u>1,711,214</u>	<u>1,710,131</u>	<u>(1,083)</u>
Budgeted Fund Balance, December 31	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 2,937,213</u>	

SKAGIT COUNTY, WASHINGTON
Capital Improvements
Schedule of Revenues, Expenditures and Changes in Fund Balance
Budget (GAAP Basis) and Actual
For the Year Ended December 31, 2016

	<u>Budgeted Amounts</u>			Variance with Final Budget
	Original Budget	Final Budget	Actual	
Budgeted Fund Balance, January 1	\$ 695,212	\$ 767,866	\$ 3,519,265	
Resources (in-flows)				
Property Tax	1,300,000	1,300,000	1,980,318	680,318
Interest Revenue	4,000	4,000	16,327	12,327
Total Resources (in-flows)	<u>1,304,000</u>	<u>1,304,000</u>	<u>1,996,645</u>	<u>692,645</u>
Amounts Available for Appropriation	1,999,212	2,071,866	5,515,910	
Charges to Appropriations (out-flows)				
Salaries and Wages				-
Personnel Benefits				-
Supplies				-
Services and Charges				-
Capital Outlays				-
Interfund Payments for Services				-
Transfers Out	1,999,212	2,071,866	1,646,312	(425,554)
Amount Charged to Appropriations (out-flows)	<u>1,999,212</u>	<u>2,071,866</u>	<u>1,646,312</u>	<u>(425,554)</u>
Budgeted Fund Balance, December 31	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 3,869,597</u>	

SKAGIT COUNTY, WASHINGTON
Distressed Public Improvement
Schedule of Revenues, Expenditures and Changes in Fund Balance
Budget (GAAP Basis) and Actual
For the Year Ended December 31, 2016

	<u>Budgeted Amounts</u>			Variance with Final Budget
	Original Budget	Final Budget	Actual	
Budgeted Fund Balance, January 1	\$ 1,408,292	\$ 1,408,292	\$ 7,731,614	
Resources (in-flows)				
Sales and Use Tax	2,250,000	2,250,000	2,608,331	358,331
Interest Revenue	6,500	6,500	23,975	17,475
Total Resources (in-flows)	<u>2,256,500</u>	<u>2,256,500</u>	<u>2,632,306</u>	<u>375,806</u>
Amounts Available for Appropriation	3,664,792	3,664,792	10,363,920	
Charges to Appropriations (out-flows)				
Salaries and Wages				-
Personnel Benefits				-
Supplies				-
Services and Charges	75,002	75,002	70,400	(4,602)
Capital Outlays				-
Interfund Payments for Services	3,000,000	3,000,000	1,178,200	(1,821,800)
Transfers Out	589,790	589,790	589,790	-
Amount Charged to Appropriations (out-flows)	<u>3,664,792</u>	<u>3,664,792</u>	<u>1,838,390</u>	<u>(1,826,402)</u>
Budgeted Fund Balance, December 31	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 8,525,529</u>	

SKAGIT COUNTY, WASHINGTON
Park Improvement
Schedule of Revenues, Expenditures and Changes in Fund Balance
Budget (GAAP Basis) and Actual
For the Year Ended December 31, 2016

	<u>Budgeted Amounts</u>			Variance with Final Budget
	Original Budget	Final Budget	Actual	
Budgeted Fund Balance, January 1	\$ (54)	\$ (54)	\$ 236,681	
Resources (in-flows)				
Intergovernmental Revenue	-	-	-	-
Charges for Goods and Services	10,000	10,000	11,825	1,825
Interest Earnings	-	-	-	-
Transfers In	465,793	465,793	279,000	(186,793)
Donations	-	-	40,000	40,000
Total Resources (in-flows)	<u>475,793</u>	<u>475,793</u>	<u>330,825</u>	<u>(144,968)</u>
Amounts Available for Appropriation	475,739	475,739	567,506	
Charges to Appropriations (out-flows)				
Salaries and Wages	10,800	24,600	27,520	2,920
Personnel Benefits	3,939	8,139	3,485	(4,654)
Supplies	10,000	10,000	7,326	(2,674)
Services and Charges	196,000	178,000	124,466	(53,534)
Capital Outlays	255,000	255,000	171,206	(83,794)
Interfund Payments for Services				-
Transfers Out				-
Amount Charged to Appropriations (out-flows)	<u>475,739</u>	<u>475,739</u>	<u>334,003</u>	<u>(141,736)</u>
Budgeted Fund Balance, December 31	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 233,504</u>	

THIS PAGE INTENTIONALLY LEFT BLANK

Nonmajor Enterprise Funds



SKAGIT COUNTY, WASHINGTON

NONMAJOR ENTERPRISE FUNDS

For the Year ended December 31, 2016, Skagit County has no Nonmajor Enterprise Funds.

Internal Service Funds



SKAGIT COUNTY, WASHINGTON INTERNAL SERVICE FUNDS

Internal Service Funds are established to account for the financing of goods or services provided by one department, agency, or government to other departments or agencies of Skagit County, or to other governments, on a cost reimbursable basis.

Equipment Rental Fund - A fund to finance the maintenance, operations, and acquisition of goods used by the Public Works Department and other County Funds.

Insurance Services Fund - A fund established for risk management activities, including settlement and defense of lawsuits and third-party claims to all tortious conduct.

Central Services Fund - A fund established to account for information systems, geographic information systems and records management on a county-wide basis pursuant to RCW 36.92

Unemployment Compensation Fund - A fund established to finance and account for unemployment claims against the County.

SKAGIT COUNTY, WASHINGTON
Combining Statement of Net Position
Internal Service Funds
December 31, 2016

Assets	Equipment Rental Fund	Insurance Service Fund	Central Services Fund	Unemployment Compensation # Fund	Total
Current Assets					
Cash and Cash Equivalents	\$6,859,701	\$11,029,000	\$1,209,199	\$651,000	\$19,748,900
Accounts Receivable	1,873	-	4,384	-	6,257
Due From Other Funds	# 1,170,432	1,987,065	1,572,714	-	4,730,211
Due From Other Governments	6,665	-	35,498	-	42,163
Inventories and Prepayments	5,352,712	-	-	-	5,352,712
Total Current Assets	<u>13,391,383</u>	<u>13,016,065</u>	<u>2,821,794</u>	<u>651,000</u>	<u>29,880,242</u>
Noncurrent Assets					
Capital Assets					
Buildings	180,888	-	-	-	180,888
Machinery and Equipment	18,062,259	-	1,818,367	-	19,880,627
Less Accumulated Depreciation	(9,254,038)	-	(1,408,121)	-	(10,662,159)
Total noncurrent assets	<u>8,989,109</u>	<u>-</u>	<u>410,247</u>	<u>-</u>	<u>9,399,356</u>
Total Assets	<u>22,380,492</u>	<u>13,016,065</u>	<u>3,232,041</u>	<u>651,000</u>	<u>39,279,598</u>
Deferred Outflows of Resources	<u>40,929</u>	<u>31,144</u>	<u>244,514</u>	<u>-</u>	<u>316,586</u>
Liabilities and Fund Equity					
Current Liabilities					
Accounts/Vouchers Payable	138,684	63,965	94,064	15,572	312,284
Claims and Judgements Payable	-	2,352,953	-	-	2,352,953
Accrue Wages Payable	22,303	12,607	106,816	85,971	227,698
Due to other Funds	1,313,158	60,235	-	-	1,373,393
Accrued Employee Benefits	5,655	2,582	21,904	-	30,142
Other Accrued Liabilities	6,000	-	27	-	6,027
Total Current Liabilities	<u>1,485,800</u>	<u>2,492,342</u>	<u>222,811</u>	<u>101,543</u>	<u>4,302,495</u>
Non-Current Liabilities					
Compensated Absences	40,224	28,342	206,177	-	274,743
Environmental Liability	110,576	-	-	-	110,576
Net Pension Liability	251,904	191,680	1,504,906	-	1,948,490
Total Non-Current Liabilities	<u>402,704</u>	<u>220,022</u>	<u>1,711,083</u>	<u>-</u>	<u>2,333,809</u>
Total Liabilities	<u>1,888,504</u>	<u>2,712,364</u>	<u>1,933,895</u>	<u>101,543</u>	<u>6,636,305</u>
Deferred Inflows of Resources	<u>2,887</u>	<u>2,197</u>	<u>17,250</u>	<u>-</u>	<u>22,335</u>
Net Position					
Net Investment in Capital Assets,	8,989,109	-	410,247	-	9,399,356
Unrestricted	11,540,921	10,332,647	1,115,163	549,458	23,538,188
Total Net Position	<u>\$ 20,530,030</u>	<u>\$ 10,332,647</u>	<u>\$ 1,525,410</u>	<u>\$ 549,458</u>	<u>\$ 32,937,544</u>

SKAGIT COUNTY, WASHINGTON
Combining Statement of Revenues, Expenses, and Changes in Fund Net Position
Internal Service Funds
December 31, 2016

	Equipment Rental Fund	Insurance Services Fund	Central Services Fund	Unemployment Compensation Fund	Total
Operating Revenues:					
Charges For Services	\$5,884,844	\$1,987,065	\$6,411,121	\$504,393	\$14,787,423
Miscellaneous	57,174	12,835,814		0	12,892,988
Total Operating Revenue	<u>5,942,018</u>	<u>14,822,879</u>	<u>6,411,121</u>	<u>504,393</u>	<u>27,680,412</u>
Operating Expenses:					
Personal services	522,254	341,871	2,680,708	418,602	3,963,435
Contractual services	-	2,457,896	-		2,457,896
Other supplies and expenses	2,988,149	165,605	2,718,228	-	5,871,982
Depreciation	1,079,228	-	184,270	-	1,263,498
Payment to Claimants	-	10,571,705	-	41,983	10,613,688
Total Operating Expenses	<u>4,589,630</u>	<u>13,537,076</u>	<u>5,583,206</u>	<u>460,585</u>	<u>24,170,498</u>
Operating Income (Loss)	<u>1,352,388</u>	<u>1,285,803</u>	<u>827,915</u>	<u>43,808</u>	<u>3,509,914</u>
Non-Operating Revenues (Expenses):					
Interest Revenue	15,284	32,692		-	47,977
Miscellaneous Revenue	922		27,053	-	27,975
Gain (Loss) on Fixed Asset Disposal	61,669		-	-	61,669
Miscellaneous Expense			-	-	-
Total non-operating revenues	<u>77,875</u>	<u>32,692</u>	<u>27,053</u>	<u>-</u>	<u>137,621</u>
Net Income (Loss) Before Operating Transfers Contributions and Special Items	<u>1,430,263</u>	<u>1,318,495</u>	<u>854,969</u>	<u>43,808</u>	<u>3,647,535</u>
Transfers In	13,288	-	-		13,288
Transfers Out		-	-	-	
Changes in Net Position	<u>1,443,552</u>	<u>1,318,495</u>	<u>854,969</u>	<u>43,808</u>	<u>3,660,823</u>
Net Position as of January 1	19,086,478	9,014,152	670,441	505,650	29,276,721
Prior Period Correction					0
Net Position as of December 31	<u><u>20,530,030</u></u>	<u><u>10,332,647</u></u>	<u><u>1,525,410</u></u>	<u><u>549,458</u></u>	<u><u>32,937,544</u></u>

SKAGIT COUNTY, WASHINGTON
Combining Statement of Cash Flow
Internal Service Funds
For the Year Ended December 31, 2016

	Equipment Rental Fund	Insurance Service Fund	Central Services Fund	Unemployment Compensation Fund	Total
<u>Cash Flows From Operating Activities:</u>					
Receipts from Customers	\$154,309	\$1,405,039	\$391,047	\$0	\$1,950,395
Receipts from interfund services provided	6,104,038	12,752,764	5,958,080	504,393	25,319,275
Payments to Employees	(527,728)	(378,989)	(3,532,753)	(365,471)	(4,804,941)
Payments to Suppliers	(1,962,913)	(3,107,142)	(2,784,555)	-	(7,854,610)
Payments to Claimants		(10,598,644)	-	(38,511)	(10,637,155)
Payments for interfund services used	(1,701,932)	(12,658)	-	-	(1,714,590)
Miscellaneous receipts/payments)	(282,136)	382,448	27,053	-	127,365
Net cash provided (used) by operating activities	<u>1,783,638</u>	<u>442,818</u>	<u>58,872</u>	<u>100,411</u>	<u>2,385,740</u>
<u>Cash Flows From Non-Capital And Related Financing Activities</u>					
Transfers to Other Funds		-	-	-	-
Transfers From Other Funds	13,288	-	-	-	13,288
Net cash provided (used) by Non-Capital and related financing activities	<u>13,288</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>34,500</u>
<u>Cash Flows From Capital And Related Financing Activities</u>					
Capital Grant Received	-	-	-	-	-
Proceeds from sale of capital assets	(1,183,720)	-	(226,246)	-	(1,409,966)
Purchases of capital assets	183,855	-	103,367	-	287,222
Net cash provided (used) by capital and related financing activities	<u>(999,865)</u>	<u>-</u>	<u>(122,879)</u>	<u>-</u>	<u>(1,122,744)</u>
<u>Cash Flows From Investing Activities:</u>					
Interest Received	15,284	32,692	-	-	47,976
Net Cash Provided by Investing Activities	<u>15,284</u>	<u>32,692</u>	<u>-</u>	<u>-</u>	<u>47,976</u>
Net Increase in Cash & Cash Equivalents	812,345	475,510	(64,007)	100,411	1,324,259
Balances as of January 1	6,047,356	10,553,490	1,273,206	550,589	18,424,641
Balances as of December 31	<u>6,859,701</u>	<u>11,029,000</u>	<u>1,209,199</u>	<u>651,000</u>	<u>19,748,900</u>
Operating Income/(Loss)	<u>1,352,388</u>	<u>1,285,803</u>	<u>827,915</u>	<u>43,808</u>	<u>3,509,914</u>

SKAGIT COUNTY, WASHINGTON
Combining Reconciliation of Operating Income to Net Cash Provided
Internal Service Funds
For the Year Ended December 31, 2016

	Equipment Rental Fund	Insurance Service Fund	Central Services Fund	Unemployment Compensation # Fund	Total
Reconciliation of Operating Income (Loss) to Net Cash Provided (Used) by Operating Activities					
Operating Income (Loss)	\$ 1,352,388	\$ 1,285,803	\$ 827,915	\$ 43,808	3,509,914
Adjustments to Reconcile Operating Income to Net Cash Provided (Used) by Operating Activities:					
Depreciation Expense	1,079,229		184,270		1,263,499
Miscellaneous Receipts	(283,058)	-	27,053		(256,005)
Changes in Assets and Liabilities:					
Receivables, Net	317,248	(434,130)	(65,940)	-	(182,822)
Prepayables		-	-		-
Inventories	(432,369)				(432,369)
Accounts and Other Payables	(249,800)	(408,855)	(914,426)	56,603	(1,516,478)
Net Cash Provided (Used) by Operating Activities	<u>\$ 1,783,638</u>	<u>\$ 442,818</u>	<u>\$ 58,872</u>	<u>\$ 100,411</u>	<u>\$ 2,385,740</u>

Agency Funds



SKAGIT COUNTY, WASHINGTON

AGENCY FUNDS

Agency Funds are established to account for assets Skagit County holds in the capacity of agent. Many independent taxing districts are required by Washington State statutes to process all monies through the county treasurer. These Agency Funds are custodial in nature and do not present results of operations or have a measurement focus.

Agency Funds Include:

Cemetery Districts
Cities & Towns
Council of Governments
Dike & Drainage Districts
Fidalgo Parks & Recreation
Fire Districts
Hospital Districts
Library Districts
North Sound Regional Support Network
Northwest Clean Aid Agency
Payroll/Claims Clearing
Port Districts
Public Facilities District
School Districts
Sewer Districts
Skagit Community Network
Skagit Council of Governments
Skagit Emergency Communications Center
Skagit Transit & Housing Authority
State Trust
Treasurer's Trust Suspense
Water Districts

SKAGIT COUNTY, WASHINGTON
COMBINING BALANCE SHEET
As of December 31, 2016

ASSETS	TRUST FUNDS	CLEARING FUNDS	STATE FUNDS	NW CLEAN AIR AGENCY FUNDS
Cash	\$ 558,001	\$ 14,673,012	\$ 661,370	\$ 86,382
Investments				5,161,535
Taxes Receivable			851,911	
Deposits		-		
TOTAL ASSETS	558,001	14,673,012	1,513,281	5,247,917
LIABILITIES				
Warrants Payable		14,648,653		
Custodial Accounts	558,001	24,359	1,513,281	5,247,917
TOTAL LIABILITIES	\$ 558,001	\$ 14,673,012	\$ 1,513,281	\$ 5,247,917

ASSETS	LIBRARY FUNDS	SKAGIT HOUSING FUND	CITIES AND TOWNS FUNDS	PORT OF ANACORTES FUNDS
Cash	\$ 1,468,119	\$ 13,600	\$ 406,479	\$ 77,704
Investments	1,934,050	700,905		10,239,666
Taxes Receivable	56,393		396,104	7,759
Deposits				
TOTAL ASSETS	3,458,562	714,505	802,583	10,325,129
LIABILITIES				
Warrants Payable	12,347			55,797
Custodial Accounts	3,446,215	714,505	802,583	10,269,332
TOTAL LIABILITIES	\$ 3,458,562	\$ 714,505	\$ 802,583	\$ 10,325,129

SKAGIT COUNTY, WASHINGTON
COMBINING BALANCE SHEET
As of December 31, 2016

ASSETS	COUNCIL OF GOVERNMENTS FUNDS	FIDALGO PARK FUNDS	AFFILIATED HEALTH SERVICES FUNDS
Cash	\$ 178,069	\$ 306,378	\$ 402
Investments	904,092	227,164	72,782
Taxes Receivable		8,234	
Deposits			
TOTAL ASSETS	1,082,161	541,776	73,184
LIABILITIES			
Warrants Payable	21,521	-	-
Custodial Accounts	1,060,640	541,776	73,184
TOTAL LIABILITIES	\$ 1,082,161	\$ 541,776	\$ 73,184

ASSETS	PORT OF SKAGIT FUNDS	DIKE DISTRICTS FUNDS	SKAGIT TRANSPORTATION FUNDS
Cash	\$ 834,314	\$ 5,328,047	
Investments	6,232,722	11,898,508	8,560,274
Taxes Receivable	63,194	152,281	
Deposits			
TOTAL ASSETS	7,130,230	17,378,836	8,560,274
LIABILITIES			
Warrants Payable	377,516	38,217	
Custodial Accounts	6,752,714	17,340,619	8,560,274
TOTAL LIABILITIES	\$ 7,130,230	\$ 17,378,836	\$ 8,560,274

SKAGIT COUNTY, WASHINGTON
COMBINING BALANCE SHEET

As of December 31, 2016

ASSETS	HOSPITAL DISTRICT 1 FUNDS	HOSPITAL DISTRICT 2 FUNDS	HOSPITAL DISTRICT 304 FUNDS	WATER DISTRICT FUNDS
Cash	\$ 7,752,684	\$ 909,539	\$ 533,934	\$ 39,658
Investments	165,676,002	31,721,143	13,959,586	278,679
Taxes Receivable	94,262	46,656	32,869	
Deposits				
TOTAL ASSETS	173,522,948	32,677,338	14,526,389	318,337

LIABILITIES				
Warrants Payable	9,280,536	491,514	8,540	3,552
Custodial Accounts	164,242,412	32,185,824	14,517,849	314,785
TOTAL LIABILITIES	\$ 173,522,948	\$ 32,677,338	\$ 14,526,389	\$ 318,337

ASSETS	DRAINAGE DISTRICT FUNDS	SCHOOL DISTRICTS FUNDS	CEMETARY DISTRICTS FUNDS	SKAGIT COMMUNITY NETWORK
Cash	\$ 552,851	\$ 12,157,317	\$ 265,404	\$ 1,801
Investments	1,080,154	177,947,962	593,254	
Taxes Receivable	17,428	1,717,391	4,896	
Deposits				
TOTAL ASSETS	1,650,433	191,822,670	863,554	1,801

LIABILITIES				
Warrants Payable	29,544	10,544,444	3,060	
Custodial Accounts	1,620,889	181,278,226	860,494	1,801
TOTAL LIABILITIES	\$ 1,650,433	\$ 191,822,670	\$ 863,554	\$ 1,801

SKAGIT COUNTY, WASHINGTON
COMBINING BALANCE SHEET

As of December 31, 2016

ASSETS	SEWER DISTRICT FUNDS	FIRE DISTRICT FUNDS	NORTH SOUND RSN FUNDS
Cash	\$ 198,959	\$ 3,088,300	\$ 978,736
Investments	468,360	4,097,222	56,818,957
Taxes Receivable	-	155,244	
Deposits			
TOTAL ASSETS	667,319	7,340,766	57,797,693
LIABILITIES			
Warrants Payable	245	118,233	7,242,847
Custodial Accounts	667,074	7,222,533	50,554,846
TOTAL LIABILITIES	\$ 667,319	\$ 7,340,766	\$ 57,797,693

ASSETS	PUBLIC FACILITIES DISTRICT	SKAGIT EMERGENCY COMM	2016 TOTALS
Cash	\$ 76,858	\$ 50	\$ 51,147,968
Investments	1,505,570	808,526	500,887,112
Taxes Receivable			3,604,622
Deposits			-
TOTAL ASSETS	1,582,428	808,576	555,639,702
LIABILITIES			
Warrants Payable	-	-	42,876,566
Custodial Accounts	1,582,428	808,576	512,763,136
TOTAL LIABILITIES	\$ 1,582,428	\$ 808,576	\$ 555,639,702

SKAGIT COUNTY, WASHINGTON
COMBINING STATEMENT OF CHANGES IN ASSETS AND LIABILITIES
Fiscal Year Ended December 31, 2016

TRUST FUNDS	Balance			Balance	
	December 31, 2015	Additions	Deductions	December 31, 2016	
ASSETS					
Cash	\$ 345,166	\$ 6,850,443	\$ 6,637,608	\$ 558,001	
Investments	-			-	
Taxes Receivable	-			-	
Deposits	-			-	
TOTAL ASSETS	345,166	6,850,443	6,637,608	558,001	
LIABILITIES					
Warrants Payable	-			-	
Custodial Accounts	345,166	6,850,443	6,637,608	558,001	
TOTAL LIABILITIES	\$ 345,166	\$ 6,850,443	\$ 6,637,608	\$ 558,001	

CLEARING FUNDS	Balance			Balance	
	December 31, 2015	Additions	Deductions	December 31, 2016	
ASSETS					
Cash	\$ 3,589,489	\$ 401,840,421	\$ 390,756,898	\$ 14,673,012	
Investments	-			-	
Taxes Receivable	-			-	
Deposits	-	-	-	-	
TOTAL ASSETS	3,589,489	401,840,421	390,756,898	14,673,012	
LIABILITIES					
Warrants Payable	3,532,771	327,309,061	316,193,179	14,648,653	
Custodial Accounts	56,718	198,395,582	198,427,940	24,359	
TOTAL LIABILITIES	\$ 3,589,489	\$ 525,704,643	\$ 514,621,120	\$ 14,673,012	

STATE FUNDS	Balance			Balance	
	December 31, 2015	Additions	Deductions	December 31, 2016	
ASSETS					
Cash	\$ 810,718	\$ 52,172,984	\$ 52,322,332	\$ 661,370	
Investments	-			-	
Taxes Receivable	883,017	33,360,289	33,391,395	851,911	
Deposits	-			-	
TOTAL ASSETS	1,693,735	85,533,273	85,713,727	1,513,281	
LIABILITIES					
Warrants Payable	-			-	
Custodial Accounts	1,693,735	33,219,150	33,399,604	1,513,281	
TOTAL LIABILITIES	\$ 1,693,735	\$ 33,219,150	\$ 33,399,604	\$ 1,513,281	

SKAGIT COUNTY, WASHINGTON
COMBINING STATEMENT OF CHANGES IN ASSETS AND LIABILITIES
Fiscal Year Ended December 31, 2016

NW AIR POLLUTION FUNDS	Balance				Balance	
	December 31, 2015	Additions	Deductions		December 31, 2016	
ASSETS						
Cash	\$ 22,856	\$ 8,868,836	\$ 8,805,310	\$	86,382	
Investments	6,103,278	2,659,216	3,600,959		5,161,535	
Taxes Receivable	-				-	
Deposits	-				-	
TOTAL ASSETS	6,126,134	11,528,052	12,406,269		5,247,917	
LIABILITIES						
Warrants Payable	-	5,503,782	5,503,782		-	
Custodial Accounts	6,126,134	-	878,217		5,247,917	
TOTAL LIABILITIES	\$ 6,126,134	\$ 5,503,782	\$ 6,381,999	\$	\$ 5,247,917	

COUNCIL OF GOV'T FUNDS	Balance				Balance	
	December 31, 2015	Additions	Deductions		December 31, 2016	
ASSETS						
Cash	\$ 76,626	\$ 1,298,137	\$ 1,196,695	\$	178,069	
Investments	883,008	285,931	264,847		904,092	
Taxes Receivable	-				-	
Deposits	-				-	
TOTAL ASSETS	959,634	1,584,068	1,461,542		1,082,161	
LIABILITIES						
Warrants Payable	14,866	341,401	334,746		21,521	
Custodial Accounts	944,768	280,202	164,331		1,060,640	
TOTAL LIABILITIES	\$ 959,634	\$ 621,603	\$ 499,077	\$	\$ 1,082,161	

LIBRARY FUNDS	Balance				Balance	
	December 31, 2015	Additions	Deductions		December 31, 2016	
ASSETS						
Cash	\$ 736,209	\$ 2,259,238	\$ 1,527,328	\$	1,468,119	
Investments	1,826,011	556,202	448,163		1,934,050	
Taxes Receivable	48,388	1,231,500	1,223,494		56,394	
Deposits	-				-	
TOTAL ASSETS	2,610,608	4,046,940	3,198,985		3,458,562	
LIABILITIES						
Warrants Payable	14,545	369,928	372,126		12,347	
Custodial Accounts	2,596,063	1,497,915	647,763		3,446,215	
TOTAL LIABILITIES	\$ 2,610,608	\$ 1,867,843	\$ 1,019,889	\$	\$ 3,458,562	

SKAGIT COUNTY, WASHINGTON
COMBINING STATEMENT OF CHANGES IN ASSETS AND LIABILITIES
Fiscal Year Ended December 31, 2016

SKAGIT HOUSING	Balance				Balance	
	December 31, 2015	Additions	Deductions		December 31, 2016	
ASSETS						
Cash	\$ 1,000	\$ 35,321	\$ 22,721	\$	13,600	
Investments	708,183	7,722	15,000		700,905	
Taxes Receivable	-				-	
Deposits	-				-	
TOTAL ASSETS	709,183	43,043	37,721		714,505	
LIABILITIES						
Warrants Payable	-	-	-		-	
Custodial Accounts	709,183	5,322			714,505	
TOTAL LIABILITIES	\$ 709,183	\$ 5,322	\$ -	\$	714,505	

CITIES AND TOWNS FUNDS	Balance				Balance	
	December 31, 2015	Additions	Deductions		December 31, 2016	
ASSETS						
Cash	\$ 366,713	\$ 21,623,301	\$ 21,583,536	\$	406,479	
Investments	-				-	
Taxes Receivable	387,550	18,208,226	18,199,672		396,104	
Deposits	-				-	
TOTAL ASSETS	754,263	39,831,527	39,783,208		802,583	
LIABILITIES						
Warrants Payable	-				-	
Custodial Accounts	724,263	18,277,993	18,199,672		802,583	
TOTAL LIABILITIES	\$ 724,263	\$ 18,277,993	\$ 18,199,672	\$	802,583	

PORT OF ANACORTES FUNDS	Balance				Balance	
	December 31, 2015	Additions	Deductions		December 31, 2016	
ASSETS						
Cash	\$ 960,206	\$ 34,540,131	\$ 35,422,633	\$	77,704	
Investments	9,145,187	8,372,646	7,278,167		10,239,666	
Taxes Receivable	7,869	500,369	500,479		7,759	
Deposits	-				-	
TOTAL ASSETS	10,113,262	43,413,146	43,201,278		10,325,129	
LIABILITIES						
Warrants Payable	182,790	18,450,149	18,577,141		55,797	
Custodial Accounts	9,930,472	3,509,339	3,170,479		10,269,332	
TOTAL LIABILITIES	\$ 10,113,262	\$ 21,959,487	\$ 21,747,620	\$	10,325,129	

SKAGIT COUNTY, WASHINGTON
COMBINING STATEMENT OF CHANGES IN ASSETS AND LIABILITIES
Fiscal Year Ended December 31, 2016

PORT OF SKAGIT FUNDS	Balance December 31, 2015	Additions	Deductions	Balance December 31, 2016
ASSETS				
Cash	\$ 460,817	\$ 20,439,859	\$ 20,066,362	\$ 834,314
Investments	6,643,674	2,813,324	3,224,276	6,232,722
Taxes Receivable	61,439	2,130,244	2,128,488	63,194
Deposits	-			-
TOTAL ASSETS	7,165,930	25,383,427	25,419,126	7,130,230
LIABILITIES				
Warrants Payable	303,278	10,143,839	10,069,601	377,516
Custodial Accounts	6,862,652	13,813,168	13,923,105	6,752,714
TOTAL LIABILITIES	\$ 7,165,930	\$ 23,957,007	\$ 23,992,707	\$ 7,130,230

FIDALGO PARK FUNDS	Balance December 31, 2015	Additions	Deductions	Balance December 31, 2016
ASSETS				
Cash	\$ 397,224	\$ 1,743,746	\$ 1,834,593	\$ 306,378
Investments	226,205	227,164	226,205	227,164
Taxes Receivable	9,134	618,568	619,468	8,234
Deposits	-			-
TOTAL ASSETS	632,563	2,589,479	2,680,266	541,776
LIABILITIES				
Warrants Payable	-	1,066,364	1,066,364	-
Custodial Accounts	632,563	1,021,454	1,112,241	541,776
TOTAL LIABILITIES	\$ 632,563	\$ 2,087,818	\$ 2,178,605	\$ 541,776

AFFILIATED HEALTH FUNDS	Balance December 31, 2015	Additions	Deductions	Balance December 31, 2016
ASSETS				
Cash	\$ 401	\$ 140,919	\$ 140,918	\$ 402
Investments	46,397	78,652	52,267	72,782
Taxes Receivable	-			-
Deposits	-			-
TOTAL ASSETS	46,798	219,571	193,186	73,183
LIABILITIES				
Warrants Payable	401	62,194	62,595	-
Custodial Accounts	46,397	26,786		73,183
TOTAL LIABILITIES	\$ 46,798	\$ 88,980	\$ 62,595	\$ 73,183

SKAGIT COUNTY, WASHINGTON
COMBINING STATEMENT OF CHANGES IN ASSETS AND LIABILITIES
Fiscal Year Ended December 31, 2016

HOSPITAL DISTRICT 1 FUNDS	Balance			Balance		
	December 31, 2015	Additions	Deductions	December 31, 2016		
ASSETS						
Cash	\$ 3,025,016	\$ 1,099,443,801	\$ 1,094,716,133	\$ 7,752,684		
Investments	144,400,109	529,616,516	508,340,623	165,676,002		
Taxes Receivable	99,878	3,674,277	3,679,893	94,262		
Deposits	-			-		
TOTAL ASSETS	147,525,003	1,632,734,593	1,606,736,649	173,522,948		
LIABILITIES						
Warrants Payable	1,859,068	270,565,003	263,143,535	9,280,536		
Custodial Accounts	145,665,935	282,464,421	263,887,944	164,242,412		
TOTAL LIABILITIES	\$ 147,525,003	\$ 553,029,424	\$ 527,031,479	\$ 173,522,948		

HOSPITAL DISTRICT 2 FUNDS	Balance			Balance		
	December 31, 2015	Additions	Deductions	December 31, 2016		
ASSETS						
Cash	\$ 1,600,027	\$ 128,021,002	\$ 128,711,490	\$ 909,539		
Investments	29,476,500	19,368,870	17,124,227	31,721,143		
Taxes Receivable	48,455	3,346,681	3,348,480	46,656		
Deposits	-			-		
TOTAL ASSETS	31,124,982	150,736,553	149,184,198	32,677,338		
LIABILITIES						
Warrants Payable	1,227,840	52,842,170	53,578,496	491,514		
Custodial Accounts	29,897,142	3,346,682	1,058,000	32,185,824		
TOTAL LIABILITIES	\$ 31,124,982	\$ 56,188,852	\$ 54,636,495	\$ 32,677,338		

HOSPITAL DISTRICT 304 FUNDS	Balance			Balance		
	December 31, 2015	Additions	Deductions	December 31, 2016		
ASSETS						
Cash	\$ 517,976	\$ 23,374,542	\$ 23,357,585	\$ 534,933		
Investments	14,446,402	15,077,888	15,564,704	13,959,586		
Taxes Receivable	31,712	959,007	957,850	32,869		
Deposits	-			-		
TOTAL ASSETS	14,996,090	39,411,437	39,880,138	14,527,389		
LIABILITIES						
Warrants Payable	426,267	2,873,051	3,290,778	8,540		
Custodial Accounts	14,569,823	959,007	1,009,981	14,518,849		
TOTAL LIABILITIES	\$ 14,996,090	\$ 3,832,057	\$ 4,300,758	\$ 14,527,389		

SKAGIT COUNTY, WASHINGTON
COMBINING STATEMENT OF CHANGES IN ASSETS AND LIABILITIES
Fiscal Year Ended December 31, 2016

DIKE FUNDS	Balance			Balance
	December 31, 2015	Additions	Deductions	December 31, 2016
ASSETS				
Cash	\$ 7,366,310	\$ 11,905,794	\$ 13,944,057	\$ 5,328,047
Investments	6,626,892	6,285,813	1,014,197	11,898,508
Taxes Receivable	165,077	5,320,822	5,333,618	152,281
Deposits	-			-
TOTAL ASSETS	14,158,279	23,512,429	20,291,872	17,378,836
LIABILITIES				
Warrants Payable	66,548	2,201,193	2,229,524	38,217
Custodial Accounts	14,091,731	9,105,324	5,856,436	17,340,619
TOTAL LIABILITIES	\$ 14,158,279	\$ 11,306,517	\$ 8,085,959	\$ 17,378,836

SKAGIT TRANSPORTATION	Balance			Balance
	December 31, 2015	Additions	Deductions	December 31, 2016
ASSETS				
Cash	\$ -	\$ 32,999	\$ 32,999	\$ -
Investments	8,527,275	32,999		8,560,274
Taxes Receivable	-			-
Deposits	-			-
TOTAL ASSETS	8,527,275	65,998	32,999	8,560,274
LIABILITIES				
Warrants Payable	-			-
Custodial Accounts	8,527,275	32,999	-	8,560,274
TOTAL LIABILITIES	\$ 8,527,275	\$ 32,999	\$ -	\$ 8,560,274

DRAINAGE DISTRICT FUNDS	Balance			Balance
	December 31, 2015	Additions	Deductions	December 31, 2016
ASSETS				
Cash	\$ 477,555	\$ 1,952,461	\$ 1,877,165	\$ 552,851
Investments	1,150,726	129,143	199,714	1,080,154
Taxes Receivable	21,837	760,090	764,499	17,428
Deposits	-			-
TOTAL ASSETS	1,650,118	2,841,693	2,841,378	1,650,433
LIABILITIES				
Warrants Payable	20,765	2,028,740	2,019,961	29,544
Custodial Accounts	1,629,351	1,016,747	1,025,209	1,620,889
TOTAL LIABILITIES	\$ 1,650,116	\$ 3,045,487	\$ 3,045,170	\$ 1,650,433

SKAGIT COUNTY, WASHINGTON
COMBINING STATEMENT OF CHANGES IN ASSETS AND LIABILITIES
Fiscal Year Ended December 31, 2016

SCHOOL DISTRICT FUNDS	Balance December 31, 2015	Additions	Deductions	Balance December 31, 2016
ASSETS				
Cash	\$ 18,238,368	\$ 635,443,060	\$ 641,524,111	\$ 12,157,317
Investments	107,607,505	310,369,845	240,029,389	177,947,962
Taxes Receivable	1,728,293	68,289,249	68,300,151	1,717,391
Deposits	-			-
TOTAL ASSETS	127,574,166	1,014,102,154	949,853,650	191,822,670
LIABILITIES				
Warrants Payable	11,458,755	168,577,757	169,492,068	10,544,444
Custodial Accounts	116,115,411	214,784,479	149,621,664	181,278,226
TOTAL LIABILITIES	\$ 127,574,166	\$ 383,362,236	\$ 319,113,732	\$ 191,822,670

CEMETERY DISTRICT FUNDS	Balance December 31, 2015	Additions	Deductions	Balance December 31, 2016
ASSETS				
Cash	\$ 197,569	\$ 665,751	\$ 597,916	\$ 265,404
Investments	640,047	319,707	366,499	593,254
Taxes Receivable	5,372	207,593	208,069	4,896
Deposits	-			-
TOTAL ASSETS	842,988	1,193,051	1,172,485	863,554
LIABILITIES				
Warrants Payable	5,141	130,319	132,400	3,060
Custodial Accounts	837,847	276,922	254,275	860,494
TOTAL LIABILITIES	\$ 842,988	\$ 407,240	\$ 386,675	\$ 863,554

WATER DISTRICT FUNDS	Balance December 31, 2015	Additions	Deductions	Balance December 31, 2016
ASSETS				
Cash	\$ 52,333	\$ 112,209	\$ 124,884	\$ 39,658
Investments	227,721	50,957	-	278,679
Taxes Receivable	-			-
Deposits	-			-
TOTAL ASSETS	280,054	163,166	124,884	318,337
LIABILITIES				
Warrants Payable	-	25,527	21,975	3,552
Custodial Accounts	280,054	35,750	1,020	314,784
TOTAL LIABILITIES	\$ 280,054	\$ 61,278	\$ 22,995	\$ 318,337

SKAGIT COUNTY, WASHINGTON
COMBINING STATEMENT OF CHANGES IN ASSETS AND LIABILITIES
Fiscal Year Ended December 31, 2016

SEWER DISTRICT FUNDS	Balance				Balance
	December 31, 2015	Additions	Deductions		December 31, 2016
ASSETS					
Cash	\$ 324,877	\$ 2,342,072	\$ 2,467,990	\$	198,959
Investments	466,174	203,533	201,347		468,360
Taxes Receivable	775		775		-
Deposits	-				-
TOTAL ASSETS	791,826	2,545,604	2,670,112		667,319
LIABILITIES					
Warrants Payable	16,371	595,840	611,966		245
Custodial Accounts	775,455	542,938	651,319		667,073
TOTAL LIABILITIES	\$ 791,826	\$ 1,138,778	\$ 1,263,285	\$	667,319

FIRE DISTRICT FUNDS	Balance				Balance
	December 31, 2015	Additions	Deductions		December 31, 2016
ASSETS					
Cash	\$ 2,745,555	\$ 9,254,516	\$ 8,911,771	\$	3,088,300
Investments	4,067,239	1,323,781	1,293,798		4,097,222
Taxes Receivable	160,660	5,085,332	5,090,749		155,244
Deposits	-				-
TOTAL ASSETS	6,973,454	15,663,630	15,296,318		7,340,766
LIABILITIES					
Warrants Payable	143,674	5,300,221	5,325,662		118,233
Custodial Accounts	6,829,780	6,186,894	5,794,141		7,222,533
TOTAL LIABILITIES	\$ 6,973,454	\$ 11,487,115	\$ 11,119,803	\$	7,340,766

NORTH SOUND RSN	Balance				Balance
	December 31, 2015	Additions	Deductions		December 31, 2016
ASSETS					
Cash	\$ 1,879,877	\$ 197,479,472	\$ 198,380,613	\$	978,736
Investments	62,245,340	45,082,984	50,509,368		56,818,957
Taxes Receivable	-				-
Deposits	-				-
TOTAL ASSETS	64,125,217	242,562,457	248,889,981		57,797,693
LIABILITIES					
Warrants Payable	5,289,909	150,396,634	148,443,696		7,242,847
Custodial Accounts	58,835,308	1,527,858	9,808,320		50,554,846
TOTAL LIABILITIES	\$ 64,125,217	\$ 151,924,493	\$ 158,252,017	\$	57,797,693

SKAGIT COUNTY, WASHINGTON
COMBINING STATEMENT OF CHANGES IN ASSETS AND LIABILITIES
Fiscal Year Ended December 31, 2016

SKAGIT EMERGENCY COMM	Balance				Balance
	December 31, 2015	Additions	Deductions		December 31, 2016
ASSETS					
Cash	\$ 315,134	\$ 3,688,501	\$ 4,003,585	\$	50
Investments	805,193	3,333			808,526
Taxes Receivable	-				-
Deposits	-				-
TOTAL ASSETS	1,120,327	3,691,834	4,003,585		808,576
LIABILITIES					
Warrants Payable	-				-
Custodial Accounts	1,120,328		311,752		808,576
TOTAL LIABILITIES	\$ 1,120,328	\$ -	\$ 311,752	\$	808,576

SKAGIT COMMUNITY NETWORK	Balance				Balance
	December 31, 2015	Additions	Deductions		December 31, 2016
ASSETS					
Cash	\$ 1,801	\$ -	\$ -	\$	1,801
Investments	-				-
Taxes Receivable	-				-
Deposits	-				-
TOTAL ASSETS	1,801	-	-		1,801
LIABILITIES					
Warrants Payable	-				-
Custodial Accounts	1,801				1,801
TOTAL LIABILITIES	\$ 1,801	\$ -	\$ -	\$	1,801

PUBLIC FACILITY DISTRICT	Balance				Balance
	December 31, 2015	Additions	Deductions		December 31, 2016
ASSETS					
Cash	\$ 151,795	\$ 2,679,480	\$ 2,754,418	\$	76,857
Investments	1,298,782	1,195,407	988,619		1,505,570
Taxes Receivable	-				-
Deposits	-				-
TOTAL ASSETS	1,450,577	3,874,888	3,743,037		1,582,428
LIABILITIES					
Warrants Payable	-	219,543	219,543		-
Custodial Accounts	1,450,577	526,851	395,000		1,582,428
TOTAL LIABILITIES	\$ 1,450,577	\$ 746,394	\$ 614,543	\$	1,582,428

SKAGIT COUNTY, WASHINGTON
COMBINING STATEMENT OF CHANGES IN ASSETS AND LIABILITIES
Fiscal Year Ended December 31, 2016

TRUST AGENCY FUNDS	Balance December 31, 2015	Additions	Deductions	Balance December 31, 2016
ASSETS				
Cash	\$ 44,631,617	\$ 2,668,238,002	\$ 2,661,721,652	\$ 51,147,968
Investments	407,567,851	\$ 944,061,630	\$ 850,742,369	500,887,112
Taxes Receivable	3,659,454	\$ 143,692,247	\$ 143,747,080	3,604,622
Deposits	-			-
TOTAL ASSETS	455,858,922	3,755,991,879	3,656,211,100	555,639,702
LIABILITIES				
Warrants Payable	24,562,989	\$ 1,019,002,715	\$ 1,000,689,138	42,876,566
Custodial Accounts	431,296,933	\$ 797,702,225	\$ 716,236,021	512,763,136
TOTAL LIABILITIES	\$ 455,859,922	\$ 1,816,704,940	\$ 1,716,925,159	\$ 555,639,702

Statistical Section



SKAGIT COUNTY, WASHINGTON

Statistical Section

This part of Skagit County's comprehensive annual financial report presents detailed information as a context for understanding what the information in the financial statements, note disclosures, and required supplementary information says about the County's overall financial health.

<u>Contents</u>	<u>Page</u>
Financial Trends These schedules contain trend information to help the reader understand how the County's financial performance has changed over time.	175
Revenue Capacity These schedules contain information to help the reader assess the County's most significant local revenue source, property taxes.	185
Debt Capacity These schedules present information to help the reader assess the affordability of the County's current levels of outstanding debt and the County's ability to issue additional debt in the future.	189
Demographic and Economic Information These schedules offer demographic and economic indicators to help the reader understand the environment in which the County's financial activities take place.	194
Operating Information These schedules contain service and infrastructure data to help the reader understand how the information in the County's financial statements relate to the services the County provides and the activities it performs.	198

SKAGIT COUNTY, WASHINGTON
Net Position by Component
Last Ten Fiscal years
(Accrual Basis of Accounting)

	Fiscal Year									
	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016
Government Activities										
Net Investment in Capital Assets	\$ 357,149,388	\$ 348,749,188	\$ 369,397,842	\$ 359,956,151	\$ 327,995,991	\$ 324,329,535	\$ 311,928,988	\$ 291,628,047	\$ 273,798,884	\$ 252,394,754
Restricted	31,094,299	33,205,191	24,794,518	27,543,125	29,091,499	28,152,145	31,055,769	30,418,711	36,559,030	52,215,900
Unrestricted	19,336,537	14,966,923	14,514,433	16,234,084	24,183,225	29,972,479	11,722,089	28,256,073	6,460,200	9,585,543
Total Governmental Activities Net Position	407,580,224	396,921,302	408,706,793	403,733,360	381,270,715	382,454,159	354,706,846	350,302,831	316,818,114	314,196,197
Business-Type Activities										
Net Investment in Capital Assets	367,220	1,183,845	592,025	3,843,894	4,669,373	6,207,740	7,110,665	14,405,733	9,066,636	9,100,601
Restricted	-	-	-	-	-	-	-	-	-	58,529
Unrestricted	1,760,885	285,705	2,293,537	(2,267,094)	(1,589,457)	(1,926,699)	(2,810,762)	(2,963,191)	5,090,996	13,877,618
Total Business-Type Activities Net Position	2,128,105	1,469,550	2,885,562	1,576,800	3,079,916	4,281,041	4,299,903	11,442,542	14,157,632	23,036,748
Primary Government										
Net Investment in Capital Assets	357,516,608	349,933,033	369,989,867	363,800,045	332,665,364	330,537,275	319,039,653	306,033,780	282,865,520	261,496,355
Restricted	31,094,299	33,205,191	24,794,518	27,543,125	29,091,499	28,152,145	31,055,769	30,418,711	36,559,030	52,274,429
Unrestricted	21,097,422	15,252,628	16,807,970	13,966,990	22,593,768	28,045,780	8,911,327	25,292,882	11,551,196	23,463,161
Total Primary Government Net Position	\$ 409,708,329	\$ 398,390,852	\$ 411,592,355	\$ 405,310,160	\$ 384,350,631	\$ 386,735,200	\$ 359,006,749	\$ 361,745,373	\$ 330,975,746	\$ 337,232,945

In 2014, jail operations were removed from Government Activities and now reside in Business-Type Activities. See Note X

Source: Financial Statements for relevant years.

SKAGIT COUNTY, WASHINGTON
Changes in Net Position by Function
Last Ten Fiscal Years
(Accrual Basis of Accounting)

	2007	2008	2009	2010	2011
Expenses					
Governmental Activities					
General Government	\$ 23,993,651	\$ 34,187,307	\$ 32,293,073	\$ 30,411,707	\$ 29,694,591
Judicial	-	6,385,303	6,786,074	6,281,910	6,528,192
Public Safety	24,872,632	22,665,563	24,713,361	20,015,584	20,622,410
Physical Environment	3,509,248	3,008,208	2,185,797	3,560,748	2,672,643
Transportation	32,079,278	28,136,224	27,080,176	27,144,427	29,952,995
Economic Environment	5,763,176	5,947,702	5,348,995	3,467,987	3,162,607
Health and Human Services	9,293,864	12,606,481	11,340,490	10,134,616	10,387,711
Culture and Recreation	3,020,552	2,782,984	2,573,312	2,566,016	1,642,170
Interest on Long-Term Debt	708,941	687,761	660,210	559,293	516,260
Total Governmental Activities	103,241,342	116,407,533	112,981,488	104,142,288	105,179,579
Business-Type Activities					
Solid Waste	8,775,500	8,216,764	7,723,823	8,705,787	7,252,470
Drainage Utility	787,587	905,641	1,626,049	1,240,898	1,412,499
Jail Fund	-	-	-	-	-
Total Business-Type Activities	9,563,087	9,122,405	9,349,872	9,946,685	8,664,969
Total Primary Government	112,804,429	125,529,938	122,331,360	114,088,973	113,844,548
Program Revenues					
Governmental Activities					
Property Tax	34,519,624	37,192,117	38,020,570	40,839,173	40,612,732
Sales and Other Tax	22,179,773	20,586,592	17,367,314	15,939,206	18,124,427
Interest and Investments	4,578,687	3,040,686	1,432,797	1,104,621	781,032
Charges for Services					
General Government	6,116,977	10,110,482	7,888,910	8,468,108	9,081,343
Judicial	-	2,515,475	3,931,874	3,922,658	3,962,902
Public Safety	1,449,743	3,408,760	3,577,904	3,268,388	3,590,375
Physical Environment	440,067	521,983	89,253	113,852	125,144
Transportation	3,918,644	7,693,881	6,188,799	6,227,702	6,354,529
Economic Environment	2,576,391	1,788,532	1,424,780	1,195,078	894,872
Health and Human Services	1,691,416	3,999,141	3,555,103	3,057,962	3,322,591
Culture and Recreation	931,713	935,070	719,082	884,659	894,709
Operating Grants and Contributions	22,093,519	9,659,021	11,271,785	10,628,645	8,961,787
Capital Grants and Contributions	2,667,303	1,496,744	3,384,760	3,471,716	5,685,601
Gain (Loss) from Sale of Capital Assets	-	(82,021)	(59,262)	14,837	(118,394)
Issuance of Long Term Debt	-	-	-	-	-
Total Governmental Activities Program Revenues	103,163,857	102,866,463	98,793,669	99,136,605	102,273,650
Business-Type Activities					
Interest and Investments	266,841	138,581	44,502	21,111	(545,115)
Charges for Services					
Solid Waste	9,231,853	8,531,366	7,809,298	8,253,739	8,194,581
Drainage Utility	1,028,099	1,353,038	1,752,753	1,670,508	1,544,370
Jail Fund	-	-	-	-	-
Operating Grants and Contributions	203,909	266,239	485,717	303,245	397,974
Capital Grants and Contributions	-	-	-	-	71,451
Gain (Loss) from Sale of Capital Assets	-	-	-	-	700
Total Business-Type Activities Program Revenues	10,730,702	10,289,224	10,092,270	10,248,603	9,663,961
Total Primary Government Program Revenues	113,894,559	113,155,687	108,885,939	109,385,208	111,937,611
Net (Expense) Revenue					
Governmental Activities	(77,485)	(13,541,070)	(14,187,819)	(5,005,683)	(2,905,929)
Business-Type Activities	1,167,615	1,166,819	742,398	301,918	998,992
Total Primary Government Net Expense	\$ 1,090,131	\$ (12,374,251)	\$ (13,445,421)	\$ (4,703,765)	\$ (1,906,937)

Note: The County began separating out Judicial in 2009

In 2014, jail operations were removed from Government Activities and now reside in Business-Type Activities. See Note X

SKAGIT COUNTY, WASHINGTON
Changes in Net Position by Function
Last Ten Fiscal Years
(Accrual Basis of Accounting)

	Fiscal Year				
	2012	2013	2014	2015	2016
Expenses					
Governmental Activities					
General Government	\$ 32,996,294	\$ 31,210,941	\$ 33,434,058	\$ 38,988,745	\$ 35,189,312
Judicial	6,762,929	7,068,715	6,993,755	7,023,822	7,994,589
Public Safety	19,980,408	22,333,986	21,504,017	22,700,976	24,535,763
Physical Environment	2,729,881	2,835,410	2,241,397	2,579,726	3,231,182
Transportation	29,724,498	32,986,406	32,912,501	25,806,761	26,676,629
Economic Environment	3,233,397	3,188,571	2,836,294	2,662,654	4,228,992
Health and Human Services	10,391,910	11,895,878	11,366,884	10,277,091	11,131,708
Culture and Recreation	2,066,029	1,699,884	2,010,042	2,118,435	2,295,704
Interest on Long-Term Debt	222,519	969,862	2,572,433	1,113,066	1,100,345
Total Government Activities	108,107,865	114,189,653	115,871,381	113,271,275	116,384,224
Business-Type Activities					
Solid Waste	6,952,600	8,826,690	8,065,622	8,414,131	9,277,227
Drainage Utility	1,716,453	1,468,019	2,495,934	2,259,694	1,540,053
Jail Fund	-	-	6,944,227	7,351,101	6,470,825
Total Business-Type Activities	8,669,053	10,294,709	17,505,783	18,024,926	17,288,105
Total Primary Government	116,776,918	124,484,362	133,377,164	131,296,201	133,672,329
Program Revenues					
Government Activities					
Property Tax	41,460,187	45,491,521	44,659,376	45,164,735	49,106,391
Sales and Other Tax	18,898,614	16,716,680	18,060,643	19,255,493	20,514,571
Interest and Investments	589,613	2,896,837	1,559,578	1,613,617	1,887,018
Charges for Services					
General Government	7,670,970	7,902,178	8,053,198	11,225,727	11,198,012
Judicial	3,923,771	4,148,064	4,129,697	4,246,989	4,212,319
Public Safety	2,813,154	3,296,521	1,854,641	2,072,801	2,122,196
Physical Environment	201,726	312,525	527,379	289,242	67,537
Transportation	6,756,935	6,607,346	6,731,733	6,685,090	6,937,385
Economic Environment	1,088,468	1,184,165	1,055,292	1,380,435	1,524,967
Health and Human Services	3,026,346	3,506,429	3,769,935	4,461,088	4,622,944
Culture and Recreation	666,661	939,657	917,338	902,599	947,128
Operating Grants and Contributions	9,492,002	7,423,603	8,098,345	7,309,333	7,204,908
Capital Grants and Contributions	13,169,596	4,165,511	4,097,331	1,324,956	3,379,086
Gain (Loss) from Sale of Capital Assets	-	1,292,478	(340,575)	114,660	76,294
Issuance of Long Term Debt	-	-	1,786,614	-	-
Total Governmental Activities Program Revenues	109,758,043	105,883,515	104,960,525	106,046,765	113,800,756
Business-Type Activities					
Interest and Investments	(485,298)	(504,334)	(406,062)	(395,829)	(384,815)
Charges for Services					
Solid Waste	8,084,972	8,616,406	9,083,934	9,194,846	9,949,949
Drainage Utility	1,604,197	1,646,427	1,592,768	1,751,555	1,640,358
Jail Fund	-	-	12,121,803	12,357,458	13,129,310
Operating Grants and Contributions	480,798	446,909	1,044,605	1,004,289	1,823,176
Capital Grants and Contributions	-	54,414	-	-	-
Gain (Loss) from Sale of Capital Assets	-	8,372	-	-	12,549
Total Business-Type Activities Program Revenues	9,684,669	10,268,194	23,437,048	23,912,319	26,170,527
Total Primary Government Program Revenues	119,442,712	116,151,709	128,397,573	129,959,084	139,971,283
Net (Expense) Revenue					
Governmental Activities	1,650,178	(8,306,138)	(10,910,856)	(7,224,510)	(2,583,468)
Business-Type Activities	1,015,616	(26,515)	5,931,265	5,887,393	8,882,422
Total Primary Government Net Expense	\$ 2,665,794	\$ (8,332,653)	\$ (4,979,591)	\$ (1,337,117)	\$ 6,298,954

Note: The County began separating out Judicial in 2009

In 2014, jail operations were removed from Government Activities and now reside in Business-Type Activities. See Note X

SKAGIT COUNTY, WASHINGTON

Changes in Net Position

Last Ten Fiscal Years

(Accrual Basis of Accounting)

	Fiscal Year				
	2007	2008	2009	2010	2011
General Revenues and Other Changes in Net Position					
Governmental Activities					
Property Taxes	\$ 34,519,624	\$ 37,192,117	\$ 38,020,570	\$ 40,839,173	\$ 40,612,732
Sales/Use Tax	16,628,142	15,301,986	13,850,662	13,065,954	15,478,629
Other Tax	5,551,631	5,284,606	3,516,652	2,873,252	2,645,798
Interest and Investment Earnings	4,578,687	3,040,686	1,432,797	1,104,621	781,032
Gain (Loss) From Sale of Assets	-	(82,021)	(59,262)	14,837	(118,394)
Special Item	-	-	-	-	-
Transfers	131,923	154,075	(83,945)	(84,008)	9,142
Total Governmental Activities	61,410,007	60,891,449	56,677,474	57,813,829	59,408,939
Business-Type Activities					
Interest on Long-Term Debt	266,841	138,581	44,502	21,111	(545,115)
Gain (Loss) From Sale of Assets	-	-	-	-	700
Transfers	(131,923)	(154,075)	83,945	84,008	(9,142)
Total Business-Type Activities	134,918	(15,494)	128,447	105,119	(553,557)
Total Primary Government	61,544,925	60,875,955	56,805,921	57,918,948	58,855,382
Changes in Net Position					
Government Activities	54,439	(13,386,995)	(14,271,764)	(5,089,691)	(2,896,787)
Business Charges for Services	1,035,692	1,012,744	826,343	385,926	989,850
Total Primary Government	\$ 1,090,131	\$ (12,374,251)	\$ (13,445,421)	\$ (4,703,765)	\$ (1,906,937)

In 2014, jail operations were removed from Government Activities and now reside in Business-Type Activities. See Note X

SKAGIT COUNTY, WASHINGTON

Changes in Net Position

Last Ten Fiscal Years

(Accrual Basis of Accounting)

	Fiscal Year				
	2012	2013	2014	2015	2016
General Revenues and Other Changes in Net Position					
Governmental Activities					
Property Taxes	\$ 41,460,187	\$ 45,491,521	\$ 44,659,376	\$ 45,164,735	\$ 49,106,391
Sales/Use Tax	16,447,958	16,716,680	17,263,481	18,421,647	19,778,645
Other Tax	2,450,656	895,827	797,162	833,846	735,926
Interest and Investment Earnings	589,613	2,001,010	1,559,578	1,613,617	1,887,018
Gain (Loss) From Sale of Assets	-	1,292,478	(340,575)	114,660	76,294
Special Item			1,786,614		
Transfers	(185,509)	104,000	(50,845)	(58,858)	(38,451)
Total Governmental Activities	60,762,905	66,501,516	65,674,791	66,089,647	71,545,823
Business-Type Activities					
Interest on Long-Term Debt	(485,298)	(504,334)	(406,062)	(395,829)	(384,815)
Gain (Loss) From Sale of Assets	-	8,372	-	-	-
Transfers	185,509	(104,000)	50,845	58,858	38,451
Total Business-Type Activities	(299,789)	(599,962)	(355,217)	(336,971)	(346,364)
Total Primary Government	60,463,116	65,901,554	65,319,574	65,752,676	71,199,459
Changes in Net Position					
Government Activities	1,464,669	(8,202,138)	(10,961,701)	(7,283,369)	(2,621,919)
Business Charges for Services	1,201,125	(130,515)	5,982,110	5,946,251	8,920,873
Total Primary Government	\$ 2,665,794	\$ (8,332,653)	\$ (4,979,591)	\$ (1,337,117)	\$ 6,298,954

In 2014, jail operations were removed from Government Activities and now reside in Business-Type Activities. See Note X

SKAGIT COUNTY, WASHINGTON
Fund Balances of Government Funds
Last Ten Fiscal Years
 (Modified Accrual Basis of Accounting)

	2007	2008	2009	2010	2011
General Fund*					
Nonspendable					
Restricted					350,000
Committed					
Assigned					10,349,381
Unassigned					-
Reserved	605,636	343,754	2,210,372	146,500	-
Unreserved	6,441,097	7,683,278	4,397,640	7,752,934	-
Total General Fund	<u>7,046,733</u>	<u>8,027,032</u>	<u>6,608,012</u>	<u>7,899,434</u>	<u>10,699,381</u>
All Other Governmental Funds*					
Nonspendable					60,685
Restricted					31,305,595
Committed					3,480,815
Assigned					10,349,381
Unassigned					
Reserved, Reported in:					
Prepaid Items	73,808	101,101	286,266	76,143	-
Loans Receivables	-	434,000	3,003,000	2,374,000	-
Debt Service	1,658,600	775,311	1,149,878	1,507,334	-
Petty Cash and Inventory	-	51,877	40,614	-	-
Unreserved, Reported in:					
Special Revenue Funds	26,123,516	29,212,957	24,966,994	23,992,632	-
Capital Projects Funds	14,115,766	6,399,111	(115,505)	2,870,512	-
Total All Other Governmental Funds	<u>\$ 41,971,690</u>	<u>\$ 36,974,357</u>	<u>\$ 29,331,247</u>	<u>\$ 30,820,621</u>	<u>\$ 45,196,476</u>

* Fund Balances for fiscal year 2011 were restated due to implementation of GASB Statement No. 54

SKAGIT COUNTY, WASHINGTON
Fund Balances of Government Funds
Last Ten Fiscal Years
 (Modified Accrual Basis of Accounting)

	2012	2013	2014	2015	2016
General Fund*					
Nonspendable					
Restricted					1,000,000
Committed				1,000,000	
Assigned				13,576,013	14,197,999
Unassigned	11,915,249	13,962,092	13,822,646		
Reserved					
Unreserved					
Total General Fund	11,915,249	13,962,092	13,822,646	14,576,013	15,197,999
All Other Governmental Funds*					
Nonspendable	45,681	122,235	57,488	7,232	
Restricted	30,877,381	29,266,009	30,576,475	35,167,746	43,127,886
Committed	2,776,253	3,102,611	6,313,711	7,247,553	7,507,552
Assigned					
Unassigned					
Reserved, Reported in:					
Prepaid Items					
Loans Receivables					
Debt Service					
Petty Cash and Inventory					
Unreserved, Reported in:					
Special Revenue Funds					
Capital Projects Funds					
Total All Other Governmental Funds	\$ 33,699,315	\$ 32,490,855	\$ 36,947,674	\$ 42,422,531	\$ 50,635,438

* Fund Balances for fiscal year 2011 were restated due to implementation of GASB Statement No. 54

SKAGIT COUNTY, WASHINGTON
Changes in Fund Balance of Government Funds
Last Nine Fiscal Years
(Modified Accrual Basis of Accounting)

	2008	2009	2010
Revenues			
Property Tax	\$ 37,029,198	\$ 37,752,796	\$ 39,891,962
Sales/Use Tax	15,301,986	13,850,662	13,065,954
Other Tax	5,284,606	3,516,652	2,873,252
License and Permits	1,390,282	1,173,469	1,104,621
Intergovernmental	24,288,227	24,406,041	25,397,870
Charges for Services	11,052,341	10,705,767	9,757,448
Fines and Forfeits	2,101,195	1,992,299	1,957,965
Interest Earnings	3,140,914	1,405,561	919,121
Donations	431,841	490,959	524,932
Other Revenues	1,548,852	1,399,883	1,707,960
Total Revenues	<u>101,569,442</u>	<u>96,694,089</u>	<u>97,201,085</u>
Expenditures			
General Government	18,227,332	17,571,572	16,556,020
Judicial	7,321,077	7,841,920	7,479,340
Public Safety	26,163,388	28,240,870	24,420,953
Physical Environment	3,928,950	3,317,183	4,394,408
Transportation	17,147,101	18,775,959	17,027,304
Economic Environment	6,657,659	6,044,992	3,949,022
Health and Human Services	13,428,834	12,124,090	11,261,219
Culture and Recreation	3,040,439	2,707,825	3,209,727
Debt Service			
Principal	2,308,099	1,017,081	1,058,134
Interest	679,353	627,364	589,480
Capital Outlay	10,469,357	7,673,632	4,704,095
Total Expenditures	<u>109,371,589</u>	<u>105,942,488</u>	<u>94,649,702</u>
Excess (deficiency) of Revenues over (under) Expenditures	<u>(7,802,147)</u>	<u>(9,248,399)</u>	<u>2,551,383</u>
Other Financial Sources (Uses)			
Proceeds of Long Term Debt	990,768	389,607	415,042
Proceeds from Sale of Capital Assets	3,226	43,988	
Transfers In	8,597,666	8,967,747	8,622,743
Transfers Out	(8,656,869)	(9,242,081)	(8,706,751)
Total Other Financing Sources (Uses)	<u>934,791</u>	<u>159,261</u>	<u>331,034</u>
Net Change in Fund Balance	<u>\$ (6,867,356)</u>	<u>\$ (9,089,138)</u>	<u>\$ 2,882,417</u>
Debt Service as a percentage of noncapital Expenditures	1.8%	3.0%	1.7%

SKAGIT COUNTY, WASHINGTON
Changes in Fund Balance of Government Funds
Last Nine Fiscal Years
(Modified Accrual Basis of Accounting)

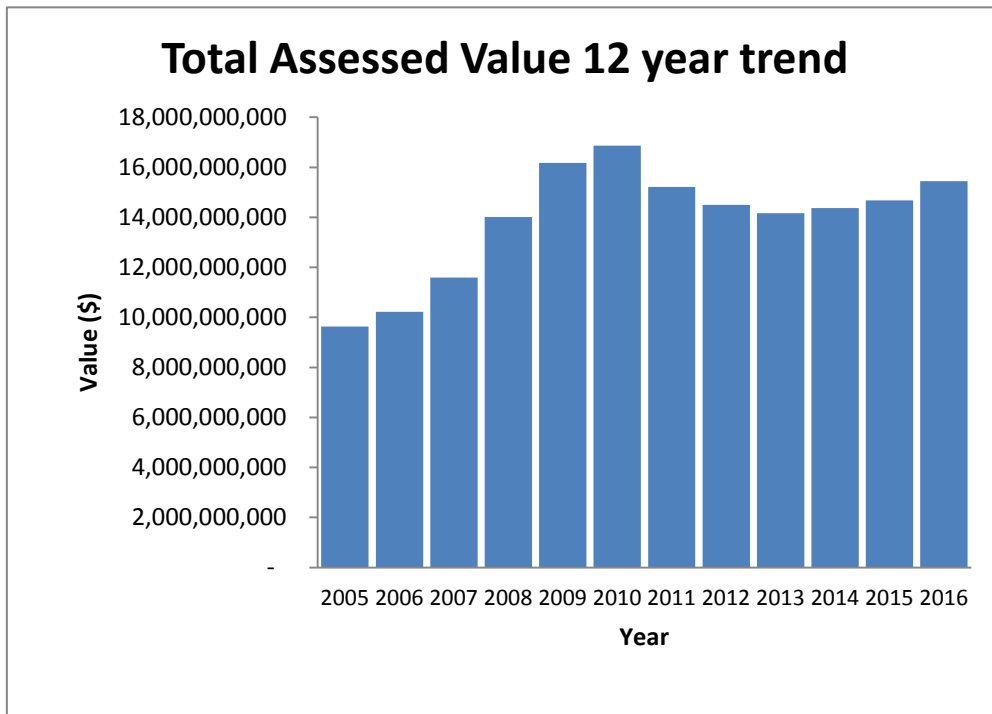
	2011	2012	2013
Revenues			
Property Tax	\$ 40,654,187	\$ 41,270,011	\$ 45,950,878
Sales/Use Tax	15,478,629	16,447,958	16,716,680
Other Tax	2,645,798	2,450,656	895,827
License and Permits	970,105	1,039,551	1,363,241
Intergovernmental	26,894,695	33,469,657	22,187,738
Charges for Services	10,019,437	10,309,648	10,580,307
Fines and Forfeits	2,285,628	1,852,797	2,606,269
Interest Earnings	756,562	584,571	1,995,311
Donations	350,297	574,306	479,642
Other Revenues	1,299,538	2,019,288	1,786,735
Total Revenues	<u>101,354,876</u>	<u>110,018,443</u>	<u>104,562,628</u>
Expenditures			
General Government	16,633,997	18,111,961	17,218,893
Judicial	7,823,116	8,192,507	8,426,095
Public Safety	24,533,549	25,249,050	26,727,069
Physical Environment	3,467,079	3,583,100	3,605,198
Transportation	17,585,104	18,953,032	18,872,864
Economic Environment	3,606,739	3,602,203	3,736,169
Health and Human Services	11,617,447	12,060,459	13,163,601
Culture and Recreation	2,016,505	2,536,420	2,108,744
Debt Service			
Principal	1,116,572	1,213,119	2,084,813
Interest	600,115	565,948	667,297
Capital Outlay	5,750,727	15,023,756	8,960,070
Total Expenditures	<u>94,750,950</u>	<u>109,091,555</u>	<u>105,570,813</u>
Excess (deficiency) of Revenues over (under) Expenditures	<u>6,603,926</u>	<u>926,888</u>	<u>(1,008,185)</u>
Other Financial Sources (Uses)			
Proceeds of Long Term Debt	201,035	353,939	715,416
Proceeds from Sale of Capital Assets	1,200	8,172	1,414,600
Transfers In	8,588,548	8,808,381	7,058,643
Transfers Out	(8,829,405)	(9,398,067)	(7,342,090)
Total Other Financing Sources (Uses)	<u>(38,622)</u>	<u>(227,575)</u>	<u>1,846,569</u>
Net Change in Fund Balance	<u>\$ 6,565,304</u>	<u>\$ 699,313</u>	<u>\$ 838,384</u>
Debt Service as a percentage of noncapital Expenditures	2.0%	1.9%	2.9%

SKAGIT COUNTY, WASHINGTON
Changes in Fund Balance of Government Funds
Last Nine Fiscal Years
(Modified Accrual Basis of Accounting)

	2014	2015	2016
Revenues			
Property Tax	\$ 44,633,004	\$ 45,444,886	\$ 49,036,278
Sales/Use Tax	17,263,481	18,421,647	19,778,645
Other Tax	797,162	833,846	735,926
License and Permits	1,403,580	1,572,816	1,718,637
Intergovernmental	21,210,374	21,943,000	24,452,313
Charges for Services	10,351,662	8,834,090	9,522,520
Fines and Forfeits	2,420,473	2,212,512	2,048,756
Interest Earnings	1,549,712	1,601,551	1,839,041
Donations	437,591	536,411	555,934
Other Revenues	1,652,153	993,365	1,187,243
Total Revenues	<u>101,719,192</u>	<u>102,394,124</u>	<u>110,875,293</u>
Expenditures			
General Government	21,016,835	18,302,815	19,767,777
Judicial	6,437,688	8,713,544	9,360,475
Public Safety	26,225,434	27,005,041	28,185,071
Physical Environment	3,000,198	3,446,955	3,329,938
Transportation	17,771,654	17,493,644	18,366,268
Economic Environment	3,369,706	3,314,408	4,774,441
Health and Human Services	12,630,363	11,594,828	11,902,846
Culture and Recreation	2,353,191	2,361,129	2,503,338
Debt Service	-	-	-
Principal	2,772,142	1,469,334	1,557,880
Interest	693,958	681,870	627,770
Capital Outlay	7,052,054	2,832,109	5,708,813
Total Expenditures	<u>103,323,223</u>	<u>97,215,677</u>	<u>106,084,617</u>
Excess (deficiency) of Revenues over (under) Expenditures	<u>(1,604,031)</u>	<u>5,178,447</u>	<u>4,790,676</u>
Other Financial Sources (Uses)			
Proceeds of Long Term Debt	1,786,614	814,731	4,081,331
Proceeds from Sale of Capital Assets	58,072	328,400	14,625
Transfers In	7,551,869	7,007,509	7,478,991
Transfers Out	(7,643,603)	(7,100,867)	(7,530,730)
Total Other Financing Sources (Uses)	<u>1,752,952</u>	<u>1,049,773</u>	<u>4,044,217</u>
Net Change in Fund Balance	<u>\$ 148,921</u>	<u>\$ 6,228,220</u>	<u>\$ 8,834,893</u>
Debt Service as a percentage of noncapital Expenditures	3.7%	2.3%	2.2%

SKAGIT COUNTY, WASHINGTON
STATISTICAL TABLES
ASSESSED VALUE OF TAXABLE PROPERTY
For a Twelve Year Period

Year	Real Property Assessed Value	Personal Property Assessed Value	Total Assessed Value	Total Direct Tax Rate
2005	8,735,243,216	900,051,468	9,635,294,684	3.84
2006	9,255,714,763	965,923,623	10,221,638,386	3.78
2007	10,622,301,046	972,398,736	11,594,699,782	3.51
2008	12,954,570,410	1,049,853,451	14,004,423,861	3.24
2009	15,019,067,448	1,147,615,059	16,166,682,507	2.98
2010	15,696,268,675	1,171,931,494	16,868,200,169	2.90
2011	14,123,251,945	1,087,219,836	15,210,471,781	3.32
2012	13,630,153,404	864,518,340	14,494,671,744	3.52
2013	13,010,191,978	1,153,862,901	14,164,054,879	3.81
2014	13,150,792,759	1,219,229,512	14,370,022,271	3.80
2015	13,310,324,042	1,360,098,135	14,670,422,177	3.95
2016	14,244,891,656	1,201,242,030	15,446,133,686	3.76



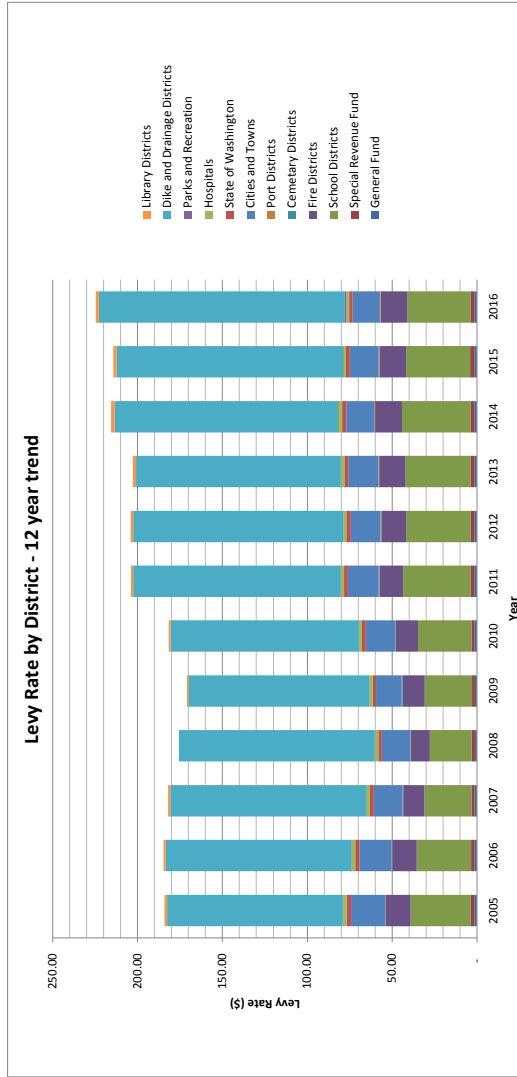
Source: Skagit County Assessors Office

Skagit County does not estimate actual value. Re-evaluations occur on a market resale base. The County is revalued in each four year period by area, and statistically updated annually. Valuation data of assessed property may not coincide with fiscal year end.

SKAGIT COUNTY, WASHINGTON
PROPERTY TAX RATES - DIRECT AND OVERLAPPING GOVERNMENTS
 (Per \$1,000 of Assessed Value)
 For a Twelve Year Period

	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016
General Fund	1.55	1.52	1.32	1.21	1.24	1.45	1.55	1.62	1.62	1.59	1.56	1.51
Special Revenue Fund	2.23	1.99	1.92	1.77	1.66	1.87	1.97	2.19	2.19	2.21	2.39	2.24
Total	3.78	3.51	3.24	2.98	2.90	3.32	3.52	3.81	3.81	3.80	3.95	3.75
School Districts	35.34	32.05	27.64	24.83	27.91	31.39	39.90	37.82	38.30	40.31	37.68	37.45
Fire Districts	14.42	14.25	12.48	11.04	13.01	13.01	13.83	14.65	15.38	15.83	15.69	15.42
Cemetery Districts	0.37	0.35	0.21	0.29	0.29	0.34	0.35	0.36	0.35	0.29	0.28	0.27
Port Districts	0.22	0.24	0.20	0.20	0.20	0.20	0.30	0.30	0.30	0.32	0.31	0.32
Cities and Towns	20.02	18.89	17.00	16.72	15.12	17.26	18.09	17.41	17.64	16.51	17.03	15.97
State of Washington	2.71	2.51	2.17	2.01	1.96	2.21	2.37	2.55	2.41	2.30	2.15	2.04
Special Assessment Districts	-	-	-	-	-	-	-	-	-	-	-	-
Hospitals	2.07	2.08	2.17	2.01	2.06	1.80	1.93	1.82	1.80	2.47	1.74	1.68
Parks and Recreation	0.10	0.09	0.08	0.07	0.07	0.11	0.11	0.14	0.14	0.14	0.13	1.28
Dike and Drainage Districts	103.67	109.42	115.50	115.53	106.39	110.89	122.14	123.86	120.73	131.67	133.44	144.56
Library Districts	1.37	1.35	1.30	-	1.05	1.25	1.31	1.41	1.94	1.99	1.94	1.88
Total	184.07	184.74	181.99	175.68	170.96	181.78	203.86	204.13	202.80	215.63	214.34	224.62

Source: Skagit County Auditor
 Note: The County may levy up to \$1.80 per \$1,000 of assessed valuation for general government services, subject to Washington State law RCW 84.55.010 and the Washington State Constitution. See Note IV A Property Taxes.



SKAGIT COUNTY, WASHINGTON
STATISTICAL TABLES
PROPERTY TAX LEVIES AND COLLECTIONS
For a Eighteen Year Period

Fiscal Year	Total Tax Levy	Current Tax Collections	(2) Percent of Levy Collected	(1) Delinquent Tax Collections	Total Tax Collections	Percent of Total Tax Collection To Tax Levy	(3) Outstanding Delinquent Taxes	Percent of Delinquent Taxes to Tax Levy
1999	\$94,362,332	\$91,893,670	97.38%	\$2,343,855	\$94,237,525	99.87%	\$4,326,870	4.59%
2000	\$98,880,092	\$96,467,052	97.56%	\$2,396,797	\$98,863,849	99.98%	\$4,315,398	4.36%
2001	\$103,218,485	\$100,455,501	97.32%	\$2,327,907	\$102,783,408	99.58%	\$4,711,147	4.56%
2002	\$109,439,758	\$106,712,231	97.51%	\$2,730,428	\$109,442,659	100.00%	\$4,522,951	4.13%
2003	\$114,559,571	\$111,458,177	97.29%	\$2,642,949	\$114,101,126	99.60%	\$4,744,271	4.14%
2004	\$120,305,571	\$118,243,328	98.29%	\$3,450,438	\$121,693,766	101.15%	\$4,316,208	3.59%
2005	\$128,295,473	\$126,114,741	98.30%	\$2,837,863	\$128,952,604	100.51%	\$3,539,485	2.76%
2006	135,462,007	133,783,316	98.76%	2,143,734	135,297,050	99.88%	3,255,603	2.40%
2007	145,773,155	144,360,528	99.03%	1,654,424	146,284,952	100.35%	3,952,926	2.71%
2008	154,061,268	150,977,621	98.00%	2,196,014	153,173,635	99.42%	4,475,235	2.90%
2009	161,166,776	156,767,949	97.27%	2,317,327	159,085,276	98.71%	6,518,704	4.04%
2010	164,971,138	159,652,294	96.78%	3,093,710	162,746,004	98.65%	8,118,042	4.92%
2011	168,555,708	163,942,409	97.26%	4,594,609	168,537,018	99.99%	7,664,747	4.55%
2012	171,985,718	167,991,026	97.67%	4,165,855	172,156,881	100.00%	7,966,597	4.63%
2013	182,248,613	179,129,124	98.29%	5,165,263	184,294,387	100.00%	5,654,739	3.10%
2014	182,581,205	179,125,895	98.11%	2,677,312	181,803,207	99.57%	5,386,231	2.95%
2015	188,233,865	185,179,581	98.38%	2,817,772	187,997,353	99.87%	4,910,855	2.60%
2016	192,414,284	189,228,179	98.34%	2,792,682	192,020,861	99.80%	4,892,894	2.54%

(1) Includes prior years delinquent tax collections, the County is in process of calculating the delinquent taxes by levy year.

(2) Percent computed on current year's levy

(3) Includes omissions, supplements, and cancellations

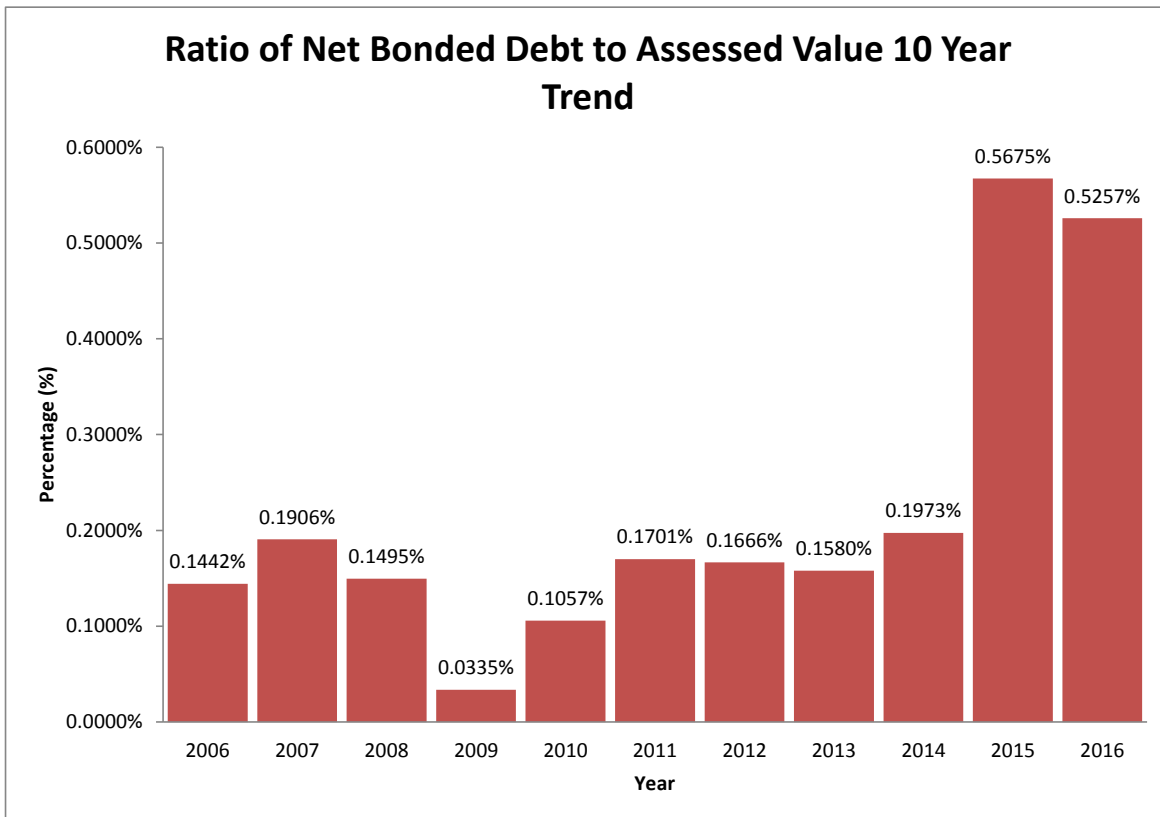
SKAGIT COUNTY, WASHINGTON
STATISTICAL TABLES
SPECIAL ASSESSMENT COLLECTIONS
For a Eighteen Year Period

Year	Assessment Receivable January 1	Additions	Collections	Assessment Receivable December 31
1999	5,075	146,300	144,389	6,986
2000	6,986	145,544	143,754	8,776
2001	8,776	161,939	162,270	8,445
2002	8,445	168,455	169,158	7,742
2003	7,742	211,488	207,749	11,481
2004	11,481	202,269	199,281	14,469
2005	14,469	202,605	211,243	5,831
2006	5,831	205,152	205,576	5,407
2007	5,407	214,877	210,808	9,476
2008	9,476	1,292,246	1,270,652	31,070
2009	31,070	1,238,778	1,224,388	45,460
2010	45,460	1,492,343	1,463,845	73,958
2011	73,958	1,459,849	1,430,920	102,887
2012	102,887	1,470,508	1,471,216	102,179
2013	102,179	1,524,402	1,566,780	59,801
2014	59,801	1,535,589	1,529,046	66,344
2015	66,344	1,507,674	1,511,571	62,447
2016	62,447	1,657,774	1,657,926	62,295

SOURCE: Skagit County Treasurer

SKAGIT COUNTY, WASHINGTON
STATISTICAL TABLES
RATIO OF NET GENERAL BONDED DEBT TO ASSESSED VALUE
AND NET BONDED DEBT PER CAPITA
For a Twelve Year Period

<u>Year</u>	<u>Population</u>	<u>Assessed Value</u>	<u>Net Bonded Debt</u>	<u>Ratio of Net Bonded Debt to Assessed Value</u>	<u>Debt Per Capita (restated)</u>
2006	110,900	10,221,638,386	22,105,094	0.1442%	133
2007	113,100	11,594,699,782	20,937,349	0.1906%	195
2008	115,300	14,004,423,861	5,416,423	0.1495%	182
2009	117,500	16,166,682,507	17,830,497	0.0335%	46
2010	118,900	16,868,200,169	25,867,519	0.1057%	150
2011	116,901	15,210,471,781	24,152,923	0.1701%	221
2012	117,400	14,494,671,744	22,378,328	0.1666%	206
2013	118,837	14,164,054,879	28,350,841	0.1580%	188
2014	120,365	14,370,022,271	83,248,228	0.1973%	236
2015	121,846	14,670,422,177	81,206,615	0.5675%	683
2016	122,270	15,446,113,686	82,448,143	0.5257%	664



SKAGIT COUNTY, WASHINGTON

Limitation of Indebtedness

Last Ten Fiscal Years

	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016
Total Taxable Property Value Without a Vote	\$ 14,004,423,861	\$ 16,166,682,507	\$ 16,868,200,169	\$ 15,210,471,781	\$ 14,494,671,744	\$ 14,164,054,879	\$ 14,370,022,271	\$ 14,670,422,177	\$ 15,446,113,686	\$ 16,433,120,581
Indebtedness for General Purpose Without a Vote										
Debt Limit - 1.5% of Total Assessed Value	210,066,358	242,500,238	253,023,003	228,157,077	217,420,076	212,460,823	215,550,334	220,056,333	231,691,705	246,496,809
Debt Applicable to Limit:										
Outstanding Debt	21,025,000	19,485,000	17,880,000	25,945,000	24,210,000	30,400,000	27,790,000	78,730,000	76,890,000	77,995,000
Add Assets Available	9,145,795	9,636,104	6,735,282	11,324,248	16,395,142	13,861,676	16,550,695	16,040,207	19,333,088	24,044,986
Total Debt Applicable to Limit	11,879,205	9,848,896	11,144,718	14,620,752	7,814,858	16,538,324	11,239,305	62,689,793	57,556,912	53,950,014
Remaining Debt Capacity Without a Vote	198,187,153	232,651,342	241,878,285	213,536,325	209,605,218	195,922,499	204,311,029	157,366,540	174,134,793	192,546,795

Indebtedness for General Purpose With a Vote										
Debt Limit - 2.5% of Total Assessed Value	404,167,063	421,705,004	421,705,004	380,261,795	362,366,794	354,101,372	359,250,557	366,760,554	386,152,842	410,828,015
Remaining Debt Capacity Including Voted Debt	\$ 194,100,705	\$ 179,204,767	\$ 165,682,002	\$ 152,104,718	\$ 144,946,717	\$ 141,640,549	\$ 143,700,223	\$ 146,704,222	\$ 154,461,137	\$ 164,331,206

Total net debt applicable to the limit as a percentage of debt limit

5.65%	4.06%	4.40%	6.41%	3.59%	7.78%	5.21%	28.49%	24.84%	21.89%
-------	-------	-------	-------	-------	-------	-------	--------	--------	--------

SKAGIT COUNTY, WASHINGTON
Ratios of Outstanding Debt by Type
Last Eleven Fiscal Years

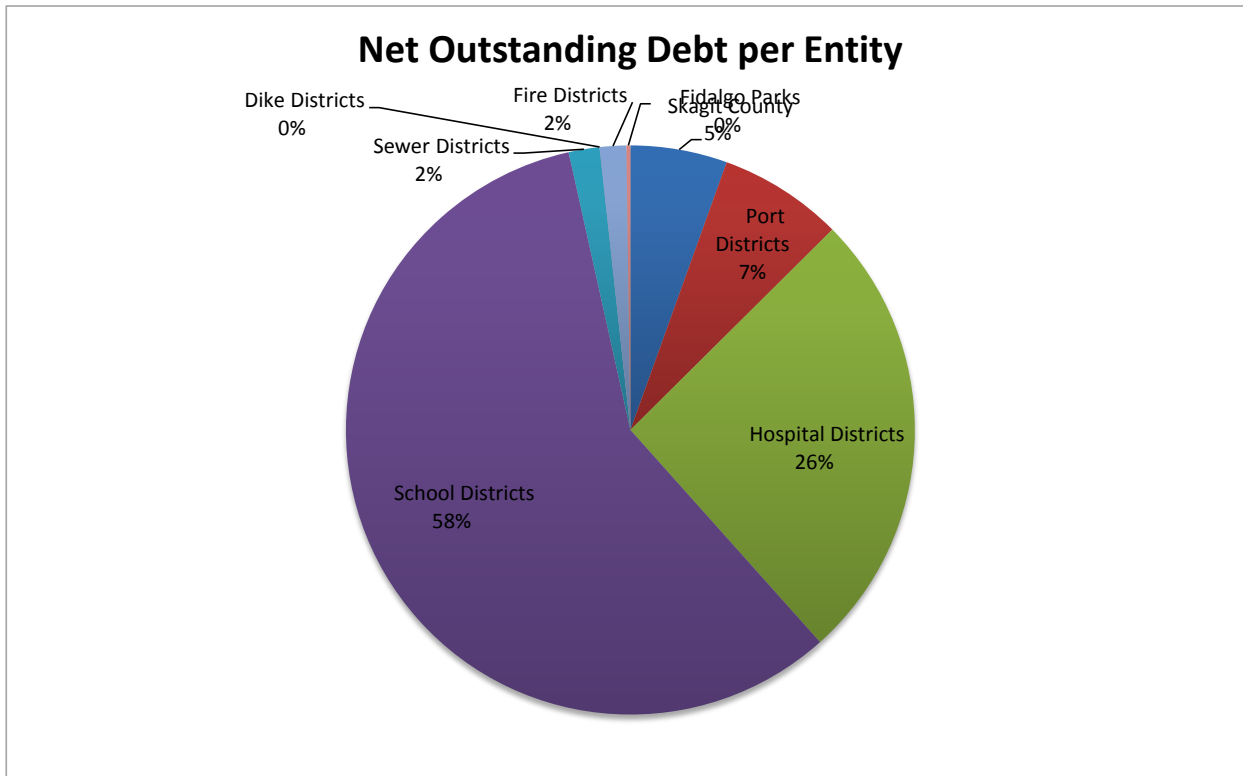
Fiscal Year	Governmental Activities		Business-Type Activities	Total Primary Government	Percentage of Personal Income	Per Capita
	General Obligation Bonds	Loans Payable	General Obligation Bonds			
2006	16,764,610	2,875,153	5,340,484	24,980,247	0.63%	222
2007	16,384,573	4,124,969	4,552,776	25,062,318	0.58%	218
2008	15,554,110	3,637,639	3,862,313	23,054,062	0.52%	197
2009	14,683,647	3,880,164	3,146,850	21,710,661	0.49%	183
2010	13,772,192	4,147,073	12,095,327	30,014,592	0.96%	257
2011	12,825,737	4,086,503	11,327,186	28,239,426	0.63%	241
2012	11,849,282	3,848,383	10,529,046	26,226,711	0.69%	190
2013	18,649,936	3,153,698	9,700,905	31,504,539	0.85%	234
2014	18,197,643	2,802,125	65,050,585	86,050,353	2.42%	654
2015	16,793,870	2,677,791	64,412,745	83,884,406	2.29%	631
2016	18,678,238	2,571,911	63,769,905	85,020,054	2.50%	695

SKAGIT COUNTY, WASHINGTON
STATISTICAL TABLES
COMPUTATION OF DIRECT & OVERLAPPING DEBT
FOR THE YEAR ENDED DECEMBER 31, 2016

<u>JURISDICTION</u>	<u>NET DEBT OUTSTANDING</u>	<u>PERCENTAGE APPLICABLE TO SKAGIT COUNTY</u>	<u>AMOUNT APPLICABLE TO SKAGIT COUNTY</u>
Direct Debt			
Skagit County	\$17,810,000	100%	\$17,810,000
Total Direct Debt	<u>17,810,000</u>		<u>17,810,000</u>
Overlapping debt			
Port Districts	22,884,617	100%	22,884,617
Hospital Districts	83,625,000	100%	83,625,000
School Districts	188,275,750	100%	188,275,750
Sewer Districts	5,681,803	100%	5,681,803
Dike Districts	-	100%	-
Fire Districts	4,889,190	100%	4,889,190
Fidalgo Parks	720,435	100%	720,435
Total Overlapping Debt	<u>306,076,795</u>		<u>306,076,795</u>
Total Direct & Overlapping Debt	<u>\$323,886,795</u>		<u>\$323,886,795</u>

Source: Skagit County Treasurer and
appropriate city finance offices

Percentage of overlap calculated as follows: Overlapping portion of the government's revenue base
Total revenue base of the overlapping government



SKAGIT COUNTY, WASHINGTON
RATIO OF ANNUAL DEBT SERVICE EXPENDITURES FOR GENERAL BONDED DEBT
TO TOTAL GENERAL EXPENDITURES FOR A THIRTEEN YEAR PERIOD

Year	Principal	Interest and Fiscal Charges	Total* Debt Service	Total** General Expenditures	Ratio of Net Bonded Debt to Assessed Value
2004	780,879	506,051	1,286,930	76,086,592	1.69%
2005	556,609	520,792	1,077,401	82,341,301	1.31%
2006	574,151	503,345	1,077,496	86,487,275	1.25%
2007	960,427	685,115	1,645,542	88,073,635	1.87%
2008	2,308,099	679,353	2,987,452	95,914,780	3.11%
2009	1,017,081	627,364	1,644,445	96,624,411	1.70%
2010	1,058,134	589,480	1,647,614	88,297,993	1.87%
2011	1,116,572	600,115	1,716,687	87,283,536	1.97%
2012	1,213,119	565,948	1,779,067	92,288,732	1.93%
2013	2,084,813	667,297	2,752,110	93,858,633	2.93%
2014	2,772,142	693,958	3,466,100	92,805,069	3.73%
2015	1,469,334	681,870	2,151,204	92,232,364	2.33%
2016	1,557,880	627,770	2,185,650	98,190,154	2.23%

* Does not include Enterprise Funds

** Includes General, Special Revenue, Capital Projects, and Debt Service funds

SKAGIT COUNTY, WASHINGTON

Demographic Statistics

For a Twelve Year Period as of April

	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016
Unincorporated	47,250	47,886	48,640	49,720	49,915	48,112	48,255	48,345	48,411	48,720	49,220	49,860
Incorporated	63,650	65,214	66,660	67,780	68,985	68,789	69,145	69,605	70,189	70,780	71,400	72,410
Totals	110,900	113,100	115,300	117,500	118,900	116,901	117,400	117,950	118,600	119,500	120,620	122,270

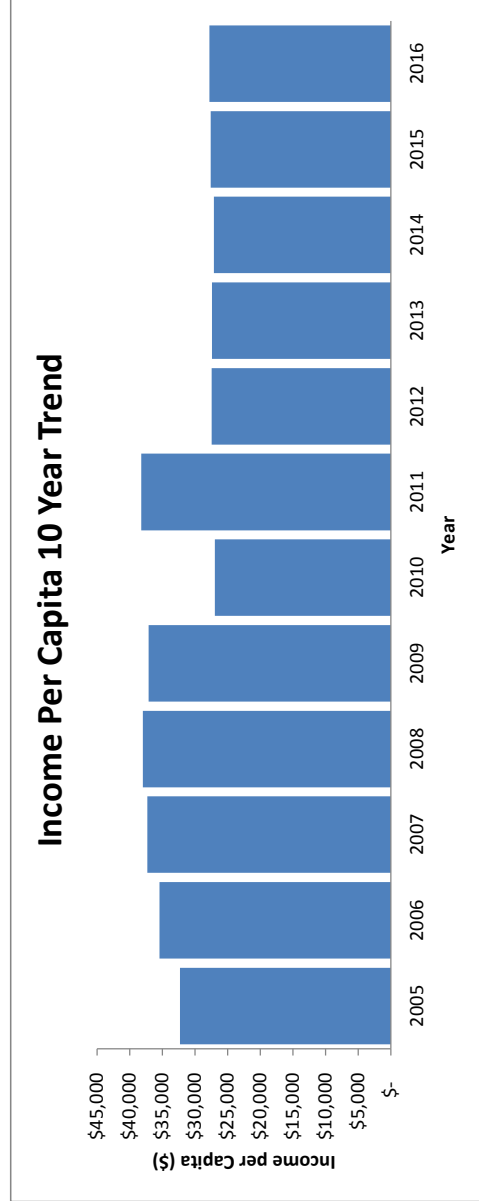
Income Per Capita \$ 32,288 \$ 35,422 \$ 37,289 \$ 37,989 \$ 37,076 \$ 26,925 \$ 38,225 \$ 27,447 \$ 27,395 \$ 27,065 \$ 27,598 \$ 27,794

Median Household Income \$ 49,196 \$ 52,104 \$ 53,874 \$ 54,803 \$ 55,572 \$ 54,426 \$ 55,085 \$ 56,443 \$ 56,058 \$ 54,852 \$ 56,322 \$ 55,524

Unemployment Rate 6.4% 5.5% 4.8% 5.6% 10.2% 10.7% 10.2% 9.2% 8.7% 5.8% 6.6% 6.8%

School Enrollment 19,332 19,233 19,249 19,296 18,723 18,878 18,668 18,920 18,678 18,869 18,920 18,951

SOURCE: Office of Financial Management, Forecasting Division, State of Washington Employment Security Department, State of Washington, Educational Service District #189, State of Washington, Office of Superintendent of Public Instruction



SKAGIT COUNTY, WASHINGTON
STATISTICAL TABLES
Principal Property Tax Payers
Current and Eleven Years Ago

Taxpayer	2016			2005		
	Taxable Assessed Value	Rank	Percentage of Total Taxable Assessed Value	Taxable Assessed Value	Rank	Percentage of Total Taxable Assessed Value
Equilon Enterprises LLC	\$524,129,600	1	3.39%	\$ 299,539,613	1	2.58%
Tesoro Refining and Marketing Corp	333,477,600	2	2.16%	213,364,380	2	1.84%
Puget Sound Energy/Electric	323,227,470	3	2.09%	205,682,135	3	1.77%
Tesoro Logistics Operations LLC	83,731,700	4	0.54%			
Sierra Pacific Industries	68,595,900	5	0.44%			
PACCAR Inc Truck Testing	61,836,100	6	0.40%	26,741,812	10	0.23%
Pacific Woodtech Corporation	57,772,400	7	0.37%	39,829,500	7	0.34%
Frontier Property Tax Dept NCA	41,087,796	8	0.27%			
Health Care Reit Inc	40,839,600	9	0.26%			
NW Pipeline GP	36,027,418	10	0.23%	40,855,918	6	0.35%
	1,570,725,584		10.17%			7.12%
Total County Assessed Value	\$ 15,446,113,686			\$ 11,594,699,782		

Source: Skagit County Assessor

SKAGIT COUNTY, WASHINGTON
STATISTICAL TABLES
Principal Employers
Current and Eleven Years Ago

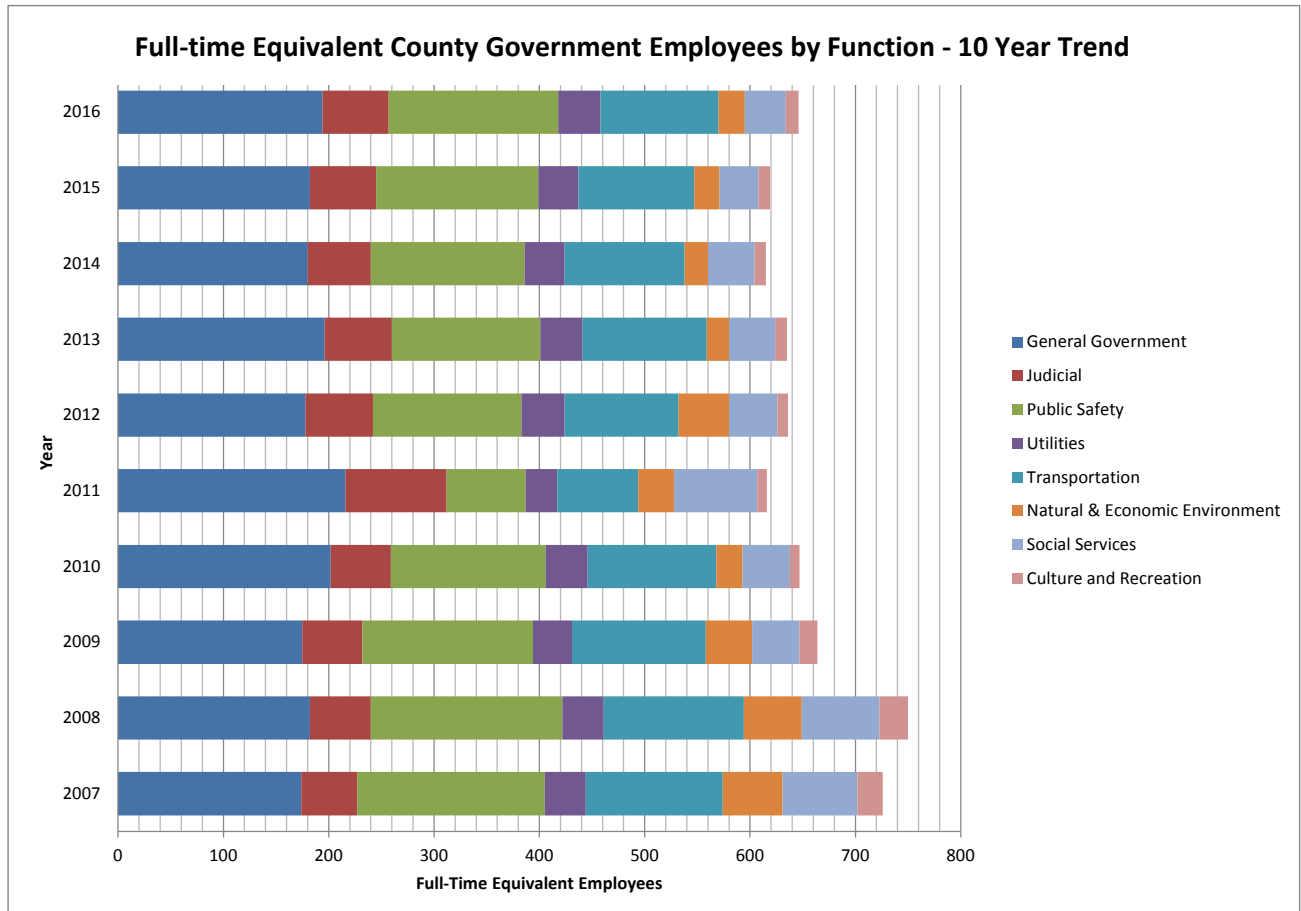
Employer	2016			2005		
	Number of Employees	Rank	Percentage of Total Labor Force	Number of Employees	Rank	Percentage of Total Labor Force
Skagit Regional Health	1,004	1	1.72%	1,030	2	1.82%
Island Hospital	743	2	1.27%	508	4	0.90%
Janicki Industries	655	3	1.12%			
Skagit County Government	577	4	0.99%	846	3	1.50%
Sedro Woolley School District	507	5	0.87%			
Skagit Valley Casino Resort	500	6	0.86%			
Swinomish Casino	499	7	0.86%	299	11	0.53%
Peace Health United General Medical Center	400	8	0.69%			
Tesoro Refinery	394	9	0.68%	356	8	0.63%
Dakota Creek Industries Inc	361	10	0.62%	200	21	0.35%
Total Top Ten Employees	<u>5,640</u>		<u>9.67%</u>	<u>3,239</u>		<u>5.73%</u>
Total County Labor Force	<u>58,336</u>			<u>56,504</u>		

Source: Employment Security
Port of Skagit

SKAGIT COUNTY, WASHINGTON
Full-Time Equivalent County Government Employees by Function
Last Ten Fiscal Years

Function	Full-Time Equivalent Employees as of December 31									
	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016
General Government	174	182	175	202	216	178	196	180	182	194
Judicial	53	58	57	57	96	64	64	60	63	63
Public Safety	178	182	162	147	75	141	141	146	154	161
Utilities	39	39	37	40	30	41	40	38	38	40
Transportation	130	133	127	122	77	108	118	114	110	112
Natural & Economic Environment	57	55	44	25	34	48	21	22	24	25
Social Services	71	74	45	45	79	46	44	44	37	39
Culture and Recreation	24	27	17	9	9	10	11	11	11	12
Total	726	750	664	647	616	636	635	615	619	646

Source: Skagit County Auditor



SKAGIT COUNTY, WASHINGTON
MISCELLANEOUS STATISTICAL REPORT
For a Ten Year Period

	<u>2007</u>	<u>2008</u>	<u>2009</u>	<u>2010</u>	<u>2011</u>
(A) MILES OF ROAD					
Roads, paved	757	756	758	761	761
Roads, unpaved	38	41	41	41	41
(B) BUILDING PERMITS					
Permits issued	927	632	547	414	416
Value of buildings	\$ 106,903,097	\$ 48,838,303	\$ 41,441,249	\$ 42,538,000	\$ 38,893,281
(C) FIRE PROTECTION					
Number of districts	17	17	18	18	18
Number of volunteer firefighters	515	509	550	585	568
(D) POLICE PROTECTION					
Number of employees, commissioner	59	61	62	58	46
Number of employees, civilian and limited commission	56	57	58	53	53
Average daily jail population	240	241	275	243	196
Police patrol units, vehicle	60	61	62	54	49
Police patrol units, boats	3	3	4	4	5
(E) RECREATIONAL FACILITIES					
Number of parks	34	34	35	36	26
Park acreage	2,227	2227	2240	2255	2300
(F) GENERAL ELECTIONS					
Number of registered voters	63,604	69,335	68,119	68,936	\$ 68,996
Number of votes cast	33,455	56,632	36,160	48,960	\$ 38,256
Percentage voting	53%	82%	53%	71%	59%
(G) PUBLIC EDUCATION					
Elementary	25	25	25	25	25
Middle/Junior High	6	5	5	5	5
High	8	8	9	9	6
Community College	1	1	1	1	1
Alternative	7	6	4	4	6
Special Education	5	5	5	4	4

SOURCE:

*Skagit County Roads Department,
Skagit County Planning and
Community Development, Board of
Volunteer Firefighters, Skagit
County Sheriff's Department,
Skagit County Parks & Recreation
Department, Skagit County
Election Department, Skagit
County Education Service District
189*

SKAGIT COUNTY, WASHINGTON
MISCELLANEOUS STATISTICAL REPORT
For a Ten Year Period

	2012	2013	2014	2015	2016
(A) MILES OF ROAD					
Roads, paved	760	761	761	761	756
Roads, unpaved	41	40	40	40	40
(B) BUILDING PERMITS					
Permits issued	424	445	392	591	524
Value of buildings	\$ 40,588,568	\$ 58,051,285	\$ 57,696,373	\$ 62,443,127	\$ 67,496,136
(C) FIRE PROTECTION					
Number of districts	18	18	18	18	18
Number of volunteer firefighters	561	559	572	589	589
(D) POLICE PROTECTION					
Number of employees, commissione	44	50	52	51	54
Number of employees, civilian and limited commission	59	55	56	65	65
Average daily jail population	226.3	247.7	235	205	213.8
Police patrol units, vehicle	71	55	56	55	68
Police patrol units, boats	5	5	4	4	4
(E) RECREATIONAL FACILITIES					
Number of parks	32	29	29	29	29
Park acreage	2153.5	2054.5	2054.5	2058.05	2058.05
(F) GENERAL ELECTIONS					
Number of registered voters	72,966	74,075	75,774	74,282	79,796
Number of votes cast	56,262	35,847	40,825	29,784	59,023
Percentage voting	83%	53%	61%	43%	80%
(G) PUBLIC EDUCATION					
Elementary	25	26	26	26	26
Middle/Junior High	5	5	5	5	5
High	6	6	6	6	6
Community College	1	1	1	1	1
Alternative	8	8	8	8	8
Special Education	5	5	4	4	4

SOURCE:

*Skagit County Roads Department,
Skagit County Planning and
Community Development, Board of
Volunteer Firefighters, Skagit
County Sheriff's Department,
Skagit County Parks & Recreation
Department, Skagit County
Election Department, Skagit
County Education Service District*
189

Compliance Section



Skagit County
Schedule of Expenditures of Federal Awards
For the Year Ended December 31, 2016

Federal Agency (Pass-Through Agency)	Federal Program	CFDA Number	Other Award Number	Expenditures			Passed through to Subrecipients	Note
				From Pass- Through Awards	From Direct Awards	Total		
Farm Service Agency, Department Of Agriculture	Conservation Reserve Program	10.069	CREP 2003 0054 Etach Creek	-	679	679	-	1
Farm Service Agency, Department Of Agriculture	Conservation Reserve Program	10.069	CREP 2003 0055 Day Creek	-	274	274	-	1
Farm Service Agency, Department Of Agriculture	Conservation Reserve Program	10.069	CREP 2005 0072 Martin Slough- Rockport	-	6,519	6,519	-	1
			Total CFDA 10.069:	-	7,472	7,472	-	
Child Nutrition Cluster								
Food And Nutrition Service, Department Of Agriculture (via Office of Superintendent of Public Instruction)	School Breakfast Program	10.553	29-320-9788	3,138	-	3,138	-	1
Food And Nutrition Service, Department Of Agriculture (via Office of Superintendent of Public Instruction)	School Breakfast Program	10.553	29-320-9788	2,852	-	2,852	-	1
			Total CFDA 10.553:	5,990	-	5,990	-	
Food And Nutrition Service, Department Of Agriculture (via Office of Superintendent of Public Instruction)	National School Lunch Program	10.555	29-320-9788	4,895	-	4,895	-	1
Food And Nutrition Service, Department Of Agriculture (via Office of Superintendent of Public Instruction)	National School Lunch Program	10.555	29-320-9788	4,465	-	4,465	-	1
			Total CFDA 10.555:	9,360	-	9,360	-	
			Total Child Nutrition Cluster:	15,350	-	15,350	-	

The accompanying notes are an integral part of this schedule.

Skagit County
Schedule of Expenditures of Federal Awards
For the Year Ended December 31, 2016

Federal Agency (Pass-Through Agency)	Federal Program	CFDA Number	Other Award Number	Expenditures			Passed through to Subrecipients	Note
				From Pass- Through Awards	From Direct Awards	Total		
Food And Nutrition Service, Department Of Agriculture (via Washington State Department of Health)	Special Supplemental Nutrition Program for Women, Infants, and Children	10.557	C17124	30,900	-	30,900	2,370	
Food And Nutrition Service, Department Of Agriculture (via Northwest Regional Council)	Senior Farmers Market Nutrition Program	10.576	164009-NUTR	6,355	-	6,355	-	1
Food And Nutrition Service, Department Of Agriculture (via Northwest Regional Council)	Senior Farmers Market Nutrition Program	10.576	164009-NUTR VOUCHERS	4,320	-	4,320	-	
Forest Service Schools and Roads Cluster				10,675	-	10,675	-	
Forest Service, Department Of Agriculture	Schools and Roads - Grants to States	10.665	Title I Forest Yield	-	246,766	246,766	-	1
Forest Service, Department Of Agriculture	Schools and Roads - Grants to States	10.665	Title III Forest Yield	-	40,644	40,644	-	1
Total Forest Service Schools and Roads Cluster:				-	287,410	287,410	-	
National Oceanic And Atmospheric Administration (noaa), Department Of Commerce (via Washington Recreation and Conservation Office)	Pacific Coast Salmon Recovery_Pacific Salmon Treaty Program	11.438	13-1052R David Slough Fish Passage	15,250	-	15,250	-	
National Oceanic And Atmospheric Administration (noaa), Department Of Commerce (via Washington Recreation and Conservation Office)	Pacific Coast Salmon Recovery_Pacific Salmon Treaty Program	11.438	RCO#14-1264P	7,765	-	7,765	-	1

The accompanying notes are an integral part of this schedule.

Skagit County
Schedule of Expenditures of Federal Awards
For the Year Ended December 31, 2016

Federal Agency (Pass-Through Agency)	Federal Program	CFDA Number	Other Award Number	Expenditures			Passed through to Subrecipients	Note
				From Pass- Through Awards	From Direct Awards	Total		
National Oceanic And Atmospheric Administration (noaa), Department Of Commerce (via Washington Recreation and Conservation Office)	Pacific Coast Salmon Recovery_Pacific Salmon Treaty Program	11,438	RCO#14-1263R	27,798	-	27,798	-	
Total CFDA 11,438:				50,812	-	50,812	-	
Office Of Community Planning And Development, Department Of Housing And Urban Development (via State of Washington Department of Commerce)	Community Development Block Grants/State's program and Non-Entitlement Grants in Hawaii	14,228	15-62210-012	33,807	-	33,807	33,807	1
Office Of Community Planning And Development, Department Of Housing And Urban Development (via State of Washington Department of Commerce)	Community Development Block Grants/State's program and Non-Entitlement Grants in Hawaii	14,228	15-62210-019	39,884	-	39,884	39,884	1
Office Of Community Planning And Development, Department Of Housing And Urban Development (via State of Washington Department of Commerce)	Community Development Block Grants/State's program and Non-Entitlement Grants in Hawaii	14,228	16-62210-012	39,805	-	39,805	39,805	1
Office Of Community Planning And Development, Department Of Housing And Urban Development (via State of Washington Department of Commerce)	Community Development Block Grants/State's program and Non-Entitlement Grants in Hawaii	14,228	15-62210-031	226,310	-	226,310	226,310	1
Total CFDA 14,228:				339,806	-	339,806	339,806	

The accompanying notes are an integral part of this schedule.

Skagit County
Schedule of Expenditures of Federal Awards
For the Year Ended December 31, 2016

Federal Agency (Pass-Through Agency)	Federal Program	CFDA Number	Other Award Number	Expenditures			Passed through to Subrecipients	Note
				From Pass- Through Awards	From Direct Awards	Total		
Office Of Community Planning And Development, Department Of Housing And Urban Development	Home Investment Partnerships Program	14.239	M15-DC530210	-	62,317	62,317	-	1
Office Of Community Planning And Development, Department Of Housing And Urban Development	Home Investment Partnerships Program	14.239	M16-DC530210	-	11,614	11,614	-	1
Total CFDA 14.239:				-	73,930	73,930	-	
Drug Enforcement Administration, Department Of Justice (via Washington State Patrol)	Law Enforcement Assistance_Narcotics and Dangerous Drugs_Laboratory Analysis	16.001	Domestic Cannabis Eradication/Sup ression K12108	19,000	-	19,000	-	1
Office Of Juvenile Justice And Delinquency Prevention, Department Of Justice (via Washington State Department of Social & Health Services)	Juvenile Accountability Block Grants	16.523	1663-55826	12,000	-	12,000	-	
Office For Victims Of Crime, Department Of Justice (via Washington State Department of Commerce)	Crime Victim Assistance	16.575	S17-31102-526	24,859	-	24,859	-	1
Violence Against Women Office, Department Of Justice (via Washington State Department of Commerce)	Violence Against Women Formula Grants	16.588	F15-31103-056	17,290	-	17,290	-	

The accompanying notes are an integral part of this schedule.

Skagit County
Schedule of Expenditures of Federal Awards
For the Year Ended December 31, 2016

Expenditures

Federal Agency (Pass-Through Agency)	Federal Program	CFDA Number	Other Award Number	From Pass- Through Awards	From Direct Awards	Total	Passed through to Subrecipients	Note
Bureau Of Justice Assistance, Department Of Justice (via Washington State Department of Social & Health Services- Residential Substance Abuse Treatment)	Residential Substance Abuse Treatment for State Prisoners	16.593	1563-53486	118,362	-	118,362	118,362	
Bureau Of Justice Assistance, Department Of Justice	State Criminal Alien Assistance Program	16.606	2016-AP-BX- 0521	-	19,345	19,345	-	1
Office Of Community Oriented Policing Services, Department Of Justice	Public Safety Partnership and Community Policing Grants	16.710	2014UMX0077	-	81,916	81,916	-	
Bureau Of Justice Assistance, Department Of Justice (via Washington State Department of Commerce)	Edward Byrne Memorial Justice Assistance Grant Program	16.738	F-15-31440-014	57,922	-	57,922	-	1
Bureau Of Justice Assistance, Department Of Justice (via Washington State Department of Commerce)	Edward Byrne Memorial Justice Assistance Grant Program	16.738	F-16-31440-014	44,160	-	44,160	-	1
Highway Planning and Construction Cluster				102,081	-	102,081	-	
Federal Highway Administration (fhwa), Department Of Transportation (via Washington State Department of Transportation)	Highway Planning and Construction	20.205	Skagit River Bridge Modification & Interstate Highway LA6452	87,579	-	87,579	-	1

The accompanying notes are an integral part of this schedule.

Skagit County
Schedule of Expenditures of Federal Awards
For the Year Ended December 31, 2016

Expenditures

Federal Agency (Pass-Through Agency)	Federal Program	CFDA Number	Other Award Number	From Pass- Through Awards	From Direct Awards	Total	Passed through	
							to	Note
Federal Highway Administration (fhw), Department Of Transportation (via Washington State Department of Transportation)	Highway Planning and Construction	20.205	Pioneer Highway/Fir Island Road Intersection LA8199	6,877	-	6,877	-	-
Federal Highway Administration (fhw), Department Of Transportation (via Washington State Department of Transportation)	Highway Planning and Construction	20.205	Burlington Northern Overpass LA8075	429,192	-	429,192	-	-
Federal Highway Administration (fhw), Department Of Transportation (via Washington State Department of Transportation)	Highway Planning and Construction	20.205	Bow Hill Reconstruction LA8076	34,635	-	34,635	-	-
Federal Highway Administration (fhw), Department Of Transportation (via Washington State Department of Transportation)	Highway Planning and Construction	20.205	Centennial Trail (Big Rock to Clear Lake) LA8425	88,145	-	88,145	-	-
Federal Highway Administration (fhw), Department Of Transportation (via Washington State Department of Transportation)	Highway Planning and Construction	20.205	Josh Wilson Road Phase 1 LA 8426	16,552	-	16,552	-	-
Federal Highway Administration (fhw), Department Of Transportation (via Washington State Department of Transportation)	Highway Planning and Construction	20.205	Friday Creek Bridge Repair (Old Hwy 99) LA 8746	6,939	-	6,939	-	-
Federal Highway Administration (fhw), Department Of Transportation (via Washington State Department of Transportation)	Highway Planning and Construction	20.205	Old Hwy 99 North Illumination Project LA 8745	81,934	-	81,934	-	-

The accompanying notes are an integral part of this schedule.

Skagit County
Schedule of Expenditures of Federal Awards
For the Year Ended December 31, 2016

Federal Agency (Pass-Through Agency)	Federal Program	CFDA Number	Other Award Number	Expenditures			Passed through to Subrecipients	Note
				From Pass- Through Awards	From Direct Awards	Total		
Federal Highway Administration (fhwa), Department Of Transportation (via Washington State Department of Transportation)	Highway Planning and Construction	20.205	Cook Road Signal Advance Warning LA 8744	5,234	-	5,234	-	
Federal Highway Administration (fhwa), Department Of Transportation (via Washington State Department of Transportation)	Highway Planning and Construction	20.205	Lower Finney Creek Bridge Repairs LA 8733	27,198	-	27,198	-	
Federal Highway Administration (fhwa), Department Of Transportation (via Washington State Department of Transportation)	Highway Planning and Construction	20.205	Dodge Valley Road Barrier Protection Project LA 8724	307,342	-	307,342	-	
Federal Highway Administration (fhwa), Department Of Transportation (via Washington State Department of Transportation)	Highway Planning and Construction	20.205	Samish River Bridge Repair (Old Hwy 99) LA 8702	4,218	-	4,218	-	
Federal Highway Administration (fhwa), Department Of Transportation (via Washington State Department of Transportation)	Highway Planning and Construction	20.205	Guemes Ferry Breakwater Section Replacement LA 8521	320,740	-	320,740	-	
Total Highway Planning and Construction Cluster:				1,416,584	-	1,416,584	-	
Highway Safety Cluster								
National Highway Traffic Safety Administration (nhtsa), Department Of Transportation (via Washington Traffic Safety Commission)	State and Community Highway Safety	20.600	Target Zero Corridor Project	11,254	-	11,254	-	1

The accompanying notes are an integral part of this schedule.

Skagit County
Schedule of Expenditures of Federal Awards
For the Year Ended December 31, 2016

Federal Agency (Pass-Through Agency)	Federal Program	CFDA Number	Other Award Number	Expenditures			Passed through to Subrecipients	Note
				From Pass- Through Awards	From Direct Awards	Total		
National Highway Traffic Safety Administration (nhtsa), Department Of Transportation (via Washington Traffic Safety Commission)	State and Community Highway Safety	20.600	Traffic Safety Equipment Grant	19,440	-	19,440	-	1
Total Highway Safety Cluster:				30,694	-	30,694	-	
Region 10, Environmental Protection Agency (via Washington State Department of Health)	Puget Sound Action Agenda: Technical Investigations and Implementation Assistance Program	66.123	C17124 NEP Onsite Sewage Management	89,965	-	89,965	-	
Region 10, Environmental Protection Agency (via Washington State Department of Health)	Puget Sound Action Agenda: Technical Investigations and Implementation Assistance Program	66.123	DOH Contract N20689 / PC-00J32601	269,444	-	269,444	83,221	1
Region 10, Environmental Protection Agency (via State of Washington Department of Ecology)	Puget Sound Action Agenda: Technical Investigations and Implementation Assistance Program	66.123	SEANWS-20150SkCoPW-00001	63,458	-	63,458	49,771	1
Region 10, Environmental Protection Agency (via State of Washington Department of Ecology)	Puget Sound Action Agenda: Technical Investigations and Implementation Assistance Program	66.123	SEANWS-2016-SkCoPW-00003	11,744	-	11,744	-	1
Total CFDA 66.123:				434,612	-	434,612	132,992	
Administration For Community Living, Department Of Health And Human Services (via Northwest Regional Council)	Special Programs for the Aging Title III, Part D_Disease Prevention and Health Promotion Services	93.043	164009-NUTR-CDSMP	2,000	-	2,000	-	1

Aging Cluster

The accompanying notes are an integral part of this schedule.

Skagit County
Schedule of Expenditures of Federal Awards
For the Year Ended December 31, 2016

Federal Agency (Pass-Through Agency)	Federal Program	CFDA Number	Other Award Number	Expenditures			Passed through to Subrecipients	Note
				From Pass- Through Awards	From Direct Awards	Total		
Administration For Community Living, Department Of Health And Human Services (via Northwest Regional Council)	Special Programs for the Aging_Title III, Part C_ Nutrition Services	93.045	164009-NUTR-TIII C1	87,489	-	87,489	-	
Administration For Community Living, Department Of Health And Human Services (via Northwest Regional Council)	Special Programs for the Aging_Title III, Part C_ Nutrition Services	93.045	164009-NUTR-TIII C2	98,658	-	98,658	-	
			Total CFDA 93.045:	186,147	-	186,147	-	
Administration For Community Living, Department Of Health And Human Services (via Northwest Regional Council)	Nutrition Services Incentive Program	93.053	164009-NUTR-NSIP	95,714	-	95,714	-	1
			Total Aging Cluster:	281,861	-	281,861	-	
Centers For Disease Control And Prevention, Department Of Health And Human Services (via Washington State Department of Health)	Public Health Emergency Preparedness	93.069	C17124 15 EPR PHEP BP4 LHJ Funding	64,573	-	64,573	-	
Centers For Disease Control And Prevention, Department Of Health And Human Services (via Washington State Department of Health)	Public Health Emergency Preparedness	93.069	C17124 16 ERP LHJ Funding	46,347	-	46,347	-	
			Total CFDA 93.069:	110,920	-	110,920	-	
Substance Abuse And Mental Health Services Administration, Department Of Health And Human Services (via State of Washington Department of Social and Health Services-Recovery Support)	Substance Abuse and Mental Health Services_Projects of Regional and National Significance	93.243	Partnerships for Success Grant 1563-42494	24,023	-	24,023	24,023	1

The accompanying notes are an integral part of this schedule.

**Skagit County
Schedule of Expenditures of Federal Awards
For the Year Ended December 31, 2016**

		Expenditures						
Federal Agency (Pass-Through Agency)	Federal Program	CFDA Number	Other Award Number	From Pass- Through Awards	From Direct Awards	Total	Passed through to Subrecipients	Note
Substance Abuse And Mental Health Services Administration, Department Of Health And Human Services (via Washington State Department of Health)	Substance Abuse and Mental Health Services Projects of Regional and National Significance	93.243	1663-53477 Access to Recovery	42,745	-	42,745	42,745	1
Total CFDA 93.243:				66,768	-	66,768	66,768	
Centers For Disease Control And Prevention, Department Of Health And Human Services (via Washington State Department of Health)	Immunization Cooperative Agreements	93.268	C17124 VFC OPS	3,863	-	3,863	-	
Centers For Disease Control And Prevention, Department Of Health And Human Services (via Washington State Department of Health)	Immunization Cooperative Agreements	93.268	C17124 AFIX	20,731	-	20,731	-	
Centers For Disease Control And Prevention, Department Of Health And Human Services (via Washington State Department of Health)	Immunization Cooperative Agreements	93.268	C17124 317 VFC ORDERING	6,532	-	6,532	-	
Centers For Disease Control And Prevention, Department Of Health And Human Services (via Washington State Department of Health)	Immunization Cooperative Agreements	93.268	C17124 317 OPS	6,305	-	6,305	-	
Centers For Disease Control And Prevention, Department Of Health And Human Services (via Washington State Department of Health)	Immunization Cooperative Agreements	93.268	Vaccines in Lieu of Cash 2015 C17124	5,463	-	5,463	-	

Skagit County
Schedule of Expenditures of Federal Awards
For the Year Ended December 31, 2016

Federal Agency (Pass-Through Agency)	Federal Program	CFDA Number	Other Award Number	Expenditures			Passed through to Subrecipients	Note
				From Pass- Through Awards	From Direct Awards	Total		
Centers For Disease Control And Prevention, Department Of Health And Human Services (via Washington State Department of Health)	Immunization Cooperative Agreements	93.268	Program Income C17124	51	-	51	-	
		Total CFDA 93.268:			42,945	-	42,945	-
Health Resources And Services Administration, Department Of Health And Human Services (via Thrive By 5 Washington)	Affordable Care Act (ACA) Maternal, Infant, and Early Childhood Home Visiting Program	93.505	FY15-HVSA MIECHV	276,348	-	276,348	-	
		Total CFDA 93.505:			80,205	-	80,205	-
Health Resources And Services Administration, Department Of Health And Human Services (via Thrive By 5 Washington)	Affordable Care Act (ACA) Maternal, Infant, and Early Childhood Home Visiting Program	93.563	75-1501-0-1- 609/2110-80608	168,258	-	168,258	-	
		Total CFDA 93.563:			399,654	-	399,654	-
Administration For Children And Families, Department Of Health And Human Services (via Washington State Department of Health & Social Services)	Child Support Enforcement	93.563	75-1501-0-1- 609	-	18,897	18,897	-	
		Total CFDA 93.563:			567,912	37,911	605,823	-

The accompanying notes are an integral part of this schedule.

**Skagit County
Schedule of Expenditures of Federal Awards
For the Year Ended December 31, 2016**

Federal Agency (Pass-Through Agency)	Federal Program	CFDA Number	Other Award Number	Expenditures			Passed through to Subrecipients	Note
				From Pass- Through Awards	From Direct Awards	Total		
Centers For Disease Control And Prevention, Department Of Health And Human Services (via Washington State Department of Health)	Capacity Building Assistance to Strengthen Public Health Immunization Infrastructure and Performance – financed in part by the Prevention and Public Health Fund (PPHF)	93.733	VTRCKS	3,605	-	3,605	-	
Medicaid Cluster								
Centers For Medicare And Medicaid Services, Department Of Health And Human Services (via Washington State Health Care Authority)	Medical Assistance Program	93.778	Medical Admin Match K1416	186,641	-	186,641	-	
			Total Medicaid Cluster:	186,641	-	186,641	-	
Substance Abuse And Mental Health Services Administration, Department Of Health And Human Services (via North Sound Mental Health Administration)	Block Grants for Community Mental Health Services	93.958	NSMHA MHBG 1516	2,414	-	2,414	2,414	1
Substance Abuse And Mental Health Services Administration, Department Of Health And Human Services (via North Sound Mental Health Administration)	Block Grants for Community Mental Health Services	93.958	NSMHA MHBG 1617	127,343	-	127,343	127,343	1
			Total CFDA 93.958:	129,757	-	129,757	129,757	

The accompanying notes are an integral part of this schedule.

Skagit County
Schedule of Expenditures of Federal Awards
For the Year Ended December 31, 2016

Federal Agency (Pass-Through Agency)	Federal Program	CFDA Number	Other Award Number	Expenditures			Passed through to Subrecipients	Note
				From Pass- Through Awards	From Direct Awards	Total		
Substance Abuse And Mental Health Services Administration, Department Of Health And Human Services (via State of Washington Department of Social and Health Services-Recovery Support)	Block Grants for Prevention and Treatment of Substance Abuse	93.959	1563-43877	33,862	-	33,862	33,862	1
Substance Abuse And Mental Health Services Administration, Department Of Health And Human Services (via Washington State Department of Social & Health Services-Substance Abuse Prevention-DASA)	Block Grants for Prevention and Treatment of Substance Abuse	93.959	1563-42494	54,694	-	54,694	54,694	1
Total CFDA 93.959:				88,556	-	88,556	88,556	
Health Resources And Services Administration, Department Of Health And Human Services (via Washington State Department of Health)	Maternal and Child Health Services Block Grant to the States	93.994	C17124 FFY16 MCHBG LHJ	69,699	-	69,699	-	
Health Resources And Services Administration, Department Of Health And Human Services (via Washington State Department of Health)	Maternal and Child Health Services Block Grant to the States	93.994	C17124 FFY17 MCHBG LHJ	33,451	-	33,451	-	
Total CFDA 93.994:				103,149	-	103,149	-	
Executive Office Of The President (via Educational Service District 105)	High Intensity Drug Trafficking Areas Program	95.001	9001500061	7,600	-	7,600	-	1

Skagit County
Schedule of Expenditures of Federal Awards
For the Year Ended December 31, 2016

Federal Agency (Pass-Through Agency)	Federal Program	CFDA Number	Other Award Number	Expenditures			Passed through to Subrecipients	Note
				From Pass- Through Awards	From Direct Awards	Total		
United States Coast Guard (uscg), Department Of Homeland Security (via Washington State Parks and Recreation Commission)	Boating Safety Financial Assistance	97.012	3316FAS16015 3	18,396	-	18,396	-	1
Federal Emergency Management Agency (fema), Department Of Homeland Security (via Washington State Military Department)	Disaster Grants - Public Assistance (Presidentially Declared Disasters)	97.036	D09-095	14,764	-	14,764	-	
Federal Emergency Management Agency (fema), Department Of Homeland Security (via Washington State Military Department)	Emergency Management Performance Grants	97.042	E16-173	60,555	-	60,555	-	
Federal Emergency Management Agency (fema), Department Of Homeland Security (via Washington State Military Department)	Homeland Security Grant Program	97.067	E15-082	16,472	-	16,472	-	1
Federal Emergency Management Agency (fema), Department Of Homeland Security (via Washington State Military Department/Snohomish County)	Homeland Security Grant Program	97.067	E16-053	32,164	-	32,164	-	
Total CFDA 97.067:				48,636	-	48,636	-	
Total Federal Awards Expended:				4,713,646	507,984	5,221,627	878,612	

The accompanying notes are an integral part of this schedule.

SKAGIT COUNTY, WASHINGTON

NOTES TO THE SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS

For the year ended December 31, 2016

NOTE 1 – BASIS OF ACCOUNTING

This schedule is prepared on the same basis of accounting as Skagit County's financial statements. Skagit County, in compliance with generally accepted accounting practices, uses modified accrual accounting for government funds and accrual accounting for proprietary funds.

NOTE 2 – PROGRAM COSTS

The amounts shown as current year expenditures represent only the federal grant portion of the program costs. Entire program costs, including Skagit County's portion, are more than shown. Such expenditures are recognized following, as applicable, either the cost principles in the OMB Circular A-87, Cost Principles for State, Local, and Indian Tribal Governments, or 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 3 – NONCASH AWARDS - VACCINATIONS

The amount of vaccines reported on the schedule is the value of vaccine received by Skagit County during 2016 and priced as prescribed by the Department of Health.

NOTE 4 – INDIRECT COST RATE

The amount expended includes a percentage claimed as an indirect cost recovery using an approved indirect cost rate. These rates are as shown below:

(a) 10%, (b) 17.43%, (c) 19.04%, (d) 25%

Skagit County has not elected to use the 10-percent de minimis indirect cost rate allowed under Uniform Guidance.

NOTE 5 – PROGRAM INCOME

The amount reported is net of \$223,629 received as program income.

NOTE 6 – NONCASH AWARDS - VOUCHERS

The amount of vouchers reported on the schedule is the value of food vouchers received by Skagit County during 2016 and priced as prescribed by the Department of Agriculture.

NOTE 7 – PRIOR YEAR EXPENSE

The total amount expended for this program includes \$6,876.52 for 2015.

Skagit County

SCHEDULE OF STATE FINANCIAL ASSISTANCE (unaudited)

For Fiscal Year ended December 31, 2016

Grantor	Program Title	Identificaton Number	Amount
State Grant from Legislature and its Committees	Elected Official Salary Match	RCW 36.17.020	81,851
	Sub-total:		81,851
Death Investigation-Autopsies	40% Autopsy Reimbursement	RCW 68.08.104	37,342
	Sub-total:		37,342
State Grant from Criminal Justice Training Commission	Registered Sex Offender Address & Residency Verification Program	RSO 14-15 Skagit	387,410
	Registered Sex Offender Address & Residency Verification Program	RSO 16-17 Skagit	54,247
	Child Abuse Interviewing & Assessment Facilitation	PROGRAM INDEX 507	800
	Child Abuse Interviewing & Assessment Facilitation	PROGRAM INDEX 507	400
	Sub-total:		442,857
State Grant from Other Judicial Agencies	Witness Fees	RCW 10.46.230	1,672
	Interpreter Fees	IAA17551	2,400

Grantor	Program Title	Identification Number	Amount
	Parent's Representation Program	CSV15044	62,970
	Parent's Representation Program	CSV17143	64,101
	Becca Bill	IAA16088	149,871
	Becca Bill	IAA17436	166,703
	Victim/Witness Assistance Grant Program	S16-31102-526	17,600
	Interpreter Fees	IAA16210	9,277
	Interpreter Fees	IAA17552	9,209
	Becca Bill	IAA16088	11,289
	Becca Bill	IAA17436	9,962
		Sub-total:	505,053
State Grant from Military Department			
	Professional Development & Operational E911	E16-033	21,436
	E911 County Coordinator Professional Development Contract	E17-041	16,414
	E911 County Equipment Contract FY2016/17	E17-129	70,000
		Sub-total:	107,849
State Grant from Department of Agriculture			
	Spartina Program	K1710	16,856
	Knotweed Control (Samish River)	K1750	12,731
		Sub-total:	29,586
State Grant from Recreation and Conservation Office			

Grantor	Program Title	Identificaton Number	Amount
	Hansen Creek - Reach 5 Restoration	RCO#13-1060P	55,367
	North Fork Skagit Acquisition and Feasibility	RCO#13-1059C	2,008
	Hansen Creek - Reach 5 Restoration	RCO#13-1060P	43,808
	Skagit County Farmland	14-2178A	1,318,725
Sub-total:			1,419,908
State Grant from Department of Ecology			

Local Toxins Control Coordinated Prevention Grant	W2RCPG-1517-SkCoHD-00028	58,678
Samish River Natural Resource Stewardship Program	G1400401	85,201
Trumpeter Creek Riparian and Channel Restoration	WQC-2015-SkCoPW-00034	24,931
On Site Septic Grant with Loan	WQC-2015-SkPD-00130	36,720
Community Litter Cleanup Program	W2RCLCP-1517-SkCoPW-00040	33,137
Remedial Action Grants Waste 2 Resources	TCPRA-2014-SkCoPW-00058	2,996
Waste 2 Resources Coordinated Prevention Grant Program	W2RCPG-1517-SkCoPW-00108	144,958
2015-2017 Biennial Stormwater Capacity Grant	WQSWCAP-1517-SkCoPW-00077	25,000
Toxics Cleanup Remedial Action Grant	TCPRA-2015-SkCoCa-00049	1,339,185
Toxics Cleanup Remedial Action Grant	TCPRA-2015-SkCoHD-00007	9,756

Grantor	Program Title	Identification Number	Amount
	Toxics Cleanup Remedial Action Grant	TCPRA-2016-SkCoHD-00016	10,118
	Local Source Control Partnership	IAAC1600030	94,359
		Sub-total:	1,865,038
State Grant from Conservation Commission			
	Otto Walberg Field Renovation	15-1359D	43,005
	Voluntary Stewardship Program Workplan Development	K1632	45,172
		Sub-total:	88,177
State Grant from Traffic Safety Commission			
	Enforcing Underage Drinking Laws - Party Intervention Patrols	C20160444	301
		Sub-total:	301
State Grant from County Road Administration Board			
	Bow Hill Road	2913-01	36,307
	Frances Road Reconstruction (Sec 1)	2915-01	1,257
		Sub-total:	37,565
CRAB Road Arterial - Projects			
	County Roads - Arterial Preservation	NA	591,448
		Sub-total:	591,448
State Grant from Department of Social and Health Services			

Grantor	Program Title	Identificaton Number	Amount
	Child Support Enforcement Reimbursement	2110-80608	26,771
	Juvenile Rehabilitation Administration	CJS At-Risk 1563-43117	105,478
	Juvenile Rehabilitation Administration	Intensive Diversion 1563-43117	37,699
	Juvenile Rehabilitation Administration	CDDA 1563-43117	2,443
	Juvenile Rehabilitation Administration - Treatment & Intergovt Prog	1563-42663	54,828
	Juvenile Rehabilitation Administration	SSODA 1563-43117	24,623
	Juvenile Rehabilitation Administration	CJAA/FFT 1563-43117	7,027
	Child Support Enforcement	75-1501-0-1-609/2110-80608	175,191
	Child Support Enforcement	75-1501-0-1-609	3,006
	Child Support Enforcement	75-1501-0-1-609	3,026
	NSBHO Admin 16	NSBHO HARPS 2016	46,800
	NSBHO Admin 16	NSBHO DROP IN PEER SUPPORT	75,000
	Senior Farmers Market Nutrition Program	164009-NUTR VOUCHERS	11,680
	Skagit County Jail Services 15-16	NSMHA-Skagit County-Jail Services 15-16	33,208
	Skagit County Jail Services 16-18	NSMHA-Skagit County-Jail Services 16-18	58,856
	Chemical Dependency Treatment	1563-43877	128,793
	Substance Abuse and Mental Health Services Administration	1563-42494	31,677
	Sexual Predator Reimbursement	NA	4,059

Grantor	Program Title	Identificaton Number	Amount
Sub-total:			830,165
State Grant from Department of Health			
	Immunization Cooperative Agreements	Vaccines in Lieu of Cash 2015 C17124	769
	Puget Sound OSS LMP Implementation	C17124	21,649
	Rec Shellfish/Biotoxin(PSAA)	C17124	5,591
	Home Visiting Service Account (HVSA)	201507015	12,992
	NSNBHO MEDICAL ASSIST	MEDICAL ASSISTING 15- 16	225,000
Sub-total:			266,001
Grand total:			6,303,144

SKAGIT COUNTY, WASHINGTON

NOTES TO THE SCHEDULE OF STATE FINANCIAL ASSISTANCE

For the year ended December 31, 2016

NOTE 1 – PRIOR YEAR EXPENSE

The total amount expended for this program includes \$1,295,808.70 for 2015.

NOTE 2 – PRIOR YEAR EXPENSE

The total amount expended for this program includes \$161.89 for 2015.

NOTE 3 – PRIOR YEAR EXPENSE

The total amount expended for this program includes \$305,745.35 for prior year expenses.

THIS PAGE INTENTIONALLY LEFT BLANK

