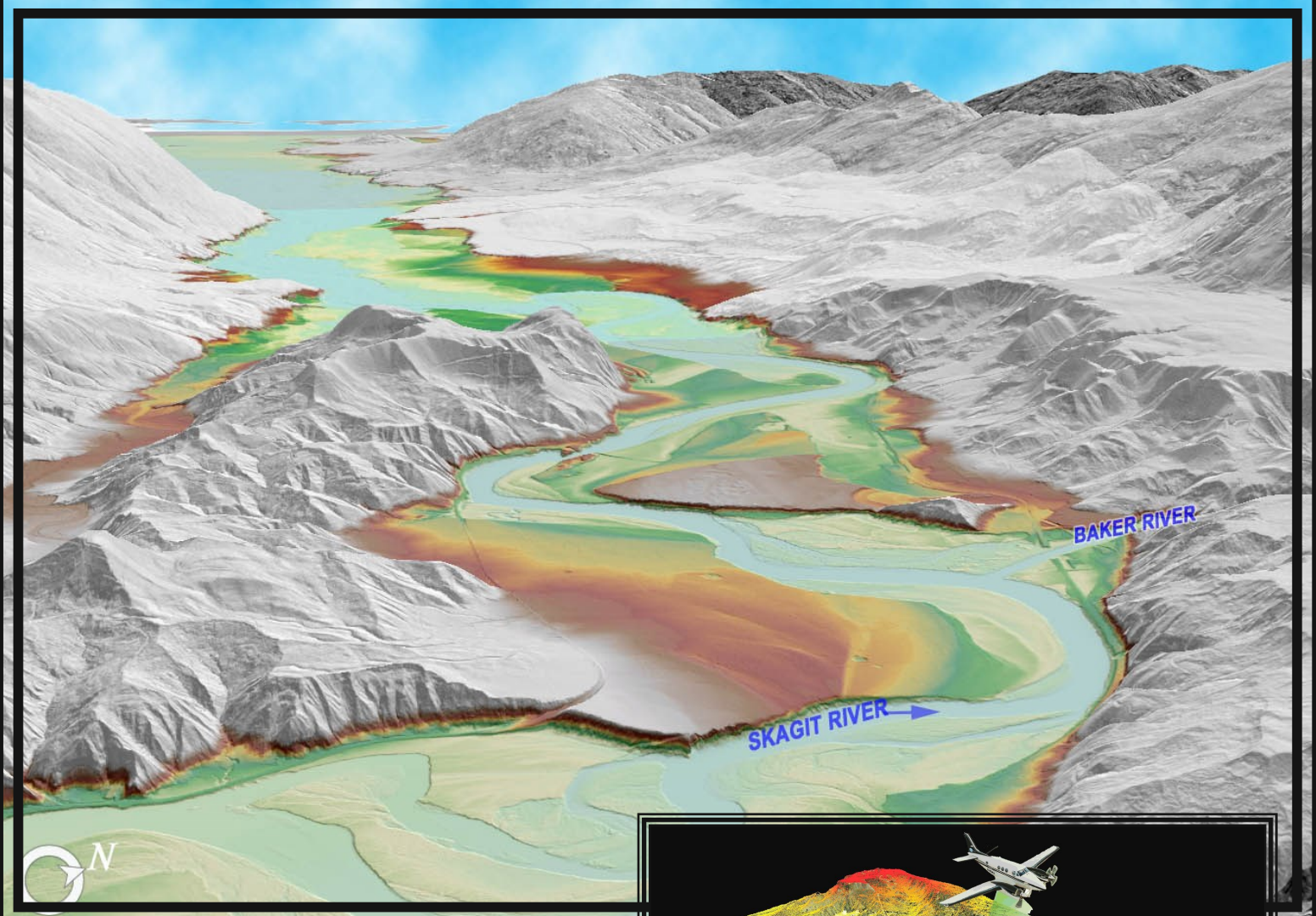
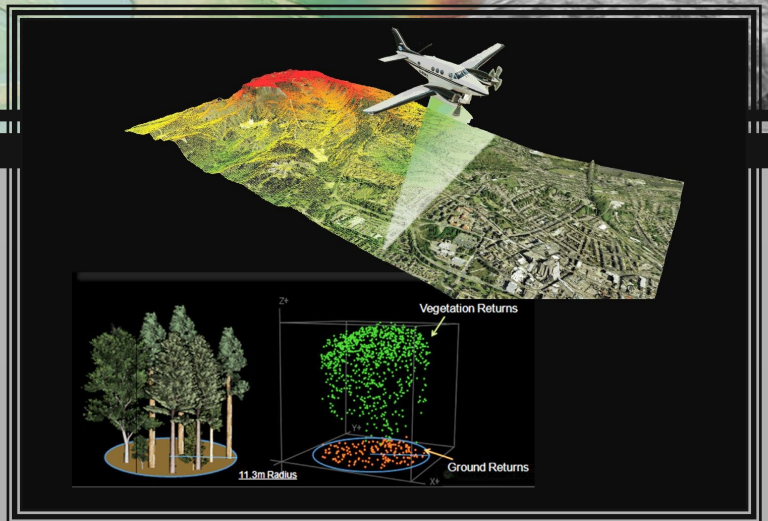


Skagit County Washington

Comprehensive Annual Financial Report



30,000 years of Skagit land history
Lidar Geologic Map Tour of Skagit
County - See inside Cover



Fiscal Year Ending December 31, 2017

SKAGIT COUNTY WASHINGTON

COMPREHENSIVE ANNUAL FINANCIAL REPORT

FISCAL YEAR ENDED DECEMBER 31, 2017

Jeanne Youngquist, Skagit County Auditor
Sandy Perkins, Chief Deputy Auditor

Jana Robbins
Chief Accountant

Lynda Thomas
Senior Accountant

Chester Humbert
Calina Armstrong
Debbie Barney

Debra Gatti
Brandi Jimenez

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

Cover Photo Courtesy of:
Josh Greenberg, Skagit County GIS Department and Dr. Jon Riedel, National Parks
Department

Lidar collection from a plane with Lidar Collection System

The colored features are terraces built at various times on the floor of Skagit Valley. The gray and dark red colors depict terraces that were built during the last ice age and contain sand, silt and gravel as old as 30,000 years. The orange terraces were built by the river during an eruption of Glacier Peak 6,000 years ago that washed a thick layer of gray sand into the valley all the way to Skagit and Padilla Bays. The green and tan features adjacent to the river are more recently formed terraces, and the light blue is the Skagit River Channel.

SKAGIT COUNTY WASHINGTON COMPREHENSIVE ANNUAL FINANCIAL REPORT

Year Ended December 31, 2017

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About Skagit County

(pronounced "skäjet")

Skagit **C**ounty 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

Sandra Perkins
Chief Deputy

June 28, 2018

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, 2017 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, 2017, 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, 2017 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 three 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, and 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 93,000 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.

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, 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 recent 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

In 2013, the County entered into an inter local 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 construction a 400 bed regional jail facility. The County purchased the land in 2014 and the facility was completed in 2017.

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 was complete in August of 2017.

In 2017, the County began construction 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 estimated completion date is late 2018.

Acknowledgements

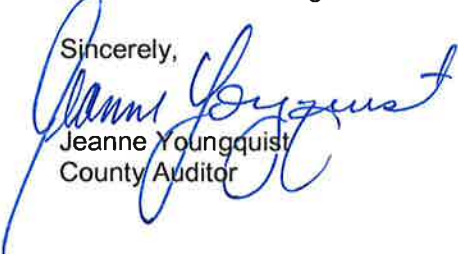
The Government Finance Officers Association of the United States and Canada (GFOA) awarded the Certificate of Achievement for Excellence in financial reporting to Skagit County for its Comprehensive Annual report for the fiscal year ended December 31, 2016. This was the sixth consecutive year that the 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,



Jeanne Youngquist
County 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, 2016

Christopher P. Morill

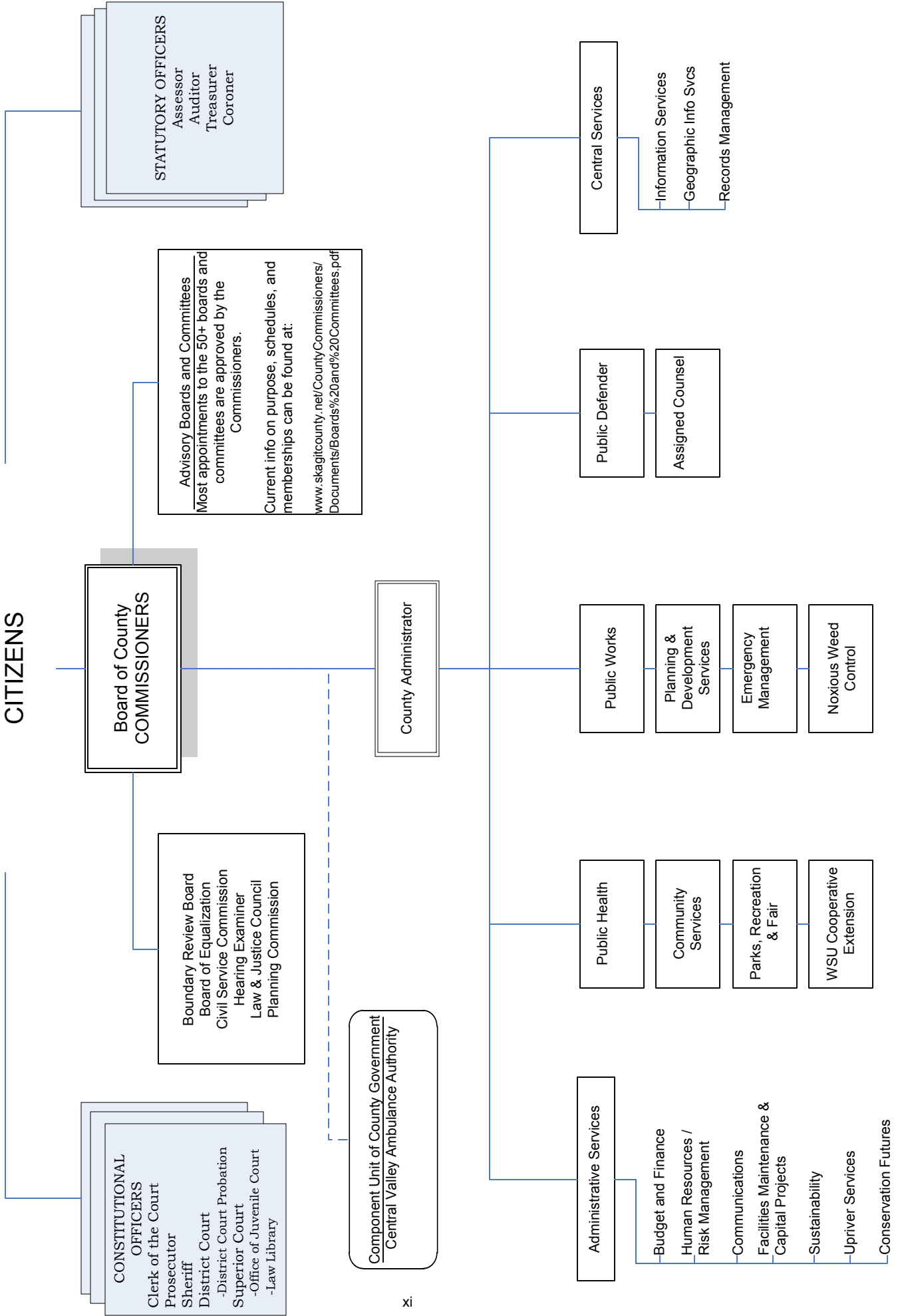
Executive Director/CEO

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



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

INDEPENDENT AUDITOR'S REPORT ON FINANCIAL STATEMENTS

June 28, 2018

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, 2017, 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, as of December 31, 2017, and the respective changes in financial position and, where applicable, cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Other Matters

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis and required supplementary information listed in the table of contents 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

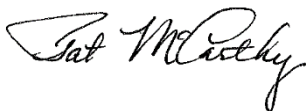
Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the County's basic financial statements. The individual and combining financial statements and schedules are presented for the purposes of additional analysis and is not a required part 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.

Our audit was conducted for the sole purpose of forming opinions on the financial statements that collectively comprise the County's basic financial statements as a whole. The Introductory, Statistical and Compliance sections are 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, 2018, 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,



Pat McCarthy

State Auditor

Olympia, WA

Financial Section



SKAGIT COUNTY, WASHINGTON
Management's Discussion and Analysis
December 31, 2017

This section of Skagit County's annual financial report presents our discussion and analysis of the County's financial performance during the fiscal year that ended December 31, 2017. Please read it in conjunction with the transmittal letter at the front of this report and the County's financial statements, which follow this section.

FINANCIAL HIGHLIGHTS

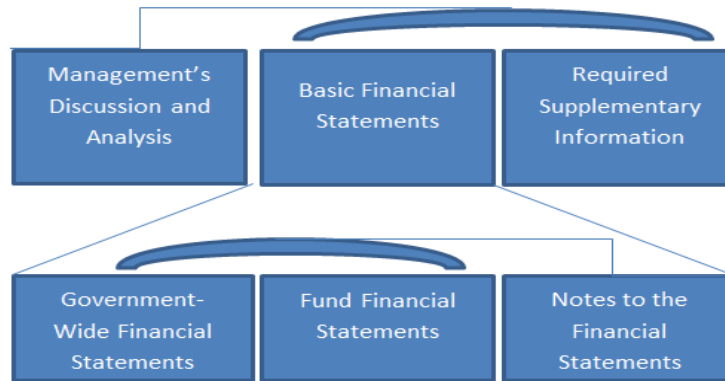
- As of December 31, 2017, total assets of the County exceeded total liabilities by \$342 million. Net investment in capital assets account for 77% of this amount, at \$265 million. Of the remaining net position, \$53.8 million was restricted for specific purposes and \$23.3 million was unrestricted. Net Position increased \$6 million from operating activities.
- Ending unassigned fund balance for the general fund was \$15.8 million; assigned fund balance in the general fund was \$1 million. The General Fund ended the year with an unassigned fund balance of 30% to revenues, which exceeds the industry's recommended level of 16.7% of revenues. The assigned balance was 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 \$9.2 million, an increase of \$1.1 million over the previous year. This was mainly because of an increase in intergovernmental revenues.
- Ending fund balance for the mental health fund was \$8.3 million, an increase of \$.7 million over the previous year. This was mainly due to slight increase in sales tax revenues and a conservative approach to spending practices.
- Total long-term liabilities of the County were \$115.4million at December 31, 2017. This is a decrease of \$12.6 million, mainly attributable to calculated net pension liability decreases.

OVERVIEW OF THE FINANCIAL STATEMENTS

This annual report consists of four parts – *management's discussion and analysis* (this section), the *basic financial statements*, *required supplementary information (RSI)*, and an optional section that presents the *combining statements* for nonmajor government funds and internal service funds. The basic financial statements include two kinds of statements that present different views of the County:

- The first two statements are *government-wide financial statements* that provide both *long-term* and *short-term* information about the County's overall financial status.
- The remaining statements are fund financial statements that focus on individual parts of the County government, reporting the County's operations in more detail than the government-wide statements.
 - The *governmental funds* statements tell how *general government* services like public safety were financed in the *short term* as well as what remains for future spending.
 - *Proprietary fund* statements offer *short- and long-term* financial information about the activities the government operates *like businesses*, such as the solid waste, drainage utility, and the jail fund.
 - *Fiduciary fund* statements provide information about the financial relationships in which the County acts solely as a trustee or agent for the benefit of others, to whom the resources in question belong.

SKAGIT COUNTY, WASHINGTON
Management's Discussion and Analysis
December 31, 2017



The basic financial statements also include notes that explain some of the information in the financial statements and provide more detailed data. The basic financial statements are followed by a section of RSI that further explains and supports the information in the financial statements. The figure above shows how the required parts of this annual report are arranged and relate to one another. In addition to these required elements, we have included a section with combining statements that provide details about our nonmajor governmental funds and internal service funds, each of which are added together and presented in single columns in the basic financial statement.

The figure below summarizes the major features of the County's financial statements, including the portion of the County government they cover and the types of information they contain. The remainder of this overview section of management's discussion and analysis explains the structure and contents of each of the statements.

Major Features of the County's Government-Wide and Fund Financial Statements				
	Government-Wide Statements	Fund Statements		
		Government Funds	Proprietary Funds	Fiduciary Funds
Scope	Entire County government (except fiduciary funds) and the County's component unit	The activities of the County that are not proprietary or fiduciary, such as public safety, social services	Activities the County operates similar to private business; drainage utility, solid waste, jail	Instances in which the County is the trustee of agent for someone else's resources, such as schools and hospitals
Required Financial Statements	*Statement of Net Position *Statement of Activities	*Balance Sheet *Statement of revenues, expenditures and changes in fund balance	*Statement of net position *Statement of revenues, expenditures and changes in fund balance *Statement of cash flows	*Statement of fiduciary funds
Accounting basis and measurement focus	Accrual accounting and economic resources focus	Modified accrual accounting and current resources focus	Accrual accounting and economic resources focus	Accrual accounting and economic resource focus and cash basis
Type of asset/liability information	All assets and liabilities, both financial and capital, and short and long-term	Only assets expected to be used and liabilities that come due during the year or so soon after. No capital assets included	All assets and liabilities, both financial and capital, and short term and long-term	All assets and liabilities, both financial and capital and short/long term; the County's funds do not include capital assets
Type of inflow/outflow information	All revenues and expenses during the year, regardless of when cash is exchanged	Revenues and expenditures for which cash is received during or soon after the end of the year as well as goods or services received	All revenues and expenses during the year, regardless of when cash is received or paid.	All revenues and expenses either paid or received during the year or soon thereafter

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Government-Wide Statements

The government-wide statements report information about the County as a whole using accounting methods similar to those used by private-sector companies. The statement of net position includes *all* of the government's assets and liabilities. All of the current year's revenues and expenses are accounted for in the statement of activities regardless of when cash is received or paid.

The two government-wide statements report the County's *net position* and how it has changed. Net position – the difference between the County's assets and deferred outflows of resources and liabilities and deferred inflows of resources – is one way to measure the County's financial health or *position*.

- Over time, increases or decreases in the County's net position are an indicator of whether its financial health is improving or deteriorating, respectively.
- To assess the overall health of the County you need to consider additional nonfinancial factors such as changes in the County's property tax base and the condition of the County's roads.

The government-wide statements of the County are divided into three categories:

- *Governmental activities* – Most of the County's basic services are included here, such as public safety, public works, parks department, health and human services, and general administration. Property taxes and state and federal grants finance most of these activities.
- *Business-type activities* – The County charges fees to customers to help cover costs of certain services it provides. The County's solid waste, drainage utility, and County jail are included here.
- *Component units* – The County includes one other entity in its report – the Central Valley Ambulance Authority. Although legally separate, this "component unit" is important because the County is financially accountable for it.

Fund Financial Statements

The fund financial statements provide more detailed information about the County's most significant *funds* – not the County as a whole. Funds are accounting devices that the County uses to keep track of specific sources of funding and spending for a particular purpose.

- Some funds are required by State law and by covenants.
- The County establishes other funds to control and manage money for particular purposes (like the community services fund) or to show that it is properly using certain taxes and grants (like aid from the U.S. Department of Housing and Urban Development).

The County has three kinds of funds:

- *Government funds* – Most of the County's basic services are included in government funds, which focus on (1) how *cash and other financial assets* that can readily be converted to cash flow in and out and (2) the balances left at year-end that are available for spending. Consequently, the government funds statements provide a detailed *short-term* view that helps to determine whether there are more or fewer financial resources that can be spent in the near future to finance the County's programs. Because this information does not encompass the additional long-term focus of the government-wide statements, we provide additional information on the subsequent page that explains the relationship (or differences) between them.

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- *Proprietary funds* – Services for which the County charges customers a fee that are generally reported in proprietary funds. Proprietary funds, like the government-wide statements, provide both long-term and short-term financial information.
 - In fact, the County's *enterprise funds* (one type of proprietary fund) are the same as its business-type activities, but provide more detail and additional information such as cash flows.
 - We use *internal service funds* (the other type of proprietary fund) to report activities that provide supplies and services for the County's other programs and activities – such as the County's Information Services fund.
- *Fiduciary funds* – The County is responsible for other assets because it acts in the capacity of an *agent* to many independent taxing districts. Many of these districts are required by Washington State statutes to process all monies through the County Treasurer. All of the County's fiduciary activities are reported in a separate statement of fiduciary net position. We exclude these activities from the County's government-wide financial statements because the County cannot use these assets to finance its operations.

FINANCIAL ANALYSIS OF THE COUNTY AS A WHOLE

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				
	2017	2016	2017	2016	2017	2016	% Change
ASSETS							
Current and Other Assets	\$ 119,617,321	\$ 110,035,007	\$ 14,698,087	\$ 27,753,422	\$ 134,315,408	\$ 137,788,429	-2.52%
Capital Assets and							
Construction in Progress (Net of Depreciation)	256,451,725	261,979,044	80,925,579	71,373,133	337,377,304	333,352,177	1.21%
Net Pension Asset	2,295,925	1,115,658	125,759	45,632	2,421,684	1,161,290	
Total Assets	<u>378,364,971</u>	<u>373,129,709</u>	<u>95,749,425</u>	<u>99,172,187</u>	<u>474,114,396</u>	<u>472,301,896</u>	0.38%
DEFERRED OUTFLOW OF RESOURCES	3,525,451	5,626,570	353,559	566,171	3,879,010	\$6,192,741	100.00%
LIABILITIES							
Long-Term Liabilities	45,597,203	54,833,394	69,783,330	73,237,703	115,380,533	128,071,097	-9.91%
Other Liabilities	10,940,480	9,314,001	1,350,629	3,439,949	12,291,109	12,753,950	-3.63%
Total Liabilities	<u>56,537,683</u>	<u>64,147,395</u>	<u>71,133,959</u>	<u>76,677,652</u>	<u>127,671,642</u>	<u>140,825,047</u>	-9.34%
DEFERRED INFLOW OF RESOURCES	7,786,510	412,687	504,228	23,958	8,290,738	436,645	100.00%
NET POSITION							
Net Investment in Capital Assets	245,952,404	253,286,084	18,958,513	9,100,601	264,910,917	262,386,685	0.96%
Restricted	53,776,272	50,635,430	-	-	53,776,272	50,635,430	6.20%
Unrestricted	17,837,553	10,274,683	5,506,284	13,936,147	23,343,837	24,210,830	-3.58%
Total Net Position	<u>\$ 317,566,229</u>	<u>\$ 314,196,197</u>	<u>\$ 24,464,797</u>	<u>\$ 23,036,748</u>	<u>\$ 342,031,026</u>	<u>\$ 337,232,945</u>	1.42%

Of the \$134 million in current and other assets at December 31, 2017, \$109.4 million is cash, cash equivalents and investments. A very small portion of this amount, \$1.8 million, is restricted for specific purposes. Accounts receivable, Notes receivable and amounts due from other governments total \$24.7 million. Inventories/prepayments total \$5.5 million. Cash, cash equivalents and investments represented 82% (compared to 83% in 2016), while accounts receivable, notes receivable and amounts due from other governments accounted for 13.2% (compared to 12.8% from 2016).

At December 31, 2017, the County had outstanding long-term liabilities of \$115 million, as compared to \$128 million in 2016. This is primarily the result of a decrease in net pension liability. Of this total, \$6 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 \$12.3 million. These represent primarily accounts payable and accrued liabilities due as a result of ordinary operations.

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The largest portion of the County's Net Position (77%) 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, 16% of the County's net position is subject to legal restrictions for specific purposes. The remaining balance of Net Position is \$25.4 million.

Statement of Changes in Net Position

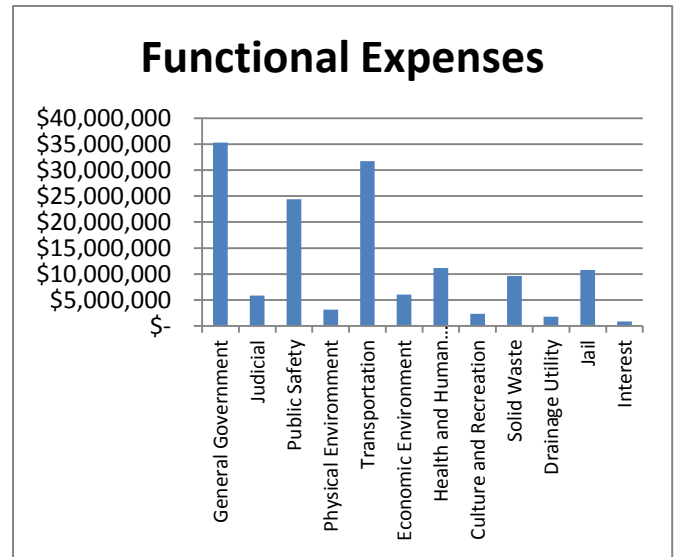
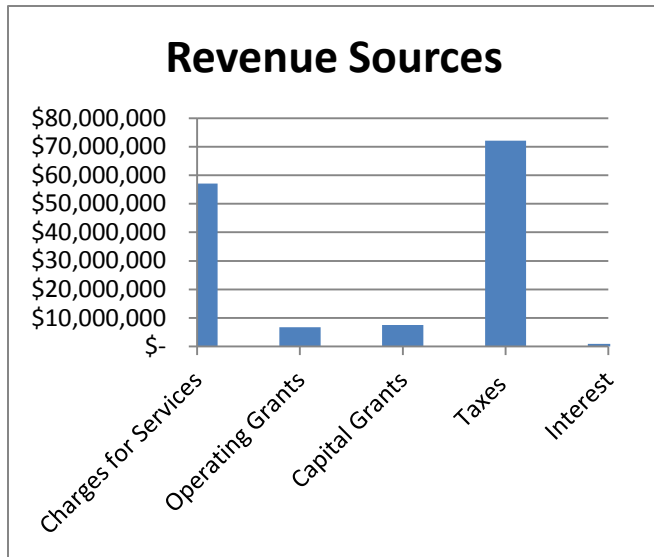
The County's total Net Position increased by \$6.3 million in 2017. Governmental activities reflected an increase of \$3.4 million while the Net Position of business-type activities increased \$2.9 million. The increase in governmental activities was primarily due to transportation.

	Changes in Net Assets					
	Governmental Activities		Business-Type Activities		Total Primary Government	
	2017	2016	2017	2016	2017	2016
REVENUES						
Program Revenues						
Charges for Services	\$ 31,853,919	\$ 31,632,488	\$ 25,457,915	\$ 24,720,160	\$ 57,311,834	\$ 56,352,648
Operating Grants and Contributions	6,049,133	7,204,908	742,982	1,823,176	6,792,115	9,028,084
Capital Grants and Contributions	7,490,767	3,379,086	-	-	7,490,767	3,379,086
General Revenues					-	-
Taxes	72,155,182	69,620,962	-	-	72,155,182	69,620,962
Interest Earnings on Investments	2,554,231	1,887,018	-	-	2,554,231	1,887,018
Total Revenues	120,103,232	113,724,462	26,200,897	26,543,336	146,304,129	140,267,798
PROGRAM EXPENSES						
General Government	34,868,544	35,189,831	-	-	34,868,544	35,189,831
Judicial	5,875,661	7,994,589	-	-	5,875,661	7,994,589
Public Safety	23,235,604	24,535,763	-	-	23,235,604	24,535,763
Physical Environment	2,420,083	3,231,182	-	-	2,420,083	3,231,182
Transportation	30,425,842	26,676,629	-	-	30,425,842	26,676,629
Economic Environment	6,063,851	4,228,992	-	-	6,063,851	4,228,992
Health and Human Services	11,133,584	11,131,708	-	-	11,133,584	11,131,708
Culture and Recreation	2,321,809	2,295,704	-	-	2,321,809	2,295,704
Solid Waste			8,939,419	9,277,770	8,939,419	9,277,770
Drainage Utility	-	-	1,806,801	1,540,053	1,806,801	1,540,053
Jail Fund			10,788,388	6,470,825	10,788,388	6,470,825
Interest on Long Term Debt	1,089,760	1,100,345	1,662,621	384,815	2,752,381	1,485,160
Total Expenses	117,434,738	116,384,743	23,197,229	17,673,463	140,631,967	134,058,206
Excess (Deficiency) of Revenues Over (Under) Expenses before transfers	2,668,494	(2,660,281)	3,003,668	8,869,873	5,672,162	6,209,592
Special Items - Gain on Sale of Capital Assets	696,538	76,294	(16,767)	12,549	679,771	88,843
Transfers	5,000	(38,451)	(5,000)	38,451	-	-
Change in Net Position	3,370,032	(2,622,438)	2,981,901	8,920,873	6,351,933	6,298,435
Net Position, January 1	314,196,197	316,818,114	23,036,748	14,157,631	337,232,945	330,975,745
Prior Period Adjustment		-	(1,553,852)	(41,756)	(1,553,852)	(41,756)
Net Position, January 1 - Restated	314,196,197	316,818,114	21,482,896	14,115,875	335,679,093	330,933,989
Net Position, December 31	\$ 317,566,229	\$ 314,195,676	\$ 24,464,797	\$ 23,036,748	\$ 342,031,026	\$ 337,232,424

Total revenues were \$146 million in 2017, an increase of \$6 million from 2016. The main reason for the increase is the increases in charges for services, capital grants, and taxes. Governmental activities provided \$120 million (82%), while business-type activities added \$26.2 million. Within governmental activities, tax revenue accounted for 60% of total revenue sources, with grants and contributions accounting for 11.3% (up from 9.6% in 2016). Charges for services accounted for 97% of the revenues of business type activities, with the remaining provided by capital and operating grants

and contributions. Total expenses for the year amounted to \$141 million, an increase of \$7 million from 2016. Governmental activities accounted for \$117 million (84%), with the largest program expenses in the areas of general government, public safety and transportation. These three programs accounted for 76% of total governmental expenses. Of the \$23 million in business-type expenses, 46% is associated with the Jail fund, an increase of 10% from 2016.

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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 2017. Together these funds account for 56.7% of total government fund assets and 48.7% of total government fund balances.

As of December 31, 2017, the County's governmental funds reported combined fund balances of \$70.8 million, an increase from \$65.8 million in 2016. Of this amount, \$44.3 million (63%) is Restricted, \$8.5 million (13%) is reported as Committed, \$1 million is assigned, and \$15.8 million (22%) is unassigned and available for spending within the designated funds. Nonspendable, Restricted, Committed, and Assigned fund balance of \$54.8 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 \$15.8 million at December 31, 2017, from \$14.2 million at December 31, 2016. \$1 million of the general fund fund balance is assigned for various capital and IT projects. Total assets of the General Fund were \$25.8 million at December 31, 2017, accounting for 36.5% of total governmental fund assets. This represents an increase of \$3.7 million from 2016.

Governmental Funds Revenue/Expenditure Analysis

Total revenues for governmental funds were \$117.9 million in 2017; this represents an increase of 7 million from 2016. The main reasons for the increase were an increase in intergovernmental revenues and in tax revenues. During the same period, total expenditures increased to \$114.5 million, up from \$106 million in 2016. The main increases were in general government, transportation and in capital outlay. The General Fund, Mental Health Fund, and County Road fund account for 74.5% of all governmental fund revenue (slightly up from 72.5% in 2016) and 68.6% of all expenditures, up from 66% in 2016.

The net change in fund balance for the General Fund in 2017 was a positive \$1.6 million. The main reason was a slight decrease in expenditures with a slight increase in tax revenues. The increase in fund balance for the County Road fund was \$1.2 million. The main reason for the increase in the County Road fund was a capital grant

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received in 2017. 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 \$1.3 million for 2017.

Enterprise Funds Net Position Analysis

All enterprise funds of Skagit County are considered major funds for 2017. 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	
	2017	2016	2017	2016	2017	2016	2017	2016
ASSETS								
Current Assets								
Cash and Cash Equivalents	\$3,227,349	\$3,378,466	\$870,906	\$449,779	\$8,605,527	\$22,583,519	\$12,703,782	\$26,411,764
Other Current Assets	1,178,756	929,057	142,018	76,031	1,193,421	1,052,132	2,514,195	2,057,220
Total Current Assets	<u>4,406,105</u>	<u>\$4,307,523</u>	<u>1,012,924</u>	<u>\$525,810</u>	<u>9,798,948</u>	<u>\$23,635,651</u>	<u>15,217,977</u>	<u>28,468,984</u>
Non-Current Assets								
Construction in Progress	-	-	312,661	398,121	-	54,039,660	312,661	54,437,781
Capital Assets	13,406,591	13,370,275	9,869,114	9,780,473	65,125,272	88,400,977	88,400,977	23,150,748
Less Accumulated Depreciation	(3,923,502)	(3,583,915)	(3,006,617)	(2,631,481)	(857,939)		(7,788,058)	(6,215,396)
Unamortized Debt Issue Costs								
Net Pension Asset					125,759	45,632	125,759	45,632
Total Non-Current Assets	<u>9,483,089</u>	<u>9,786,360</u>	<u>7,175,158</u>	<u>7,547,113</u>	<u>64,393,092</u>	<u>54,085,292</u>	<u>81,051,339</u>	<u>71,418,765</u>
Total Assets	<u>13,889,194</u>	<u>14,093,883</u>	<u>8,188,082</u>	<u>8,072,923</u>	<u>74,192,040</u>	<u>77,720,943</u>	<u>96,269,316</u>	<u>99,887,749</u>
Deferred Outflows of Resources	<u>123,505</u>	<u>199,040</u>	<u>27,639</u>	<u>38,275</u>	<u>202,415</u>	<u>328,856</u>	<u>353,559</u>	<u>566,171</u>
LIABILITIES								
Current Liabilities								
Accounts/Vouchers Payable	610,521	496,584	53,475	44,742	269,861	2,557,166	933,857	3,098,492
Other Current Liabilities	883,830	1,051,432	61,633	123,349	1,891,353	1,602,737	2,836,816	2,777,518
Total Current Liabilities	<u>1,494,351</u>	<u>1,548,016</u>	<u>115,108</u>	<u>168,091</u>	<u>2,161,214</u>	<u>4,159,903</u>	<u>3,770,673</u>	<u>5,876,010</u>
Non-Current Liabilities								
Bonds Payable	7,205,195	7,722,873			53,046,870	54,387,033	60,252,065	62,109,906
Other Non-Current Liabilities	6,699,049	7,938,667	210,646	250,340	721,420	1,218,291	7,631,115	9,407,298
Total Non-Current Liabilities	<u>13,904,244</u>	<u>15,661,540</u>	<u>210,646</u>	<u>250,340</u>	<u>53,768,290</u>	<u>55,605,324</u>	<u>67,883,179</u>	<u>71,517,204</u>
Total Liabilities	<u>15,398,595</u>	<u>17,209,556</u>	<u>325,754</u>	<u>418,431</u>	<u>55,929,504</u>	<u>59,765,227</u>	<u>71,653,852</u>	<u>77,393,214</u>
Deferred Inflows of Resources	<u>158,684</u>	<u>14,042</u>	<u>23,067</u>	<u>2,700</u>	<u>322,477</u>	<u>7,216</u>	<u>504,228</u>	<u>23,958</u>
NET POSITION								
Net Investment in Capital Assets	1,757,893	1,553,488	7,175,158	7,547,113	8,875,462		17,808,513	9,100,601
Unrestricted	(3,302,474)	(4,484,163)	691,742	142,954	9,267,012	18,277,356	6,656,280	13,936,147
Total Net Position	<u>\$ (1,544,581)</u>	<u>\$ (2,930,675)</u>	<u>\$ 7,866,900</u>	<u>\$ 7,690,067</u>	<u>\$ 18,142,474</u>	<u>\$ 18,277,356</u>	<u>\$ 24,464,793</u>	<u>\$ 23,036,748</u>

As of December 31, 2017, the enterprise funds reported combined Net Position of \$24.5 million (compared to \$23 million in 2016). This is the total of a \$1.2 million deficit in the Solid Waste Fund (down from \$.6 million in 2016) and a positive \$7.9 million in the Drainage Utility Fund (up from \$7.6 million from 2016). The Jail fund net position is \$18.1 million, down from \$18.3 million in 2016.

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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	
	2017	2016	2017	2016	2017	2016	2017	2016
REVENUES								
Charges for Services	\$10,488,212	\$9,949,406	\$1,736,028	\$1,623,617	\$8,580,194	\$8,693,137	\$20,804,434	\$20,266,160
Other Operating Revenue			24,564	16,741	4,628,917	4,366,633	4,653,481	4,383,374
Intergovernmental	191,505	344,045	244,809	68,689	122,827	1,410,442	559,141	1,823,176
Interest Revenue	4,393	4,709	-	517	104,253		108,646	5,226
Miscellaneous Revenue	17,853	543			57,342	69,540	75,195	70,083
Total Revenues	10,701,963	10,298,703	2,005,401	1,709,564	13,493,533	14,539,752	26,200,897	26,548,019
EXPENSES								
Personnel Services	1,689,820	1,802,774	764,224	351,816	7,391,870	4,888,582	9,845,914	7,043,172
Contractual Services	6,330,571	5,932,038					6,330,571	5,932,038
Other Supplies and Expenses	579,443	1,204,258	667,440	813,928	2,538,579	1,582,242	3,785,462	3,600,428
Depreciation	339,587	338,157	375,137	374,309	857,939		1,572,663	712,466
Loss on Disposition of Capital Assets	-	(12,549)					-	(12,549)
Interest Expense	376,447	390,041			1,286,174		1,662,621	390,041
Total Expenses	9,315,868	9,654,719	1,806,801	1,540,053	12,074,562	6,470,824	23,197,231	17,665,596
Income (Loss) Before Transfers	1,386,095	643,984	198,600	169,511	1,418,971	8,068,928	3,003,666	8,882,423
Capital Contributions			(16,767)				(16,767)	
Interfund Transfers			(5,000)	(1,142)		39,600	(5,000)	38,458
Change in Net Position	1,386,095	643,984	176,833	168,369	1,418,971	8,108,528	2,981,899	8,920,881
Net Position, January 1	(2,930,675)	(3,532,903)	7,690,067	7,521,705	18,277,356	10,168,829	23,036,748	14,157,631
Prior Period Adjustment	-	(41,756)			(1,553,852)		(1,553,852)	(41,756)
Net Position, January 1 - Restated	(2,930,675)	(3,574,659)	7,690,067	7,521,705	16,723,504	10,168,829	21,482,896	14,115,875
Net Position, December 31	\$ (1,544,580)	\$ (2,930,675)	\$ 7,866,900	\$ 7,690,074	\$ 18,142,474	\$ 18,277,356	\$ 24,464,794	\$ 23,036,755

Revenues from the Solid Waste Fund represent 41.2% of the total revenues for enterprise funds in 2017, an increase from 39% in 2016. Total expenses for the Solid Waste Fund were 42% of the total enterprise funds. The Jail Fund revenues consisted of 52% of total enterprise revenues, down from 55% in 2016. This is the result of decreased intergovernmental revenues in 2016 as well as a result of environmental cleanup at the new jail site.

GENERAL FUND BUDGETARY HIGHLIGHTS

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 1.4%. Total budgeted expenditures increased more than revenue increased by approximately \$656,081.

The change to the final budget amounts available for appropriation is due to changes in grant revenue for Public Safety. The change to the final budget appropriation for transfers in is due to an increase in funding from the mental health fund for drug court expenses. General government services decreased due to a transfer of

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budgeted personnel expenses from a contingency line to other functions as bargaining agreements were signed and implemented. The increase in Judicial was due to a COLA increase and contracted services for indigent defense. The increase in Public Safety was the result of increased salary and benefit expenses after a contract was signed.

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, 2017			
	Final		Changes
	Budget	Actual	Favorable
			(Unfavorable)
FUND BALANCE, JANUARY 1	\$ 4,898,304	\$ 15,197,999	\$10,299,695
RESOURCES (IN-FLOWS)			
Taxes	35,561,642	36,202,300	640,658
Licenses & Permits	297,000	322,371	25,371
Intergovernmental Revenue	7,398,509	8,059,179	660,670
Charges for Goods and Services	4,033,434	3,484,489	(548,945)
Fines and Forfeits	1,497,750	2,123,768	626,018
Interest Revenue	1,775,500	2,190,143	414,643
Miscellaneous Revenues	151,447	396,248	244,802
Transfers In	301,325	251,450	(49,875)
Total Resources (in-flows)	<u>51,016,607</u>	<u>53,029,948</u>	<u>2,013,342</u>
Amounts Available for Appropriation	<u>55,914,911</u>	<u>68,227,947</u>	<u>12,313,037</u>
CHARGES TO APPROPRIATIONS (OUT-FLOWS)			
General Government Services	23,424,138	19,838,081	3,586,057
Judicial	7,523,843	7,205,165	318,678
Public Safety	18,012,060	17,444,366	567,694
Physical Environment	11,252	6,523	4,729
Economic Environment	403,858	351,843	52,015
Health and Human Services	388,325	371,044	17,281
Culture and Recreation	481,364	481,364	0
Capitalized Expenditures	80,000	74,626	5,374
Transfers Out	5,590,071	5,590,071	0
Amount Charged to Appropriations (out-flows)	<u>55,914,911</u>	<u>51,363,083</u>	<u>4,551,828</u>
FUND BALANCE, DECEMBER 31	\$0	\$16,864,864	\$16,864,864

The largest dollar variances for revenues are fairly evenly amongst intergovernmental revenue, taxes, charges for goods and services, fines and forfeits, and interest revenue. The increase in intergovernmental revenue is the result of receiving additional grant funds as well as the receipt of timber revenues. The increase in taxes is due to retail sales and use tax exceeding the budgeted amount. 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 8% 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, as well as the overall reduction of expenses due to the cost allocation. The unfavorable variance in charges for goods and services is due to the cost allocation at year end being budgeted as revenue but recorded as a reduction in expense. The variance in interest revenue is a result of more favorable ratings for investing.

SKAGIT COUNTY, WASHINGTON
Management's Discussion and Analysis
December 31, 2017

CAPITAL ASSETS AND LONG TERM DEBT

Capital Assets

The County's net capital assets were \$337 million at December 31, 2017. Of this total, Construction in progress was \$11.2 million. Capital assets include land, development rights, buildings, improvements, furniture and equipment, and infrastructure. Details of 2017 capital asset transactions are presented in Note IV.D of the notes to the financial statements.

During 2017 the County continued construction and remodeling of real property for County use. Ongoing projects include several road construction projects, improvements to county owned buildings, and miscellaneous small parks projects. The County completed the jail facility in 2017.

Long-Term Debt

At December 31, 2017, general obligation bonds payable as reported by governmental activities was \$16.2 million, a decrease of \$1.6 million. Business type activities reported general obligation bonds payable of \$58.5 million, a decrease of \$1.7 million from 2016.

The County's remaining legal capacity for non-voted debt at December 31, 2017 was approximately \$212 million.

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

Net Pension Liability

Governmental Accounting Standards Board standards are national and apply to all government financial reports prepared in accordance with generally accepted accounting principles. When accounting for pension costs, GASB 27 focused on a funding approach. This approach limited pension costs to contributions annually required by law, which may or may not be sufficient to fully fund each plan's net pension liability. GASB 68 takes an earnings approach to pension accounting; however, the nature of Washington's statewide pension systems and state law governing those systems requires additional explanation in order to properly understand the information presented in these statements.

GASB 68 requires the net pension liability to equal the County's proportionate share of each plan's collective:

1. Present value of estimated future pension benefits attributable to active and inactive employees' past service
2. Minus plan assets available to pay these benefits

GASB notes that pension obligations, whether funded or unfunded, are part of the "employment exchange" – that is, the employee is trading his or her labor in exchange for wages, benefits, and the promise of a future pension. GASB noted that the unfunded portion of this pension promise is a present obligation of the government, part of a bargained-for benefit to the employee, and should accordingly be reported by the government as a liability since they received the benefit of the exchange. However, the County is not responsible for certain key factors affecting the balance of this liability. In Washington, the employee shares the obligation of funding pension benefits with the employer. The amounts they contribute are calculated as a percentage of the employee's pay. In a few plans, those percentages are set in statute, but for most, the legislature can adjust the rates as needed. The Washington State Investment Board collectively invests the contributions and the earnings on those investments help to fund the plans.

SKAGIT COUNTY, WASHINGTON
Management's Discussion and Analysis
December 31, 2017

The Office of State Actuary (OSA) performs a valuation of the retirement plans every other year, studying the experience of each and analyzing the effects of anticipated economic and demographic changes. In the valuation, OSA determines how much money must be contributed annually to pay for the benefits members are expected to earn during their public service.

OSA's recommendations then go to the Pension Funding Council, which is responsible for evaluating and adopting employee and employer contribution rates (subject to review by the Legislature). There is one exception – rates for the Law Enforcement Officers' and Fire Fighters' (LEOFF) Plan 2 are evaluated and adopted by the LEOFF Plan 2 Retirement Board.

A plan with assets that equal its liabilities is termed *fully funded*, which means the value of the assets on hand equals the plan's accrued liabilities. Any gap between the benefits earned and a retirement plan's assets is referred to as an unfunded liability. A plan with unfunded liability is considered underfunded.

Washington State has fully funded and underfunded state retirement plans. Current state funding policy requires additional contributions to return the underfunded plans to a fully funded status. As a result of that commitment, it is expected all Washington state retirement plans will have adequate assets to provide for all earned benefits into the future.

Most long-term liabilities have set repayment schedules or, in the case of compensated absences (i.e. sick and vacation leave), are satisfied through paid time-off or termination payments. There is no repayment schedule for the net pension liability. As explained above, changes in pension benefits, contribution rates, and return on investments affect the balance of the net pension liability, but are outside the control of the local government. In the event that contributions, investment returns, and other changes are insufficient to keep up with required pension payments, State statute does not assign/identify the responsible party for the unfunded portion. Due to the unique nature of how the net pension liability is satisfied, this liability is separately identified within the long-term liability section of the statement of net position.

In accordance with GASB 68, the County's statements prepared on an accrual basis of accounting include an annual pension expense for their proportionate share of each plan's change in net pension liability not accounted for as deferred inflows/outflows.

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 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.

SKAGIT COUNTY, WASHINGTON
Management's Discussion and Analysis
December 31, 2017

- 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.

- 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.

- In 2017, the regional jail facility was completed. The facility follows current high professional standards and allows inmates quality human existence while awaiting trial or serving a sentence deemed appropriate by our court system.

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, 2017

	Primary Government			Component Unit CVA
	Governmental Activities	Business-Type Activities	Total	
ASSETS				
Cash and Cash Equivalents	\$ 72,171,069	\$ 12,703,782	\$ 84,874,851	\$ 591,910
Investments	22,646,092	-	22,646,092	
Accounts Receivables, Net	3,694,921	1,257,440	4,952,361	612,579
Due from Other Governments	7,481,629	1,256,188	8,737,817	
Internal Balances	519,323	(519,323)	-	
Inventories and Prepayments	5,522,227	-	5,522,227	
Notes Receivable	5,735,000		5,735,000	
Restricted Assets:				
Restricted for Debt Service:				
Cash/Cash Equivalents	817,434	-	817,434	
Investments	1,029,626	-	1,029,626	
Net Pension Asset	2,295,925	125,759	2,421,684	
Non Depreciated Capital Assets	175,645,511	7,214,815	182,860,326	
Capital Asset Held for Resale			-	
Capital Assets, Net	69,951,859	73,398,103	143,349,962	764,929
Construction in Progress	10,854,355	312,661	11,167,016	
Total Assets	<u>378,364,971</u>	<u>95,749,425</u>	<u>474,114,396</u>	<u>1,969,418</u>
DEFERRED OUTFLOWS of RESOURCES	<u>3,525,451</u>	<u>353,559</u>	<u>3,879,010</u>	
LIABILITIES				
<u>Liabilities</u>				
Accounts Payable	5,926,220	933,856	6,860,076	32,217
Other Liabilities	5,014,260	416,773	5,431,033	210,397
Due to Other Governments			-	10,158
Long Term Liabilities:				
Due within One Year	4,105,442	1,900,151	6,005,593	
Due in More Than One Year	17,794,060	66,212,554	84,006,614	318,971
Net Pension Liability	23,697,701	1,670,625	25,368,326	
Total Liabilities	<u>56,537,683</u>	<u>71,133,959</u>	<u>127,671,642</u>	<u>571,743</u>
DEFERRED INFLOWS OF RESOURCES				
Total Deferred Inflows of Resources	<u>7,786,510</u>	<u>504,228</u>	<u>8,290,738</u>	
<u>Net Position</u>				
Net Investment in Capital Assets	245,952,404	18,958,513	264,910,917	764,929
Restricted for:				
General Government	7,268,525	-	7,268,525	
Public Safety	6,984,216		6,984,216	
Physical Environment	4,520,559		4,520,559	
Transportation	9,677,334		9,677,334	
Economic Environment	10,035,680		10,035,680	
Health & Human Services	11,178,211		11,178,211	
Culture and Recreation	2,265,688		2,265,688	
Debt Service	1,846,059		1,846,059	
Unrestricted	17,837,553	5,506,284	23,343,837	632,746
Total Net Position	<u>\$ 317,566,229</u>	<u>\$ 24,464,797</u>	<u>\$ 342,031,026</u>	<u>\$ 1,397,675</u>

SKAGIT COUNTY, WASHINGTON
Statement of Activities
For the Year Ended December 31, 2017

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	\$ 34,868,544	\$ 8,624,929	\$ -	\$ -	\$ (26,243,615)	\$ -	\$ (26,243,615)	\$ -	
Judicial	5,875,661	4,558,311	1,302,775	-	(14,575)	-	(14,575)	-	
Public Safety	23,235,604	2,692,409	467,283	-	(20,075,912)	-	(20,075,912)	-	
Physical Environment	2,420,083	78,244	505,265	63,887	(1,772,687)	-	(1,772,687)	-	
Transportation	30,425,842	7,999,900	37,536	7,426,880	(14,961,526)	-	(14,961,526)	-	
Economic Environment	6,063,851	1,754,501	598,407	-	(3,710,943)	-	(3,710,943)	-	
Health and Human Services	11,133,584	5,116,681	3,053,150	-	(2,963,753)	-	(2,963,753)	-	
Culture and Recreation	2,321,809	1,028,944	84,717	-	(1,208,148)	-	(1,208,148)	-	
Interest and Redemption on Long Term Debt	1,089,760	-	-	-	(1,089,760)	-	(1,089,760)	-	
Total Governmental Activities	117,434,738	31,853,919	6,049,133	7,490,767	(72,040,919)	-	(72,040,919)	-	
Business-Type Activities									
Solid Waste	8,939,419	10,488,212	213,751	-	-	1,762,544	1,762,544	-	
Drainage Utility	1,806,801	1,760,592	244,809	-	-	198,600	198,600	-	
Jail Fund	10,788,388	13,209,111	284,422	-	-	2,705,145	2,705,145	-	
Total Business-Type Activities	21,534,608	25,457,915	742,982	-	-	4,666,289	4,666,289	-	
Total Primary Government	138,969,346	57,311,834	6,792,115	7,490,767	(72,040,919)	4,666,289	(67,374,630)	-	
Component Unit									
Central Valley Ambulance Authority	5,516,230	2,624,965	2,518,333	-	-	-	-	(372,932)	
Total Component Unit	5,516,230	2,624,965	2,518,333	-	-	-	-	(372,932)	
General Revenues									
Property Taxes					50,138,944	-	50,138,944	-	
Sales/Use Taxes					20,697,012	-	20,697,012	-	
Excise Taxes					1,319,226	-	1,319,226	-	
Interest and Investment Earnings					2,554,231	(1,662,621)	891,610	-	
Total General Revenues					74,709,413	(1,662,621)	73,046,792	-	
Special Item - Gain on Sale of Capital Assets					696,538	(16,767)	679,771	45,000	
Transfers					5,000	(5,000)	-	-	
Total General Revenues and Transfers					75,410,951	(1,684,388)	73,726,563	45,000	
Change in Net Position					3,370,032	2,981,901	6,351,933	(327,932)	
Net Position, January 1					314,196,197	23,036,748	337,232,945	1,725,607	
Prior Period Adjustments						(1,553,852)	(1,553,852)		
Net Position, January 1, as Restated					314,196,197	21,482,896	335,679,093	1,725,607	
Net Position, December 31					\$ 317,566,229	\$ 24,464,797	\$ 342,031,026	\$ 1,397,675	

SKAGIT COUNTY, WASHINGTON

Balance Sheet Government Funds

December 31, 2017

	Major Funds				Total
	General Fund	Mental Health Fund	County Road Fund	Other Governmental Funds	
ASSETS and OUTFLOWS of RESOURCES					
Cash and Cash Equivalents	\$ 19,105,698	\$ 4,369,183	\$ 10,697,734	\$ 19,540,281	\$ 53,712,896
Investments	-	7,161,564		16,514,154	23,675,718
Taxes Receivable	560,917	7,483	346,107	214,521	1,129,028
Accounts Receivable, Net	21,857	-	203,733		225,591
Accounts Receivable Other	2,080,602				2,080,602
Interest Receivable	210,037	-	-		210,037
Due from Other Funds	1,701,923	(3,226)	-	36,709	1,735,406
Due from Other Governments	2,169,246	882,011	1,667,416	2,691,134	7,409,807
Interfund Loans Receivable	-	-	-	90,033	90,033
Inventories and Prepayments	5,314	-	-	150,000	155,314
Total Assets	25,855,593	12,417,015	12,914,990	39,236,833	90,424,430
Deferred Outflows of Resources					
Total Assets and Deferred Outflows of Resources	25,855,594	12,417,015	12,914,990	39,236,833	90,424,430
LIABILITIES, DEFERRED INFLOWS of RESOURCES and FUND BALANCES					
<u>Liabilities</u>					
Accounts and Vouchers Payable	463,001	408,555	1,201,455	1,250,852	3,323,866
Due to Other Funds	2,072,379	171,721	1,774,857	566,257	4,585,215
Due to Other Governmental Units	7,628	4,612	-	(73,234)	(60,994)
Accrued Wages Payable	833,878	27,229	218,699	242,667	1,322,473
Accrued Employee Benefits	179,469	6,371	51,883	118,245	355,969
Custodial Accounts	2,792,855	-	-	46,813	2,839,668
Unearned Revenue	-	-	-	272,043	272,043
Interfund Loans Payable	-	-	-	90,033	90,033
Total Liabilities	6,349,211	618,488	3,246,894	2,513,679	12,728,272
Deferred Inflows of Resources	2,641,518	3,507,483	376,099	362,993	6,888,094
<u>Fund Balance</u>					
Nonspendable	5,314			150,000	155,314
Restricted	-	8,291,044	9,291,997	27,675,910	45,258,951
Committed	-	-	-	8,534,251	8,534,251
Assigned	1,000,000	-	-	-	1,000,000
Unassigned	15,859,550	-	-	-	15,859,550
Total Fund Balances	16,864,864	8,291,044	9,291,997	36,360,161	70,808,065
Total Liabilities, Deferred Inflows of Resources and Fund Balances	\$ 25,855,594	\$ 12,417,015	\$ 12,914,990	\$ 39,236,833	\$ 90,424,430

SKAGIT COUNTY, WASHINGTON
Reconciliation of the Government Funds Balance Sheet
To the Statement of Net Position
December 31, 2017

Total fund balances as shown on the Governmental Fund Balance Sheet	\$ 70,808,065
Net capital assets of governmental funds as of December 31, 2017	246,276,607
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.	3,376,055
Net Position of the internal service funds	33,648,203
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, 2017	(36,542,700)
Liabilities not due and payable in the current period are not reported in the governmental funds.	
	<hr/>
Total Net Position as reported on the Statement of Net Position	<u><u>\$ 317,566,229</u></u>

SKAGIT COUNTY, WASHINGTON
Statement of Revenues, Expenditures and Changes in Fund Balance
Government Funds
For the Year Ended December 31, 2017

	Major Funds			Other Governmental Funds	Total
	General Fund	Mental Health Fund	County Road Fund		
Revenues					
Property Taxes	\$ 25,751,966	\$ 347,673	\$ 13,333,609	\$ 10,511,609	\$ 49,944,857
Sales and Use Taxes	9,836,403	3,054,927		7,805,682	20,697,012
Other Taxes	613,931	8,030	503,547	193,717	1,319,226
Licenses and Permits	322,371	-	99,329	1,298,942	1,720,642
Intergovernmental Revenues	8,059,179	2,401,617	12,887,701	5,277,712	28,626,209
Charges for Services	3,484,489	48,380	2,148,690	3,362,957	9,044,516
Fines and Forfeits	2,123,768	-	-	132,966	2,256,734
Interest Earnings	2,190,143	59,923	1,476	194,727	2,446,269
Donations	23,313	-	-	639,769	663,082
Other Revenues	372,935	5,024	121,839	734,582	1,234,380
Total Revenues	52,778,498	5,925,574	29,096,191	30,152,665	117,952,926
Expenditures					
Current:					
General Government	19,838,081	-	447,543	969,979	21,255,603
Judicial	7,205,165	-	-	-	7,205,165
Public Safety	17,444,366	-	-	10,617,383	28,061,749
Physical Environment	6,523	-	-	2,680,405	2,686,928
Transportation	-	-	18,879,165	195,965	19,075,130
Economic Environment	351,843	-	-	5,932,641	6,284,484
Health and Human Services	371,044	5,070,752	-	6,934,372	12,376,167
Culture and Recreation	481,364	-	-	2,178,676	2,660,040
Debt Service:					
Principal		-	-	1,791,191	1,791,191
Interest		-	-	578,051	578,051
Capital Outlay	74,626		8,370,741	4,099,729	12,545,096
Total Expenditures	45,773,012	5,070,752	27,697,449	35,978,392	114,519,605
Excess (Deficit) Revenues Over Expenditures	7,005,486	854,822	1,398,742	(5,825,727)	3,433,321
Other Financing Sources (Uses)					
Issuance of Long Term Debt	-	-	-	913,314	913,314
Proceeds from Sale of Capital Assets			36,748	842,100	878,848
Transfers In	251,450	-		8,847,126	9,098,576
Transfers Out	(5,590,071)	(199,450)	(265,853)	(3,294,055)	(9,349,430)
Total Other Financing Source (Uses)	(5,338,621)	(199,450)	(229,105)	7,308,485	1,541,309
Net Change in Fund Balance	1,666,865	655,372	1,169,637	1,482,758	4,974,631
Fund Balance, January 1	15,197,999	7,635,672	8,122,360	34,877,403	65,833,434
Prior Period Adjustment				-	
Fund Balance, January 1, as restated	15,197,999	7,635,672	8,122,360	34,877,403	65,833,434
Fund Balance, December 31	\$ 16,864,864	\$ 8,291,044	\$ 9,291,997	\$ 36,360,161	\$ 70,808,065

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, 2017

Net change in fund balances as shown on the Governmental Funds Statement of Revenues, Expenditures and Changes in Fund Balance	\$ 4,974,631
Net Capital Asset Activity	(6,303,081)
<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	710,659
<p>Internal service funds are included in governmental activities on the statement of Net Position</p>	
Net Long-Term Debt Activity	3,793,741
<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.	194,087
<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	\$ 3,370,032

SKAGIT COUNTY, WASHINGTON

Statement of Net Position

Proprietary Funds

December 31, 2017

	Business-Type Activities Enterprise Funds				Governmental Activities
	Solid Waste	Drainage Utility	County Jail	Total	*Internal Service Funds
ASSETS					
<u>Current Assets</u>					
Cash/Cash Equivalents	\$ 3,227,349	\$ 870,906	\$ 8,605,527	\$ 12,703,782	\$ 19,275,608
Accounts Receivable	1,168,446	79,949	9,045	1,257,440	49,663
Due From Other Funds	-	-	567	567	5,180,486
Due from Other Governments	10,310	62,069	1,183,809	1,256,188	10,828
Inventories/Prepayments	-	-	-	-	5,366,913
Total Current Assets	<u>4,406,106</u>	<u>1,012,924</u>	<u>9,798,948</u>	<u>15,217,977</u>	<u>29,883,498</u>
<u>Non-Current Assets</u>					
Capital Assets					
Land	618,875	211,137	6,384,803	7,214,815	-
Buildings	9,899,874	-	58,693,820	68,593,694	180,888
Improvements	1,387,854	9,539,766	-	10,927,620	-
Machinery and Equipment	1,499,987	118,211	46,649	1,664,847	20,914,931
Less Accumulated Depreciation	(3,923,502)	(3,006,617)	(857,939)	(7,788,058)	(10,920,700)
Construction In Progress	-	312,661	-	312,661	-
Net Pension Asset	-	-	125,759	125,759	-
Total Non-Current Assets	<u>9,483,088</u>	<u>7,175,158</u>	<u>64,393,092</u>	<u>81,051,338</u>	<u>10,175,119</u>
Total Assets	<u>13,889,194</u>	<u>8,188,082</u>	<u>74,192,040</u>	<u>96,269,315</u>	<u>40,058,617</u>
Deferred Outflows of Resources					
Deferred Outflows Related to Pension	<u>123,505</u>	<u>27,639</u>	<u>202,415</u>	<u>353,559</u>	<u>116,493</u>
LIABILITIES AND FUND EQUITY					
<u>Current Liabilities</u>					
Accounts/Vouchers Payable	610,522	53,475	269,860	933,857	2,602,353
Due to Other Funds	116,878	44,436	358,578	519,892	1,811,354
Interest Payable	31,271	-	-	31,271	-
Accrued Wages Payable	51,047	14,046	244,215	309,308	149,832
Accrued Employee Benefits	12,634	3,151	60,409	76,194	29,482
Other Accrued Liabilities	152,000	-	33,151	185,151	1,027
Bonds Payable	520,000	-	1,195,000	1,715,000	-
Total Current Liabilities	<u>1,494,353</u>	<u>115,108</u>	<u>2,161,214</u>	<u>3,770,674</u>	<u>4,594,048</u>
<u>Non-Current Liabilities</u>					
Compensated Absences	73,163	14,620	191,007	278,789	283,473
Post Closure Landfill Costs	2,469,293	-	-	2,469,293	-
Environmental Liability	3,212,407	-	-	3,212,407	39,368
Bonds Payable	7,205,195	-	53,046,870	60,252,065	-
Net Pension Liability	944,186	196,026	530,413	1,670,625	1,204,525
Total Non-Current Liabilities	<u>13,904,244</u>	<u>210,646</u>	<u>53,768,290</u>	<u>67,883,179</u>	<u>1,527,366</u>
Total Liabilities	<u>15,398,596</u>	<u>325,754</u>	<u>55,929,504</u>	<u>71,653,853</u>	<u>6,121,414</u>
Deferred Inflows of Resources					
Deferred Inflows Related to Pension	<u>158,684</u>	<u>23,067</u>	<u>322,477</u>	<u>504,228</u>	<u>405,492</u>
<u>Net Position</u>					
Net Investment in Capital Assets	1,757,893	7,175,158	10,025,462	18,958,513	10,175,118
Restricted Net Position	-	-	-	-	-
Unrestricted	(3,302,474)	691,742	8,117,012	5,506,280	23,473,086
Total Net Position	<u>\$ (1,544,581)</u>	<u>\$ 7,866,900</u>	<u>\$ 18,142,474</u>	<u>\$ 24,464,793</u>	<u>\$ 33,648,204</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, 2017

	Business - Type Activities Enterprise Funds			Total	Governmental Activities
	Solid Waste	Drainage Utility	County Jail		*Internal Service Funds
<u>Operating Revenues</u>					
Charges for Services	\$ 10,488,212	\$ 1,736,028	\$ 8,580,194	\$ 20,804,434	\$ 15,969,406
Other Operating Revenue	-	24,564	4,628,917	4,653,481	11,707,440
Total Operating Revenues	<u>10,488,212</u>	<u>1,760,592</u>	<u>13,209,111</u>	<u>25,457,915</u>	<u>27,676,846</u>
<u>Operating Expenses</u>					
Personnel Services	1,689,818	764,224	7,391,869	9,845,911	5,189,419
Contractual Services	6,330,571	-	-	6,330,571	2,457,290
Supplies and Expenses	579,443	667,440	2,538,579	3,785,462	7,082,937
Depreciation	339,587	375,137	857,939	1,572,663	1,368,812
Payment to Claimants	-	-	-	-	11,108,370
Total Operating Expenses	<u>8,939,419</u>	<u>1,806,801</u>	<u>10,788,388</u>	<u>21,534,608</u>	<u>27,206,828</u>
Operating Income (Loss)	<u>1,548,793</u>	<u>(46,209)</u>	<u>2,420,723</u>	<u>3,923,307</u>	<u>470,019</u>
<u>Non-Operating Revenue (Expenses)</u>					
Intergovernmental Revenue	191,505	244,809	122,827	559,141	-
Interest Revenue	4,393	-	104,253	108,646	107,962
Miscellaneous Revenue	17,853	-	57,342	75,195	3,125
Gain (Loss) on Disposition of Capital Assets	-	-	-	-	(126,299)
Interest Expense	(376,447)	-	(1,286,174)	(1,662,621)	-
Miscellaneous Expense	-	-	-	-	-
Total Non-Operating Revenue (Expenses)	<u>(162,698)</u>	<u>244,809</u>	<u>(1,001,753)</u>	<u>(919,640)</u>	<u>(15,212)</u>
Income (Loss) before Transfers	1,386,095	198,600	1,418,971	3,003,666	454,807
Transfers In	-	-	-	-	255,853
Capital Contributions	-	(16,767)	-	(16,767)	-
Transfers Out	-	(5,000)	-	(5,000)	-
Change in Net Position	<u>1,386,095</u>	<u>176,833</u>	<u>1,418,971</u>	<u>2,981,899</u>	<u>710,660</u>
Net Position, January 1	(2,930,675)	7,690,067	18,277,356	23,036,748	32,937,544
Prior Period Adjustment	-	-	(1,553,852)	(1,553,852)	-
Net Position, January 1, as Restated	<u>(2,930,675)</u>	<u>7,690,067</u>	<u>16,723,504</u>	<u>21,482,896</u>	<u>32,937,544</u>
Net Position, December 31	<u>\$ (1,544,581)</u>	<u>\$ 7,866,900</u>	<u>\$ 18,142,474</u>	<u>\$ 24,464,794</u>	<u>\$ 33,648,204</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, 2017

	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	\$ 10,238,861	\$ 1,732,111	\$ 13,207,927	\$ 25,178,899	\$ 2,360,094
Receipts from Interfund Services Provided	-	24,564	(17,278)	7,286	24,774,093
Payments to Employees	(1,744,661)	(776,830)	(7,412,675)	(9,934,166)	(5,425,591)
Payments to Suppliers	(7,111,574)	(556,889)	(5,133,213)	(12,801,676)	(7,988,846)
Payments to Claimants	-	-	-	-	(11,134,919)
Payments for Interfund Services Used	(825,578)	(159,620)	(376,485)	(1,361,683)	(1,163,954)
Miscellaneous Receipts	-	-	57,342	57,342	12,890
Miscellaneous Payments	17,852	-	-	17,852	-
Net Cash Provided (Used)	<u>574,900</u>	<u>263,336</u>	<u>\$ 325,618</u>	<u>1,163,851</u>	<u>1,433,767</u>
Cash Flows From Non-Capital Financing Activities:					
Operating Grants Received	191,156	182,740	-	373,896	-
Transfers to Other Funds	-	(5,000)	0	(5,000)	-
Transfers from Other Funds	-	-	-	-	255,853
Net Cash Provided (Used)	<u>191,156</u>	<u>177,740</u>	<u>-</u>	<u>368,896</u>	<u>255,853</u>
Cash Flows from Capital and Related Financing Activities:					
Proceeds from Capital Debt	-	-	(\$1,340,163)	(1,340,163)	-
Purchases of Capital Assets	(36,315)	(3,182)	(11,781,525)	(11,821,022)	(2,696,090)
Loss from Sale of Capital Assets	-	(16,767)	-	(16,767)	425,216
Principal Paid on Capital Debt	(510,000)	-	-	(510,000)	-
Interest Paid on Capital Debt	(375,250)	-	-	(375,250)	-
Net Cash Provided (Used)	<u>(921,565)</u>	<u>(19,949)</u>	<u>(13,121,688)</u>	<u>(14,063,202)</u>	<u>(2,270,874)</u>
Cash Flows from Investing Activities:					
Sale of Investments	-	-	-	-	-
Interest Earnings	4,393	0	(1,181,921)	(1,177,528)	107,961
Net Cash Provided	<u>4,393</u>	<u>-</u>	<u>(1,181,921)</u>	<u>(1,177,528)</u>	<u>107,961</u>
Net Change in Cash and Cash Equivalents	(151,116)	421,127	(13,977,991)	(13,707,983)	(473,294)
Balance, January 1	3,378,465	449,779	22,583,519	26,411,763	19,748,900
Balance, December 31	<u>\$ 3,227,349</u>	<u>\$ 870,906</u>	<u>\$ 8,605,527</u>	<u>\$ 12,703,782</u>	<u>\$ 19,275,608</u>

SKAGIT COUNTY, WASHINGTON

Statement of Cash Flows

Proprietary Funds

For the Year Ended December 31, 2017

	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)	\$ 1,548,793	\$ (46,209)	\$2,420,724	\$ 3,923,308	\$ 470,019
Adjustments to Reconcile Operating Income to Net Cash Provided (Used) by Operating Activities:					
Depreciation Expense	339,587	375,137		714,724	1,368,813
Miscellaneous Receipts	17,852	-	57,342	75,194	(100,530)
Changes in Assets and Liabilities:					
Receivables, Net	(249,351)	(3,917)	(140,722)	(393,990)	(462,347)
Prepayments	-	-	-	0	0
Inventories	-	-	-	0	(14,202)
Accounts and Other Payables	(1,082,118)	(61,675)	(2,011,726)	(3,155,519)	172,014
Net Cash Provided (Used) by Operating Activities	<u>\$ 574,763</u>	<u>\$ 263,336</u>	<u>\$325,618</u>	<u>\$ 1,163,712</u>	<u>\$ 1,433,768</u>

SKAGIT COUNTY, WASHINGTON

Statement of Fiduciary Net Position

Fiduciary Funds

December 31, 2017

	Agency Funds	Investment Trust Funds
ASSETS		
Cash	\$ 65,546,878	
Investments		503,830,535
Taxes Receivable	3,267,667	
Deposits	-	
Total Assets	\$ 68,814,545	\$ 503,830,535
LIABILITIES		
Warrants Payable	\$ 39,444,425	
Custodial Accounts	29,370,120	503,830,535
Total Liabilities	\$ 68,814,545	\$ 503,830,535

SKAGIT COUNTY, WASHINGTON
Statement of Changes in Fiduciary Net Position
Fiduciary Funds
December 31, 2017

	Investment Trust Funds
Additions	
Contributions	\$ 921,598,309
Investment Earnings:	
Interest	4,463,163
Net increase (decrease) in Fair Value of Investments	(1,519,740)
Total Additions	924,541,732
 Deductions	
Distributions	921,598,309
Total Deductions	921,598,309
 Change in Net Position	2,943,423
 Net Position - Beginning	500,887,112
Net Position - Ending	\$ 503,830,535

Skagit County, Washington
Notes to the Financial Statements
December 31, 2017

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 699-A Sunset Park 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, 2017

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, 2017

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, 2017

- 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, 2017

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 at cost 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 2017 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, 2017

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 acquisition 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.

Long-Term Obligations – See Note V

Skagit County, Washington
Notes to the Financial Statements
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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	1,129,208	X	
Court Receivables	2,080,602	X	
Grants Received in Advance	3,678,284	X	X
Deferred Gain on Refunding	164,049		X
Deferred Inflow Related to Pension	3,944,177		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 Outflow Net Pension	3,525,451		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.

* Deferred Inflows and Deferred Outflows in the Proprietary Fund financial statements relate to Net Pension Liability.

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:

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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.

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, 2017:

Fund Balances:	General Fund	Mental Health Fund	County Road Fund	Capital Projects Funds	Debt Service Funds	Other Government funds	Total
Nonspendable:							
Inventory	5,314						5,314
Prepayments						150,000	150,000
Restricted For:							
General Govt Services				5,114,939	1,846,060	1,447,222	8,408,223
Public Safety						1,545,366	1,545,366
Utilities						4,141,749	4,141,749
Transportation			9,291,997			385,337	9,677,334
Natural & Economic Env				8,260,482		1,510,054	9,770,536
Social Services		8,291,044				2,162,896	10,453,940
Cultural & Recreation				161,349		507,139	668,488
Committed to:							
General Govt Services						656,761	656,761
Judicial Activities						49,603	49,603
Public Safety						5,739,264	5,739,264
Utilities						378,810	378,810
Social Services						705,929	705,929
Cultural & Recreation						1,597,200	1,597,200
Assigned to:	1,000,000						1,000,000
Unassigned	15,859,550						15,859,550
Total Fund Balance:	16,864,864	8,291,044	9,291,997	13,536,770	1,846,060	20,977,330	70,808,065

II. RECONCILIATION OF GOVERNMENT-WIDE AND FUND FINANCIAL STATEMENTS

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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		\$ 600,769,181
Less Accumulated Depreciation		(365,346,929)
Construction in Progress		10,854,355
Net Capital Assets		<u>\$ 246,276,607</u>
<u>Long-Term Liabilities</u>		
Bonds Payable		\$ 16,175,000
Notes Receivable		(5,735,000)
Unamortized Bond Discounts/Premiums		792,136
Loans Payable		2,405,720
Compensated Absences Liability		2,119,799
Deferred Gain on Refunding		164,049
OPEB Liability		82,979
Net Pension Liability		20,493,224
Accrued Interest Payable on Long-Term Liabilities		44,793
Long Term Liabilities		<u>\$ 36,542,700</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		\$ (75,523)
Depreciation Expense		(6,171,546)
Gain/Loss on Sale of Asset		(56,011)
Net Capital Assets		<u>\$ (6,303,081)</u>
<u>Net Long-Term Debt Activity</u>		
Principal Payments		1,200,000
Amortization of Bond Discounts/Premiums		79,482
Net Pension Revenue		146,712
Issuance of Long Term Debt		-
Change in NPL		1,873,003
Change in Compensated Absences Liability		152,484
Change in OPEB Liability		342,059
Net Long-Term Debt Activity		<u>\$ 3,793,741</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.

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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 Solid Waste fund deficit was \$2,255,231. This results primarily from the recording of liabilities for landfill post closure care costs and environmental remediation costs as well as Net Pension Liability.

IV. DETAIL INFORMATION BY TRANSACTION TYPE

A. Deposits and Investments

Skagit County, Washington
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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 \$47,441,864 and the treasurer's bank balance was \$11,310,715, 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.

As of December 31, 2017, the County held the following investments (with their corresponding hierarchy valuation):

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Investment Type	Fair Value	Less Than 1				Hierarchy
		Year Maturity	1 Year	2 Years	3 years	Level
Certificates of Deposit	\$ 2,051,057	\$ 1,000,000	\$ -	\$ -	\$ 1,051,057	1
Money Market	45,390,807	45,390,807				1
Registered Warrants	283,422	283,422				2
Commercial Paper						1
Bankers Acceptances						1
Treasury Bills	34,274,210	34,274,210				1
Treasury Notes	25,586,216	22,596,477	2,989,739	-	-	1
Municipal Bonds	62,019,759	31,758,872	27,340,120	2,920,766		1
U.S. Agencies	98,484,863	44,644,887	53,839,977		-	1
State Treasurer Pool	395,625,081	395,625,081				1
	\$ 663,715,416	\$ 575,573,756	\$ 84,169,837	\$ 2,920,766	\$ 1,051,057	

Total fair value of investments represents \$160,813,213 for Skagit County and \$502,899,204 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, 2017.

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 2017.

Credit Risk

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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, 2017, the County's investments in U.S. Agencies in the amount of \$98,484,863 (fair value) was rated AAA by Standard & Poor's, an additional amount of \$4,682,107 (fair value) was rated AAA by Moody's. Details of ratings on investments in municipal bonds and banker's acceptances are as follows:

ENTITY	S&P/MOODY'S	FAIR VALUE	ENTITY	S&P/MOODY'S	FAIR VALUE	ENTITY	S&P/MOODY'S	FAIR VALUE
ADAMS CNTY PA	NR/AA2	299,319	JANESVILLE WI	AA-/AA2	400,876	OREGON ST	AA+/AA1	569,179
ARKANSAS TXBL	AA/N/A	195,008	LAKE CNTY IL	AA+/NA	300,195	PALANTINE IL	AA+/NR	586,590
BIRMINGHAM AL	NA/AA2	480,407	LAS VEGAS NV	AA/AA1	704,837	PASSIAC CNTY NJ	SP-1+/NR	600,618
BROOKVILLE OH	NR/AA2	149,517	LOUDOUN CNTY VA	AAA/AAA	508,375	PLANO TX	AA+/AAA	832,980
CALIFORNIA ST	AA1-AA3	998,340	LOUISIANA ST	AA-/NR	989,240	PLANO TX	AAA/AAA	401,124
CHAMPAIGN CNTY IL	AA/NR	188,611	LOWELL MASS	NR/AA2	1,002,490	PLEASANT PRAIRIE WI	AA/NR	996,930
CHARLESTON CNTY SC	AAA/AAA	448,992	MADISON MACOUPIN	AA/NA	199,324	PORT NY&NE COSOL	AA-/AA3	233,538
CHESAPEAK VA BAB	AAA/AA1	101,397	MAHONING CITY OH	AA/NR	217,994	PORT OF SEATTLE WA	AAA/AAA	498,020
CLARK CNTY NV BAB	AA+/AA1	506,800	MAINE ST	AA/AA2	399,300	PORT OF TACOMA WA	AA/AA2	191,864
CONNECTICUT, ST BAB	A+/A1	1,129,249	MEADVILLE PA	AA/NR	174,697	PORT VANCOUVER WA	A/NR	183,346
CONNETICUT ST	A+/A1	747,293	MENOMONEE FALLS WI	NR/AA2	1,001,620	ROUND ROCK TX	NA/AAA	187,009
CONNETICUT ST	A+/A1	339,606	MILWALKIE WI	AA/AA3	252,025	SAINT LOUIS CNTY MO	AA/NA	254,233
DAVIS CNTY UT	AAA/NR	201,296	MILWALKIE WI	AA/AA3	500,265	SAINT LOUIS CNTY MO	AA+/NA	298,326
DIST OF COLUMBIA BAB	AA/AA1	518,870	MILWALKIE WI	AA/NA	501,560	SAN MARCOS TX	AA/NR	248,900
EDISON TWP NJ	NR/MIG1	1,499,955	MISSISSIPPI ST	AA/AA2	199,744	SEATTLE WA	AAA/AAA	993,640
EL PASO CNTY TX	NA/AA2	446,571	MONROE WA	AA-/NR	274,563	SNOHOMISH CNTY WA	AA+/AA2	150,117
ENERGY NW WA	AA-/AA1	2,654,320	MORGAN HILL CA	NR/AA1	299,847	VANCOUVER WA	AA/NR	396,524
ENERGY NW WA	AA-/AA1	899,946	MOUNT DIABLO CA	AA/AA2	262,869	WASHINGTON ST	AA+/AA1	202,828
EULESS TX	AA/AA2	519,625	MULTNOMA CTY OR	AA+/AA1	7,994,880	WASHINGTON ST	NA/AA2	378,799
EVESHAM TWP NJ	NR/MIG1	1,999,960	NASHUA NH	NR/AA2	1,000,110	WATERLOO IA	NR/AA2	99,710
EWING TWP NJ	AA-/NA	1,183,317	NASSAU CNTY NY	SP-1+/A2	996,690	WATERLOO IA	NR/AA2	247,020
FAYETT & MONT IL	AA/NR	219,322	NEW BRITAIN CT	AA/A2	301,383	WAUKESHA WI	NR/AA2	138,992
FLAT ROCK MI	NA/AA1	299,607	NEW HAMPSHIRE ST	AA/AA1	502,145	WAUSAU WI	NA/AA3	224,550
GALVESTON TX	NA/AAA	751,643	NEW YORK NY	AA/AA2	1,001,200	WELD CNTY SCH	AA-/AA2	1,246,875
GRANITE UT SCH DIST	NA/AAA	200,604	NORTHAMPTON PA	NR/AA3	399,804	WORCESTER MA	NA/MIG1	2,952,301
HAWKEYE IA	NR/AA1	200,072	NEIA CNGY CLG	NR/AA2	264,891	WORCESTER MA	NR/MIG1	4,101,189
HENDERSON NV	AA+/AA2	1,004,200	OAK CREEK WI	NR/AA2	750,090	WYANDOTTE CNTY KS	AA-/AA2	405,344
HIGH POINT NC	AAA/AA1	680,427	OLDHAM CNTY KY	AA/NA	620,763	YSLETA TX	AA/NA	1,274,276
HURST-EULESS BEDFRD TX	AAA/NR	848,836	ONALASKA WI	NR/AA2	204,654	TOTAL		62,019,759
ITASCA CNTY MN	AA+/NA	751,943	ONEIDA CNTY NY	AA-/A1	433,456			

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

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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.

2017 Tax levy information is as follows:

	Levy in Dollars Assessed Per Thousand	Total Value	Levy
2017			
County	1.4780	\$ 16,433,120,581	\$ 24,287,683
Medic 1 Services	0.3568	16,417,015,559	5,857,015
Roads	1.8283	8,007,399,610	14,639,791
Conservation Futures	0.0536	16,433,120,581	880,311

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, 2017 is as follows:

	Unavailable	Unearned	Total
Property Taxes Receivable (General Fund)	\$ 560,917		\$ 560,917
Property Taxes Receivable (Road Fund)	353,590		\$ 353,590
Property Taxes Receivable (Mental Health Fund)	7,483		\$ 7,483
Property Taxes Receivable (Other Government Funds)	222,044		\$ 222,044
Revenue Earned but Not yet Available	2,080,602		\$ 2,080,602
Revenue Received Prior to Meeting Eligibility Requirements		3,663,458	\$ 3,663,458
Total Deferred Inflow of Resources - Government Funds	<u>\$ 3,224,637</u>	<u>\$ 3,663,458</u>	<u>\$ 6,888,094</u>

C. Interfund Receivables, Payables and Transfers

Details of interfund payable/receivable balances of December 31, 2017 are as follows:

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Due to Other funds	Due From Other funds						Total
	General Fund	County Jail	Mental Health	County Road Fund	Non-Major	Internal Service Funds	
General Fund						\$ 2,072,379	\$ 2,072,379
Non-Major Govt Funds	403,916	567	(3,226)		(902)	165,901	566,257
Mental Health	134,912				36,809	-	171,721
County Road Fund	774,439					1,000,418	1,774,857
Internal Service Funds	111,921					1,699,433	1,811,354
Solid Waste	82,167					34,711	116,878
Drainage Utility	34,934					9,502	44,436
Jail Fund	159,633				1,000	197,945	358,578
Total	\$1,701,923	\$ 567	\$ (3,226)	\$ -	\$ 36,907	\$ 5,180,289	\$ 6,916,460

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 1/1/2017	New Loans	Repayment	Balance 12/31/2017
Water Improvement 210	Water Improvement 215	2,600			2,600
Water Improvement 215	Water Improvement 218	77,072		40,000	37,072
Water Improvement 216	Edison Clean Water	1,000			1,000
Water Improvement 215	Water Improvement 224	73,361		24,000	49,361
Total		\$ 154,033	\$ -	\$ 64,000	\$ 90,033

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 2017 transfers are as follows:

Transferring Fund	Transfers In			Balance 12/31/2015
	General Fund	Internal Service	Non-Major Governmental	
General Fund			\$ 5,590,071	\$ 5,590,071
Mental Health	199,450			199,450
County Roads		265,853		265,853
Drainage Utility			5,000	5,000
Non-Major	52,000	(10,000)	3,252,055	3,294,056
Total	\$ 251,450	\$ 255,853	\$ 8,847,126	\$ 9,354,430

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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	\$ 157,124,037	\$ 10,000		\$ 157,134,037
Development Rights	18,511,472			18,511,471
Construction in Progress	2,782,138	8,496,544	424,327	10,854,355
	178,417,647	8,506,544	424,327	186,499,863
Depreciable Capital Assets				
Buildings	66,377,230	3,513,944	47,187	69,843,988
Improvements	5,446,556	84,193		5,530,749
Machinery and Equipment	25,692,784	2,596,758	1,465,973	26,823,569
Infrastructure	333,100,480			333,100,480
	430,617,050	6,194,895	1,513,159	435,298,786
Less Accumulated Depreciation				
Buildings	(30,846,027)	(2,337,809)	514,333	(32,669,503)
Improvements	(3,682,103)	(120,400)		(3,802,503)
Machinery and Equipment	(15,580,749)	(818,985)	665,666	(15,734,068)
Infrastructure	(297,838,106)	(15,324,455)	21,707	(313,140,854)
	(347,946,985)	(18,601,650)	1,201,706	(365,346,929)
Total Net Depreciable Capital Assets	82,670,065	(12,406,754)	(311,453)	69,951,856
Total Net Capital Assets	\$ 261,087,715	\$ (3,900,210)	\$ (735,781)	\$ 256,451,725

Depreciation expense by function for governmental activities is as follows:

General Governmental Services	\$ 1,735,880
Judicial	3,537
Public Safety	417,144
Physical Environment	48,875
Transportation	16,155,593
Natural & Economic Environment	10,186
Health and Human Services	65,284
Culture and Recreation	165,151
Total governmental activities depreciation expense	\$ 18,601,650

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	\$ 830,012	\$ 6,384,803		\$ 7,214,815
Construction in Progress	54,437,781	79,049	54,204,170	312,661
	55,267,793	6,463,853	54,204,170	7,527,476
Depreciable Capital Assets				
Buildings	9,899,875	58,693,820		68,593,695
Improvements	10,927,620			10,927,620
Machinery and Equipment	1,493,241	265,813	94,208	1,664,846
	22,320,735	58,959,633	94,208	81,186,161
Less Accumulated Depreciation				
Buildings	(1,765,522)	(1,097,027)		(2,862,549)
Improvements	(3,910,810)	(378,969)		(4,289,779)
Machinery and Equipment	(539,063)	(96,668)		(635,731)
	(6,215,395)	(1,572,663)		(7,788,058)
Total Net Depreciable Capital Assets	16,105,340	57,386,970	94,208	73,398,103
Total Net Capital Assets	71,373,132	63,850,823	54,298,378	80,925,579

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

Solid Waste	\$ 339,587
Drainage Utility	375,137
County Jail	857,939
Total business type activities depreciation expense	\$ 1,572,663

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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, 2017 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 \$470,000 and interest payments of \$122,353 were made in 2017.	2,645,000
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 \$435,000 and interest payments of \$181,769 were made in 2017.	5,735,000
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. Principal payments are due annually on December 1. Interest payments are due June 1 and January 1. Interest of \$35,962.5 and no principal payments were made in 2017.	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. Principal 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 4.0%. Principal payment of \$525,000 and interest payments of \$170,950 were made in 2017.	7,015,000
Total bonds payable at December 31, 2017 for government activities:	16,175,000
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. Principal payments are due annually on December 1. Interest payments are due June 1 and December 1. Interest rates range from 1.90% in 2014 to 5.35% for maturities in 2030. Principal payment of \$510,000 and interest payment of \$375,250 were made in 2017.	7,755,000
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. Principal payments are due annually on December 1, beginning in 2017. Interest rates range from 3.625% to 5.00% . Principal payment of \$1,150,000, and Interest of \$2,261,906 were made in 2017.	50,770,000
Total bonds payable at December 31, 2017 for business-type activities:	58,525,000

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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
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	1,725,000	326,609	1,910,000	2,355,298
2022-2026	7,435,000	887,706	10,840,000	8,303,091
2027-2031	1,090,000	256,863	12,735,000	7,356,274
2032-2036	1,130,000	94,788	12,530,000	4,539,481
2037-2041			15,190,000	1,870,400
Totals	\$16,175,000	\$ 2,836,364	\$58,525,000	\$31,954,474

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 2017 financial statements. As of December 31, 2017 the balance of the defeased bonds outstanding is \$2,675,000.

Loans Payable

Details of loans payable as of December 31, 2017 is as follows:

<u>Description</u>	<u>Balance</u>
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 2017.	\$ 26,652
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 2017.	17,686
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 \$99,019 and interest payments of \$38,665 were made in 2017.	1,528,612
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 \$36,456 and interest payments of \$22,225 were made in 2017.	795,770
Payable to the State of Washington Department of Ecology pursuant to a 2017 loan agreement. The interest rate is 2.6% and the term is 39 years. No principal or interest payments were made in 2017.	259,103
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. Principal payment of \$10,000 was made in 2017.	37,000
Total loans payable at December 31, 2017 for governmental activities	\$ 2,664,823

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

Year Ending December 31	Principal	Interest
2018	\$ 176,143	\$ 68,244
2019	174,952	60,550
2020	169,918	56,701
2021	170,865	52,754
2022-2026	873,255	200,994
2027-2031	843,560	87,109
2032-2037	247,591	14,976
2038	8,540	112
Totals	2,664,823	541,438

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, 2017, the County's remaining capacity for non-voted debt was \$212,421,540. Additional debt capacity with an authorizing vote is \$177,472,140.

Changes in Long-Term Liabilities

Details of changes in long term liabilities for the year ended December 31, 2017 is as follows:

	Beginning Balance	New Issue	Retirements	Ending Balance	Due Within One year
Governmental Activities:					
Bonds Payable					
General Obligation Bonds	\$ 17,810,000		\$ 1,635,000	\$ 16,175,000	\$ 1,525,000
Add: Net Unamortized Discounts/Premiums	868,238	8,088	84,190	792,136	
Total Bonds Payable	18,678,238	8,088	1,719,190	16,967,136	1,525,000
Loans Payable	2,577,938		172,218	2,405,720	177,171
Compensated Absences	2,547,026	14,136	157,890	2,403,272	2,403,272
OPEB Liability	425,038	82,979	425,038	82,979	
Net Pension Liability	30,494,578		6,796,876	23,697,702	
Environmental Liabilities	110,577	7,000	77,208	40,369	
Total Long-Term Liabilities	\$ 54,833,395	\$ 112,203	\$ 9,348,421	\$ 45,597,176	\$ 4,105,442
Business-Type Activities					
Bonds Payable					
General Obligation Bonds	\$ 60,185,000		\$ 1,660,000	\$ 58,525,000	\$ 1,715,000
Discounts/Premiums	3,584,905	22,185	165,025	3,442,065	
Less: Unamortized Refunding	-	-	-	-	
Total Bonds Payable	63,769,905	22,185	1,825,025	61,967,065	1,715,000
Compensated Absences	241,093	37,846	149	278,790	
Post Closure Landfill Costs	2,774,864	197,000	502,571	2,519,293	50,000
Environmental Liabilities	3,931,913	15,500	735,006	3,347,558	135,151
Net Pension Liabilities	2,519,931		849,307	1,670,624	
Total Long-Term Liabilities	\$ 73,237,706	\$ 272,530	\$ 3,912,057	\$ 69,783,328	\$ 1,900,151

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

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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 2017:

Aggregate Pension Amounts – All Plans	
Pension Liabilities	25,368,325
Pension Assets	2,421,684
Deferred Outflows of Resources	3,879,011
Deferred Inflows of Resources	4,857,610
Pension Expense/Expenditures	(1,966,139)

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; 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

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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 2017 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 \$64,466 for the year ended December 31, 2017.

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

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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 2017 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 \$1,528,518 to PERS Plan 1 and \$1,996,317 to PERS Plan 2/3 for the year ended December 31, 2017.

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 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 & Cannabis 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

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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 2017 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 \$220,781 to PSERS 2 and \$159,810 to PERS Plan 1 for the year ended December 31, 2017.

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

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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 2017 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 \$233,156 for the year ended December 31, 2017.

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, 2017, the state contributed \$62,155,262 to the LEOFF Plan 2, the County’s proportionate share was \$233,156.

Actuarial Assumption

The total pension liability (TPL) for each of the DRS plans was determined using the most recent actuarial valuation completed in 2017 with a valuation date of June 30, 2016. The actuarial assumptions used in the valuation were based on the results of the Office of State Actuary’s (OSA) *2007-2012 Experience Study*.

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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 plans except LEOFF Plan 1, how terminated and vested member benefits are valued was corrected.
- How basic minimum COLA in PERS Plan 1 is valued for legal order payees was improved.
- The average expected remaining service lives calculation was revised. It is used to recognize the changes in pension expense to no longer discount future years of service back to present day.

Discount Rate

The discount rate used to measure total pension liability was 7.50% for all plans.

To determine that rate, an asset sufficiency test included was completed to test whether each pension plan's fiduciary net position was sufficient to make all projected future benefit payments for current plan members.

Consistent with current law, the asset sufficiency test included an assumed 7.70% long-term discount rate to determine funding liabilities for calculating future contribution rate requirements. (All plans use 7.70% except LEOFF Plan 2, which has assumed 7.50%).

Consistent with the long-term expected rate of return, a 7.50% 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 Plans 2 and 3, PSERS Plan 2, whose rates include a component for the PERS Plan 1 liability).

Based on those assumptions, the pension plan's 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 7.50% was used to determine the total liability.

Long-Term Expected Rate of Return

OSA selected a 7.50% long-term expected rate of return on pension plan investments using a building-block method. In selecting this assumption, OSA reviewed the historical experience data, considered the

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historical conditions that produced past annual investment returns, and considered Capital Market Assumptions (CMAs) and simulated expected investment returns the WSIB provided.

The CMAs contain three pieces of information for each class of assets WSIB currently invests in:

- Expected annual return
- Standard deviation of the annual return
- Correlations between the annual returns of each asset class with every other asset class

The WSIB uses the CMAs and their target asset allocation to simulate future investment returns at various future times. The table below summarizes the best estimates of arithmetic real rates of return for each major asset class included in the pension plan's target asset allocation as of June 30, 2017. The inflation component used to create the table is 2.20% and represents the WSIB's most recent long-term estimate of broad economic inflation.

Estimated Rates of Return by Asset Class

Asset Class	Target Allocation	% Long-Term Expected Real Rate of Return Arithmetic
Fixed Income	20.00%	1.70%
Tangible Assets	5.00%	4.90%
Real Estate	15.00%	5.80%
Global Equity	37.00%	6.30%
Private Equity	23.00%	9.30%

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	\$ 16,843,600	\$ 13,826,730	\$ 11,213,475
PERS 2/3	30,594,784	11,356,197	(4,406,971)
PSERS 2	1,244,872	185,398	(645,292)
LEOFF 1	(277,112)	(373,585)	(456,433)
LEOFF 2	443,205	(2,048,099)	(4,077,909)

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.

Skagit County, Washington
Notes to the Financial Statements
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Pension Liabilities (Assets), Pension Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions

At June 30, 2017, Skagit County reported a total pension liability of \$25,368,325 and a total net pension asset of (2,421,684) for its proportionate share of the net pension liabilities as follows:

	Liability (or Asset)
PERS 1	13,826,730
PERS 2/3	11,356,197
PSERS 2	185,398
LEOFF 1	(373,585)
LEOFF 2	(2,048,099)

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	373,585	2,048,099
State's proportionate share of the net pension asset associated with the employer	2,526,920	1,328,563
TOTAL	2,900,505	3,376,662

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

	Proportionate Share 6/30/16	Proportionate Share 6/30/17	Change in Proportion
PERS 1	0.2953090%	0.2913910%	-0.0039180%
PERS 2/3	0.3361900%	0.3268420%	-0.0093480%
PSERS 2	0.8413840%	0.9462460%	0.1048620%
LEOFF 1	0.0247820%	0.0246230%	-0.000159%
LEOFF 2	0.1557630%	0.1475920%	0.0081710%

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 2017. Historical data was obtained from a 2011 study by the Office of the State Actuary (OSA). In fiscal year 2017, the state of Washington contributed 87.12% of LEOFF 1 employer contributions and all other employers contributed the remaining 12.88% of employer contributions. LEOFF 1 is fully funded and no further employer contributions have been required since June 2000. If the plan becomes underfunded, funding of the remaining liability will require new legislation. The allocation method the plan chose reflects the projected long-term contribution effort based on historical data.

Skagit County, Washington
Notes to the Financial Statements
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In fiscal year 2017, the state of Washington contributed 39.35 percent of LEOFF 2 employer contributions pursuant to RCW 41.27.726 and all other employers contributed the remaining 60.65 percent of employer contributions.

The collective net pension liability (asset) was measured as of June 30, 2017, and the actuarial valuation data on which the total pension liability (asset) is based was as of June 30, 2016, with update procedures used to roll forward the total pension liability to the measurement date.

Pension Expense

For the year ended December 31, 2017, the County recognized pension expense as follows:

	Pension Expense
PERS 1	(1,226,428)
PERS 2/3	(473,284)
PSERS 2	(16,365)
LEOFF 1	57,591
LEOFF 2	(307,653)

Deferred Outflows of Resources and Deferred Inflows of Resources

At December 31, 2017, 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		(515,975)
Changes in assumptions		
Changes in proportion and differences between contributions and proportionate share of contributions		
Contributions subsequent to the measurement date	929,780	
Total	929,780	(515,975)

PERS 2/3	Deferred Outflows of Resources	Deferred Inflows of Resources
Differenced between expected and actual experience	1,150,651	(373,486)
Net difference between projected and actual investment earnings on pension plan investments		(3,027,289)
Changes in assumptions	120,624	
Changes in proportion and differences between contributions and proportionate share of contributions	23,316	(249,436)
Contributions subsequent to the measurement date	1,099,208	
Total	\$ 2,393,798	\$ (3,650,221)

Skagit County, Washington
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PSERS 2	Deferred Outflows of Resources	Deferred Inflows of Resources
Differenced between expected and actual experience	109,651	(13,172)
Net difference between projected and actual investment earnings on pension plan investments		(130,033)
Changes in assumptions	1,571	
Changes in proportion	17,895	
Contributions subsequent to the measurement date	144,025	
Total	\$ 273,142	\$ (143,205)
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		\$ (34,715)
Changes in assumptions		
Changes in proportion and differences between contributions and proportionate share of contributions		
Contributions subsequent to the measurement date		
Total		\$ (34,175)

LEOFF 2	Deferred Outflows of Resources	Deferred Inflows of Resources
Differenced between expected and actual experience	\$ 90,018	\$ (77,667)
Net difference between projected and actual investment earnings on pension plan investments		(459,813)
Changes in assumptions	2,466	
Changes in proportion	62,968	23,976
Contributions subsequent to the measurement date	126,839	
Total	\$ 282,291	\$ (513,504)

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, 2018. 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:	PSERS 2
2018	(25,325)
2019	25,763
2020	8,853
2021	(24,748)
2022	1,113
Thereafter	3,115

Year ended December 31:	PERS Plan 2/3
2018	(1,269,126)
2019	244,178
2020	(312,466)
2021	(1,257,178)
2022	62,718
Thereafter	81,534

Skagit County, Washington
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Year ended December 31:	LEOFF 2
2018	(228,141)
2019	30,936
2020	(48,462)
2021	(216,672)
2022	(1,365)
Thereafter	(6,279)

D. Other Post Employment Benefit Plans (OPEB)

Plan Description

LEOFF Group

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, 2017, 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. Retirees in this closed group are not required to contribute to receive coverage. Dental, vision, and hearing aid claims are reimbursed up to annual maximum coverage amounts of \$2,000, \$450, and \$1,000, respectively.

Non-LEOFF Group

The County allows employees who meet the requirements to receive retirement from Washington State Retirement Systems and who retire from service with the County to receive medical benefits. Surviving spouses of retirees are eligible for benefits until Medicare eligibility. Retirees are required to pay 100% of the COBRA rate premium prior to Medicare eligibility. Upon becoming eligible for Medicare, a reduced rate premium is required. Retiree coverage is assumed to become secondary to Medicare on the day the covered retiree reaches age 65. The table below shows the rates paid for medical.

Retiree Contributions - Medial Plan		
	LEOFF	Non-LEOFF
Pre-Medicare		
Member	N/A	10,213
Spouse	N/A	11,809
Post-Medicare	N/A	6,799

Funding Policy

The funding policy is based upon the pay-as-you-go financing requirements. The County has not contributed any amounts to finance future benefits under the plan for either current or future employees.

Annual OPEB Cost and Net OPEB Obligation

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Effective beginning with 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.

Bryan, Pendleton, Swats & McAllister, LLC, 5301 Virginia Way, Suite 400, Brentwood, TN 37027 completed the actuary study for the December 31, 2017 reporting requirements with a valuation date of January 1, 2018. The actuarial valuation method was Entry Age Normal. The amortization period was a closed 30 year period. The Discount rate was 3.10% per annum, based on S&P Municipal Bond 20-Year High Grade Index as of November 30, 2017. Salary increases were 2.00% per annum, and plan participation was 7.5% of future eligible retirees are assumed to elect medical coverage upon retirement. The valuation provided reflects a best estimate of the potential impact of the Patient Protection and Affordable Care Act (PPACA). Consideration has been made for provisions of the law that are effective as of the valuation date as well as those provisions that will take effect in the future. In particular, the anticipated future excise tax has been valued and added to the liability reflected in the valuation report. The estimated present value of all future excise tax payments is approximately \$4,100,000 for Statement No. 45.

Annual medical claims cost – age 65

	LEOFF	Non-LEOFF
Pre-Medicare	N/A	\$14,342
Post-Medicare	\$5,302	\$ 5,737

These amounts are assumed to increase 3% per year of each year after age 65, and decrease 3% per year for each age prior to age 65. These amounts are assumed to increase at the health care cost trend rate, which is 8.0% to grade uniformly to 5.0% over a 10 year period for medical.

Yearly Comparison of Selected Plan Information

Number of Participants		
Actives (with medical coverage)		631
Actives (without medical coverage)		46
Retirees (with medical coverage)		24
Annual Projected Payroll	\$	40,828,035
Average Projected Earnings	\$	60,307
Present Value of Benefits	\$	5,402,535
Unfunded Accrued Liability	\$	4,364,512
Market Value of Asset (BOY)		N/A
Actuarial Value of Assets (BOY)		N/A
Annual Funding Levels		
Normal Cost	\$	88,660
% of Payroll		0%
Annual Required Contribution	\$	261,863
% of Payroll		0.64%
Projected Payouts	\$	125,337
% of Payroll		0.31%

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Net Cost	\$	136,526
% of Payroll		0.33%

Net OPEB Obligation

Net OPEB Obligation - January 1*		\$653,757
Annual Required Contribution (ARC)		261,863
Interest on Net OPEB Obligation		20,266
Adjustment on ARC		(25,740)
Annual OPEB Cost		<u>\$256,389</u>
Annual Employer Contribution**		125,337
Increase in Net OPEB Obligation		131,052
Net OPEB Obligation - December 31		784,809

* Beginning NOO

**Projected

Actuarial Balance Sheet as of January 1

Assets		
Actuarial Asset Value	\$	-
Unfunded Accrued Liability		4,364,512
Present Value of Future Normal Costs		<u>1,038,023</u>
Total		\$ 5,402,535
Liabilities		
Present Value of Benefits		
Active Participants		2,075,892
Inactive Participants		<u>3,326,643</u>
Total		\$5,402,535

Annual OPEB costs of \$256,389 less expenses of \$173,410 resulted in a net 2017 OPEB obligation of \$82,980.

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

Year	Annual OPEB Cost	Ending Net OPEB Obligation	Percent of Annual OPEB Cost Contributed
2017	\$ 256,389	\$ 82,980	67.60%
2016	485,204	425,038	12.40%
2015	485,204	416,907	14.90%

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Funded Status and Schedule of Funding Progress

As of January 1, 2018, the most recent actuarial valuation date, the plan was zero percent funded. The actuarial accrued liability for benefits was \$5,402,535 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.

Sensitivity Testing of Actuarial Assumptions

The results of the valuation must be viewed as estimates of the actual results that will occur in the future. Actual results will likely be either higher or lower than the estimates. In addition, certain assumptions are more critical to the valuation results. The impact caused by change or volatility in these key assumptions can be illustrated by providing valuation results after varying these assumptions. In particular, sensitivity results are shown below for the revision of two key assumptions: (a) increased the health care cost trend assumption from 8.0% grading to 5.0% over 10 years to 9.0% grading to 6.0% over 10 years and (b) increasing the discount rate from 3.10% to 4.10%.

2017 Plan Year Comparison	Baseline	Revision (a)	Revision (b)
Normal Cost	\$ 88,660	\$ 126,172	\$ 63,709
Sum of Amortized Bases	169,236	196,471	167,528
Interest	3,967	4,963	4,693
Annual Required Contribution	\$261,863	\$327,606	\$235,930
ARC as a Percentage of Projected Pay	0.064%	0.080%	0.058%

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.

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, 2017, 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 2017, Skagit County selects a per-occurrence deductible of \$100,000.

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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 2016-17, 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 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

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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 2016-17, the WCRP's assets remained stable at \$46.8 million while its liabilities decreased slightly to \$28.6 million. The Pool's net position increased slightly from \$17.9 million to \$18.1 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, 2017 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:

Fiscal Year	Beginning Balance	Current Year		Year End Balance
		Claims & Changes in Estimate	Claim Payments	
2017	\$ 470,739	(25,865)	\$ 122,676	\$ 322,198
2016	784,945	(61,429)	252,777	470,739
2015	609,600	187,385	12,041	784,945

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, 1.1572 in 2015, and 1.0809 in 2016, and .9941 in 2017.

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 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 \$629,315 at December 31, 2017.

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 \$81,408 for 2017. Dental claims activity for 2017 and the preceding two years are as follows:

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		Current Year		
Fiscal Year	Beginning Balance	Claims & Changes in Estimate	Claim Payments	Year End Balance
2017	\$ 103,393	670,491	\$ 754,675	\$ 19,209
2016	108,055	667,394	672,056	103,393
2015	105,367	705,048	702,359	108,055

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 \$333,456 for 2017. Medical claims activity for 2017 and the preceding two years are as follows:

		Current Year		
Fiscal Year	Beginning Balance	Claims & Changes in Estimate	Claim Payments	Year End Balance
2017	\$ 1,759,000	10,187,034	\$ 10,356,460	\$ 1,589,574
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

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, 2017 was \$5,735,000, of which \$470,000 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 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.

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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, 2017 are as follows:

	Rental Payments
Year	Due
2018	137,555
2019	65,555
2020	63,055
2021	50,555
2022	29,490
Total	346,210

2017 rent expense for all operating leases, except those with terms of a month or less were all renewed.

Construction

At December 31, 2017, 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	12/31/2017	Unexpended
Governmental Activities			
Clean Water Fund	\$ 2,492,944	\$ 1,585,071	\$ 907,873
Non-Major Government Funds	7,637,112	3,987,556	3,649,556
Road Fund	30,387,776	17,208,975	13,178,801

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 \$2,469,292, of which \$147,000 is the current portion, is reported in the Solid Waste Fund at December 31, 2017.

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.

Whitmarsh Landfill

The Solid Waste Fund recognized a liability of \$3,403,571, of which \$4,500 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.

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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, 2017, 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 \$521,486, 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, 2017, 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 \$40,368, of which \$1,000 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, 2017, 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, 2017, 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.

IX. PRIOR PERIOD ADJUSTMENTS

County Jail – A prior period adjustment of \$1,553,852 was the result of costs erroneously placed in CIP in the design and construction of the jail. These costs were feasibility studies in nature.

Skagit County, Washington
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X. SUBSEQUENT EVENTS

The County paid off the 2007 GO Refunding Bond in the amount of \$2,645,000 in February of 2018. The County saved \$297,094 in interest over the remaining life of the bond.

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Required Supplementary Information



SKAGIT COUNTY, WASHINGTON

General Fund

Schedule of Revenues

Budget (GAAP Basis) and Actual For the Year Ended December 31, 2017

	Budgeted Amounts		Actual	Variance with Final Budget
	Original Budget	Final Budget		
General Property Taxes	25,517,553	25,517,553	25,751,966	234,413
Timber Harvest Taxes	-	-	-	-
Retail Sales and Use Taxes	9,445,089	9,445,089	9,836,403	391,314
Business Taxes	-	-	-	-
Excise Taxes	599,000	599,000	613,931	14,931
Penalties and Interest on Delinquent Taxes	-	-	-	-
Total Taxes	35,561,642	35,561,642	36,202,300	640,658
Non-Business Licenses and Permits	297,000	297,000	322,371	25,371
Total Licenses and Permits	297,000	297,000	322,371	25,371
Federal Shared Revenue	-	-	-	-
Indirect Federal Grants	1,930,228	2,056,528	1,911,777	(144,751)
State Grants	1,283,561	1,280,323	1,240,768	(39,555)
State Shared Revenue	611,100	611,100	1,877,174	1,266,074
In Lieu and State Entitlement Revenue	1,973,826	1,973,826	2,192,434	218,608
Intergovernmental Revenue	1,476,732	1,476,732	837,026	(639,706)
Total Intergovernmental Revenue	7,275,447	7,398,509	8,059,179	660,670
General Government	2,225,584	2,225,584	2,939,700	714,116
Public Safety	286,350	286,350	295,420	9,070
Health and Human Services	52,500	52,500	53,483	983
Economic Environment	14,000	14,000	14,039	39
Culture and Recreation	-	-	-	-
Interfund Charges for Services	1,455,000	1,455,000	181,847	(1,273,153)
Total Charges for Goods and Services	4,033,434	4,033,434	3,484,489	(548,945)
Superior Court Felony/Misdemeanor Penalties	66,000	66,000	65,078	(922)
Civil Penalties	33,800	33,800	103,115	69,315
Civil Infraction Penalties	1,157,000	1,157,000	1,237,511	80,511
Civil Parking Infraction	1,800	1,800	2,380	580
Criminal Traffic Misdemeanor	183,000	183,000	172,472	(10,528)
Criminal Non-Traffic Fines	31,750	31,750	34,536	2,786
Criminal Costs	4,400	4,400	2,118	(2,282)
Non-Court Fines, Forfeitures	20,000	20,000	506,558	486,558
Total Fines and Forfeits	1,497,750	1,497,750	2,123,768	626,018
Interest Earnings	1,775,500	1,775,500	2,381,837	606,337
Rents, Leases, Concessions	82,979	82,979	85,233	2,254
Interfund/Interdepartment Miscellaneous	-	-	-	-
Contributions/Donations	35,885	35,885	23,313	(12,572)
Other Miscellaneous Revenue	30,583	30,583	94,031	63,448
Total Miscellaneous Revenues	1,924,947	1,924,947	2,584,414	659,467
Agency Type Deposits	2,000	2,000	1,977	(23)
Total Non-Revenues	2,000	2,000	1,977	(23)
Total Revenues	50,592,220	50,715,282	52,778,498	2,063,216

SKAGIT COUNTY, WASHINGTON
Schedule of Expenditures Budget (GAAP Basis) and Actual
For the Year Ending December 31, 2017

	<u>Budgeted Amounts</u>		Actual	Variance with Final Budget
	Original Budget	Final Budget		
<u>General Government</u>				
<u>Assessor</u>				
Salaries and Wages	1,159,482	1,159,482	1,119,960	(39,522)
Personnel Benefits	613,324	613,324	586,051	(27,273)
Supplies	6,000	4,000	3,576	(424)
Other Services and Charges	35,000	39,000	50,252	11,252
Interfund Payments for Services	14,802	14,802	-	(14,802)
Total Assessor	1,828,608	1,830,608	1,759,839	(70,769)
<u>Auditor</u>				
Salaries and Wages	851,510	881,658	847,734	(33,924)
Personnel Benefits	397,274	397,274	394,140	(3,134)
Supplies	15,700	15,700	12,026	(3,674)
Other Services and Charges	17,000	17,000	14,642	(2,358)
Total Auditor	1,281,484	1,311,632	1,268,541	(43,090)
<u>Board of Equalization</u>				
Salaries and Wages	28,350	32,608	21,733	(10,875)
Personnel Benefits	2,768	5,188	3,495	(1,693)
Supplies	100	100	48	(52)
Other Services and Charges	1,075	1,075	-	(1,075)
Total Board of Equalization	32,293	38,971	25,276	(13,695)
<u>Commissioners</u>				
Salaries and Wages	452,427	454,427	453,155	(1,272)
Personnel Benefits	169,068	172,968	169,076	(3,892)
Supplies	2,500	2,500	1,335	(1,165)
Other Services and Charges	34,095	34,095	29,041	(5,054)
Total Commissioners	658,090	663,990	652,607	(11,383)
<u>Administrative Services</u>				
Salaries and Wages	604,806	635,806	629,662	(6,144)
Personnel Benefits	240,160	251,060	245,943	(5,117)
Supplies	7,000	7,000	6,501	(499)
Other Services and Charges	195,730	195,730	133,470	(62,260)
Total Administrative Services	1,047,696	1,089,596	1,015,576	(74,020)
<u>General Maintenance</u>				
Salaries and Wages	698,388	698,388	637,273	(61,115)
Personnel Benefits	391,850	391,850	359,683	(32,167)
Supplies	207,500	207,500	134,064	(73,436)
Other Services and Charges	967,397	1,010,796	892,330	(118,466)
Interfund Payments for Services	49,848	6,449	-	(6,449)
Total General Maintenance	2,314,983	2,314,983	2,023,350	(291,633)

SKAGIT COUNTY, WASHINGTON
Schedule of Expenditures Budget (GAAP Basis) and Actual
For the Year Ending December 31, 2017

<u>Prosecuting Attorney</u>					-
Salaries and Wages	2,791,352	2,811,406	2,766,289	(45,117)	
Personnel Benefits	1,212,459	1,218,561	1,179,256	(39,305)	
Supplies	32,750	32,750	25,393	(7,357)	
Other Services and Charges	273,150	280,619	163,354	(117,265)	
Interfund Payments for Services	7,469	-	-	-	
Total Prosecuting Attorney	4,317,180	4,343,336	4,134,292	(209,044)	
<u>Treasurer</u>					-
Salaries and Wages	611,327	611,327	608,125	(3,202)	
Personnel Benefits	284,287	284,287	283,307	(980)	
Supplies	17,000	17,000	11,412	(5,588)	
Other Services and Charges	160,050	160,050	131,482	(28,568)	
Total Treasurer	1,072,664	1,072,664	1,034,326	(38,338)	
<u>Non Departmental Expenditures</u>					-
Salaries and Wages	-	-	-	-	
Personnel Benefits	145,358	145,358	63,150	(82,208)	
Supplies	-	-	998	998	
Other Services and Charges	2,498,148	7,115,288	6,702,571	(412,717)	
Interfund Payments for Services	6,280,324	1,290,583	(890,508)	(2,181,091)	
Total Non Departmental Expenditures	8,923,830	8,551,229	5,876,211	(2,675,018)	
Total General Government					\$ (3,426,990)
\$ 21,476,828					\$ 21,217,009
\$ 17,790,019					\$ (3,426,990)
\$ (3,426,990)					
<u>Judicial</u>					
<u>County Clerk</u>					-
Salaries and Wages	1,036,556	1,038,556	1,023,096	(15,460)	
Personnel Benefits	521,081	521,081	512,318	(8,763)	
Supplies	38,500	38,500	26,844	(11,656)	
Other Services and Charges	28,100	32,600	21,583	(11,017)	
Total County Clerk	1,624,237	1,630,737	1,583,841	(46,896)	
<u>District Court</u>					-
Salaries and Wages	1,539,911	1,543,915	1,479,119	(64,796)	
Personnel Benefits	659,629	661,960	632,831	(29,129)	
Supplies	18,000	23,300	21,886	(1,414)	
Other Services and Charges	69,050	77,970	87,431	9,461	
Interfund Payments for Services	-	-	-	-	
Total District Court	2,286,590	2,307,145	2,221,267	(85,878)	
<u>Public Defender</u>					-
Salaries and Wages	1,933,359	1,933,359	1,852,810	(80,549)	
Personnel Benefits	844,551	844,551	794,937	(49,614)	
Supplies	12,500	16,500	20,352	3,852	
Other Services and Charges	397,971	456,471	439,981	(16,490)	
Total Public Defender	3,188,381	3,250,881	3,108,080	(142,801)	
<u>Superior Courts</u>					-
Salaries and Wages	1,139,714	1,139,714	1,126,821	(12,893)	
Personnel Benefits	359,071	359,071	355,144	(3,927)	
Supplies	21,470	21,470	12,852	(8,618)	
Other Services and Charges	399,044	567,344	526,106	(41,238)	
Total Superior Courts	1,919,299	2,087,599	2,020,923	(66,676)	

SKAGIT COUNTY, WASHINGTON
Schedule of Expenditures Budget (GAAP Basis) and Actual
For the Year Ending December 31, 2017

<u>Assigned Counsel</u>				
Salaries and Wages	153,951	171,951	170,439	(1,512)
Personnel Benefits	79,960	85,460	83,934	(1,526)
Supplies	1,500	1,500	1,412	(88)
Other Services and Charges	466,300	691,300	565,259	(126,041)
Total Assigned Counsel	701,711	950,211	821,044	(129,167)
<u>Mediation Services</u>				
Other Services and Charges	79,310	79,310	73,215	(6,095)
Total Mediation Services	79,310	79,310	73,215	(6,095)
Total Judicial				
	\$ 9,799,528	\$ 10,305,883	\$ 9,828,370	\$ (477,513)
Public Safety				
<u>District Court Probation</u>				
Salaries and Wages	352,035	352,035	366,537	14,502
Personnel Benefits	159,811	159,811	161,984	2,173
Supplies	3,000	3,000	1,727	(1,273)
Other Services and Charges	5,650	5,650	2,941	(2,709)
Total District Court Probation	520,496	520,496	533,189	12,693
<u>Non-Departmental - County Jail Costs</u>				
Interfund Payments for Services	10,155,330	10,313,330	10,313,330	-
Total Non-Departmental - County Jail Costs	10,155,330	10,313,330	10,313,330	-
<u>Office of Juvenile Court</u>				
Salaries and Wages	1,886,135	1,886,135	1,828,479	(57,656)
Personnel Benefits	913,260	913,260	889,383	(23,877)
Supplies	22,850	27,650	26,390	(1,260)
Other Services and Charges	64,923	97,985	67,872	(30,113)
Interfund Payments for Services	1,923	6,548	4,625	(1,923)
Total Office of Juvenile Court	2,889,091	2,931,578	2,816,749	(114,829)
<u>Civil Service Commission</u>				
Salaries and Wages	27,245	27,245	19,623	(7,622)
Personnel Benefits	6,062	6,062	4,668	(1,394)
Supplies	-	-	-	-
Other Services and Charges	1,795	1,795	720	(1,075)
Total Civil Service Commission	35,102	35,102	25,011	(10,091)
<u>Sheriff</u>				
Salaries and Wages	5,249,938	5,407,438	5,089,528	(317,910)
Personnel Benefits	2,340,052	2,364,384	2,215,992	(148,392)
Supplies	93,635	93,635	83,918	(9,717)
Other Services and Charges	214,040	997,018	1,007,269	10,251
Interfund Payments for Services	1,100,217	364,239	373,751	9,512
Total Sheriff	8,997,882	9,226,714	8,770,458	(456,256)
Total Public Safety				
	\$ 22,597,901	\$ 23,027,220	\$ 22,458,737	\$ (568,483)

SKAGIT COUNTY, WASHINGTON
Schedule of Expenditures Budget (GAAP Basis) and Actual
For the Year Ending December 31, 2017

Physical Environment

<u>Sustainability</u>					-
Salaries and Wages	4,016	4,516	4,219	(297)	
Personnel Benefits	1,626	1,736	1,696	(40)	
Supplies	5,000	5,000	-	(5,000)	
Other Services and Charges	-	-	608	608	
Interfund Payments for Services	-	-	-	-	
Total Sustainability	<u>10,642</u>	<u>11,252</u>	<u>6,523</u>	<u>(4,729)</u>	
Total Physical Environment					
	\$ 10,642	\$ 11,252	\$ 6,523	\$ (4,729)	

Economic Environment

<u>Boundary Review Board</u>					-
Salaries and Wages	1,080	1,591	1,308	(283)	
Personnel Benefits	154	445	291	(154)	
Supplies	-	-	-	-	
Other Services and Charges	10,000	10,000	4,936	(5,064)	
Total Boundary Review Board	<u>11,234</u>	<u>12,036</u>	<u>6,535</u>	<u>(5,501)</u>	

Hearing Examiner

					-
Salaries and Wages	9,996	13,743	11,276	(2,467)	
Personnel Benefits	1,388	3,517	2,301	(1,216)	
Supplies	100	100	69	(31)	
Other Services and Charges	65,000	65,000	60,000	(5,000)	
Total Hearing Examiner	<u>76,484</u>	<u>82,360</u>	<u>73,646</u>	<u>(8,714)</u>	

Animal Control

					-
Salaries and Wages	52,770	52,770	52,909	139	
Personnel Benefits	27,892	27,892	29,065	1,173	
Supplies	3,000	3,000	294	(2,706)	
Other Services and Charges	31,500	43,884	26,869	(17,015)	
Interfund Payments for Service	12,384	-	-	-	
Total Animal Control	<u>127,546</u>	<u>127,546</u>	<u>109,137</u>	<u>(18,409)</u>	

Noxious Weed Control

					-
Salaries and Wages	85,357	109,357	104,628	(4,729)	
Personnel Benefits	35,459	35,459	30,335	(5,124)	
Supplies	4,625	7,625	6,558	(1,067)	
Other Services and Charges	5,955	11,955	17,243	5,288	
Interfund Payments for Service	12,925	12,925	-	(12,925)	
Total Noxious Weed Control	<u>144,321</u>	<u>177,321</u>	<u>158,764</u>	<u>(18,557)</u>	

AG Advisory Board

					-
Salaries and Wages	3,057	3,057	2,364	(693)	
Personnel Benefits	1,438	1,438	1,372	(66)	
Other Services and Charges	100	100	26	(74)	
Total AG Advisory Board	<u>4,595</u>	<u>4,595</u>	<u>3,762</u>	<u>(833)</u>	

Total Economic Environment **\$ 364,180** **\$ 403,858** **\$ 351,844** **\$ (52,014)**

**Schedule of Expenditures Budget (GAAP Basis) and Actual
General Fund
For the Year Ended December 31, 2017**

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance with Final Budget</u>
	<u>Original Budget</u>	<u>Final Budget</u>		
Health and Human Services				
<u>Coroner</u>				
Salaries and Wages	147,829	174,829	174,078	(751)
Personnel Benefits	67,684	69,684	69,660	(24)
Supplies	6,000	11,000	8,522	(2,478)
Other Services and Charges	143,000	121,000	119,233	(1,767)
Interfund Payment for Services	11,812	11,812	-	(11,812)
Total Coroner Extension	<u>376,325</u>	<u>388,325</u>	<u>371,493</u>	<u>(16,832)</u>
Total Health and Human Services	\$ 376,325	\$ 388,325	\$ 371,493	\$ (16,832)
Culture and Recreation				
<u>Cooperative Extension</u>				
Salaries and Wages	-	-	-	-
Personnel Benefits	-	-	-	-
Supplies	-	-	-	-
Other Services and Charges	326,864	326,864	326,864	-
Total Cooperative Extension	<u>326,864</u>	<u>326,864</u>	<u>326,864</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	\$ 481,364	\$ 481,364	\$ 481,364	\$ -
Capital Outlay				
<u>Capital Outlay</u>				
Capital Outlay	20,000	80,000	74,626	(5,374)
Total Capital Outlay	<u>20,000</u>	<u>80,000</u>	<u>74,626</u>	<u>(5,374)</u>
TOTAL EXPENDITURES	<u>\$ 55,126,768</u>	<u>\$ 55,914,911</u>	<u>\$ 51,362,976</u>	<u>\$ (4,551,935)</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, 2017

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance</u>
	<u>Original</u>	<u>Final</u>		
Budgeted Fund Balance, January 1	\$ 715,093	\$ 809,251	\$ 7,635,672	
Resources (in-flows)				
General Property Taxes	306,149	312,649	347,673	35,024
Timber Harvest Taxes	9,895	9,895	8,031	(1,864)
Excise Taxes	2,817,864	2,966,147	3,054,927	88,780
Licenses and Permits				-
Intergovernmental Revenues	2,104,145	2,235,965	2,401,616	165,651
Charges for Services	-	3,500,000	48,380	(3,451,620)
Interest Earnings	7,504	7,504	59,923	52,419
Other Revenue	99	99	5,024	4,925
Total Resources (in-flows)	<u>5,245,656</u>	<u>9,032,259</u>	<u>5,925,574</u>	<u>(3,106,685)</u>
Amounts Available for Appropriation	5,960,749	9,841,510	13,561,246	
Charges to Appropriations (out-flows)				
Health and Human Services	5,743,424	9,624,185	4,979,204	(4,644,981)
Transfers Out	217,325	217,325	290,998	73,673
Amount Charged to Appropriations (out-flows)	<u>5,960,749</u>	<u>9,841,510</u>	<u>5,270,202</u>	<u>(4,571,308)</u>
Budgeted Fund Balance, December 31	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 8,291,044</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, 2017

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance</u>
	<u>Original</u>	<u>Final</u>		
Budgeted Fund Balance, January 1	\$ 1,227,866	\$ 1,227,866	\$ 8,122,360	
Resources (in-flows)				
General Property Taxes	13,268,061	13,268,061	13,333,609	65,548
Timber Harvest Taxes	-	-	-	-
Excise Taxes	350,000	350,000	503,547	153,547
Licenses and Permits	4,000	4,000	99,329	95,329
Intergovernmental Revenues	21,137,207	21,137,207	12,887,702	(8,249,505)
Charges for Services	2,378,000	2,378,000	2,148,690	(229,310)
Interest Earnings	1,100	1,100	1,476	376
Other Revenue	56,000	56,000	158,587	102,587
Total Resources (in-flows)	<u>37,194,368</u>	<u>37,194,368</u>	<u>29,132,940</u>	<u>(8,061,428)</u>
Amounts Available for Appropriation	38,422,234	38,422,234	37,255,300	
Charges to Appropriations (out-flows)				
General Government	94,686	94,686	94,327	(359)
Transportation	22,456,002	22,456,002	19,498,234	(2,957,768)
Capital Expenditures	15,871,546	15,871,546	8,370,741	(7,500,805)
Transfers Out	-	-	-	-
Amount Charged to Appropriations (out-flows)	<u>38,422,234</u>	<u>38,422,234</u>	<u>27,963,302</u>	<u>(10,458,932)</u>
Budgeted Fund Balance, December 31	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 9,291,998</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, 2017

	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024
Employer's proportion of the net pension liability (asset)	0.300733%	0.295309%	0.29139100%							
Employer's proportionate share of the net pension liability	\$ 15,731,133	\$ 15,859,484	\$ 13,826,730							
Total	15,731,133	15,859,484	13,826,730	-	-	-	-	-	-	-
Employer's covered employee payroll	\$ 797,955	\$ 34,496,770	\$ 32,640,636							
Employer's proportionate share of the net pension liability as a percentage of covered employee payroll	1971.4307%	45.9738%	42.3605%							
Plan fiduciary net position as a percentage of the total pension liability	59.10%	57.03%	61.24%							

PERS Plan 2/3
As of June 30, 2017

	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024
Employer's proportion of the net pension liability (asset)	0.342725%	0.333619%	0.326842%							
Employer's proportionate share of the net pension liability	\$ 12,245,760	\$ 16,797,453	\$ 11,356,197							
Total	12,245,760	16,797,453	11,356,197	-	-	-	-	-	-	-
Employer's covered employee payroll	\$ 30,413,995	\$ 31,186,047	\$ 32,054,586							
Employer's proportionate share of the net pension liability as a percentage of covered employee payroll	40.263568%	53.862078%	35.427683%							
Plan fiduciary net position as a percentage of the total pension liability	89.20%	85.82%	90.97%							

Required Supplementary Information
Schedule of Proportionate Share of the Net Pension Liability
PSERS 2
As of June 30, 2017

	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024
Employer's proportion of the net pension liability (asset)	0.773485%	0.841384%	94.624600%							
Employer's proportionate share of the net pension liability	\$ 141,176	\$ 357,571	\$ 185,398							
Total	141,176	357,571	185,398	-	-	-	-	-	-	-
Employer's covered employee payroll	\$ 2,264,702	\$ 2,727,837	\$ 3,350,233							
Employer's proportionate share of the net pension liability as a percentage of covered employee payroll	6.2337762%	13.1082269%	5.5338838%							
Plan fiduciary net position as a percentage of the total pension liability	95.08%	90.41%	96.26%							

LEOFF 1
As of June 30, 2017

	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024
Employer's proportion of the net pension liability	0.024877%	0.02478%	0.02462300%							
Employer's proportionate share of the net pension liability (asset)	\$ (299,823)	\$ (255,325)	\$ (373,585)							
Total	(299,823)	(255,325)	(373,585)	-	-	-	-	-	-	-
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%	135.96%							

Required Supplementary Information
Schedule of Proportionate Share of the Net Pension Liability
LEOFF 2
As of June 30, 2017

	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024
Employer's proportion of the net pension liability (asset)	0.1464060%	0.155763%	0.14759200%							
State's proportionate share of the net pension liability (asset) associated with the employer	39.80258%	39.464647%	39.34546%							
Employer's proportionate share of the net pension liability	\$ (1,504,761)	\$ (905,964)	\$ (2,048,099)							
Total	(1,504,760)	(905,964)	(2,048,099)	-	-	-	-	-	-	-
Employer's covered employee payroll	\$ 4,249,285	\$ 4,718,706	\$ 4,616,954							
Employer's proportionate share of the net pension liability as a percentage of covered employee payroll	-35.412099%	-19.199416%	-44.360394%							
Plan fiduciary net position as a percentage of the total pension liability	111.67%	106.04%	113.36%							

**Required Supplementary Information
Schedule of Employer Contributions
PERS Plan 1
As of December 31, 2017
Last 10 Fiscal Years***

	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024
Contractually required contributions	1,382,161	1,674,692.85	1,752,793.87							
Contributions in relation to the contractually required contributions	1,382,161	1,646,844.69	1,752,793.87							
Contribution deficiency (excess)	-									
Covered Employer Payroll	\$ 797,955	\$ 32,315,060	\$ 37,048,982							
Contributions as a percentage of covered employee payroll	173.2129%	5.1824%	4.7310%							

* 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, 2017
Last 10 Fiscal Years***

	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024
Contractually required contributions	1,526,676	1,925,953	1,996,317							
Contributions in relation to the contractually required contributions	1,526,676	1,890,136	1,996,317							
Contribution deficiency (excess)	-	35,817								
Covered Employer Payroll	30,413,995	30,353,338	32,473,793							
Contributions as a percentage of covered employee payroll	5.0196497%	6.3451110%	6.1474720%							

* 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, 2017
Last 10 Fiscal Years***

	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024
Contractually required contributions	144,140	186,909	220,781							
Contributions in relation to the contractually required contributions	144,140	186,909	220,781							
Contribution deficiency (excess)	-	-								
Covered Employer Payroll	\$ 2,264,702	\$ 2,836,671	3,982,876							
Contributions as a percentage of covered employee payroll	6.364611%	6.589011%	5.543262%							

* 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	\$ 226,832	\$ 233,156							
Contributions in relation to the contractually required contributions	214,589	228,832	233,156							
Contribution deficiency (excess)	-	(2,000)								
Covered Employer Payroll	4,249,285	4,531,335	4,684,013							
Contributions as a percentage of covered employee payroll	5.0500058%	5.0058537%	4.9776962%							

* 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
12/31/2017**

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%
2017	1/1/2018	\$ -	\$ 5,402,535	\$ 5,402,535	0%	\$ 261,863	\$ 40,828,035	0.64%

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	3%

* The healthcare cost trend is the percent that medical costs are expected to increase in future years. The expected medical inflation trend starts at 8.0% to grade uniformly to 5.0% over a 10 year period. expected long-term care inflation trend is 4.5% for all years. These were developed from health care actuaries contracted at BPS&M

Please see Note VI D for further information.

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Individual and Combining Statements and Schedules



SKAGIT COUNTY, WASHINGTON
COMBINING BALANCE SHEET
NONMAJOR GOVERNMENTAL FUNDS
AS OF DECEMBER 31, 2017

	Non Major Funds			Total
	Special	Debt	Capital	
	Revenue	Service	Project	
ASSETS and OUTFLOWS of RESOURCES				
Cash/Cash Equivalents	\$ 15,430,283	\$ 817,434	\$ 3,292,564	\$ 19,540,281
Investments	5,562,478	1,029,626	9,922,050	16,514,154
Taxes Receivable	214,481	40	-	214,521
Accounts Receivable	-	-	-	-
Due From Other Funds	36,709	-	-	36,709
Due From Other Governmental Units	2,194,360	-	496,776	2,691,134
Interfund Loan Receivable	1,000	89,033	-	90,033
Inventory/Prepayments	150,000	-	-	150,000
Total Assets	23,589,312	1,936,133	13,711,389	39,236,833
Deferred Outflows of Resources				
Total Assets and Deferred Outflows of Resources	<u>23,589,312</u>	<u>1,936,133</u>	<u>13,711,389</u>	<u>39,236,833</u>
LIABILITIES, DEFERRED INFLOWS of RESOURCES and FUND BALANCES				
<u>Liabilities</u>				
Accounts/Vouchers Payable	1,094,219	-	\$ 156,640	1,250,853
Due To Other Funds	548,279	-	17,978	566,257
Due To Other Governmental Units	(73,234)	-	-	(73,234)
Accrued Wages Payable	242,667	-	-	242,667
Accrued Employee Benefits	118,245	-	-	118,245
Custodial Accounts	46,813	-	-	46,813
Deferred Revenue	272,043	-	-	272,043
Long-Term Interfund Loans Payable	-	90,033	-	90,033
Total Liabilities	2,249,034	90,033	174,618	2,513,680
Deferred Inflows of Resources	<u>362,953</u>	<u>40</u>		<u>362,993</u>
<u>Fund Balance</u>				
Nonspendable	0		-	-
Restricted	12,219,860	1,846,060	13,536,771	27,602,691
Committed	8,757,463		-	8,757,463
Assigned	-		-	-
Unassigned	-	-	-	-
Total Fund Balances	20,977,324	1,846,060	13,536,771	36,360,159
Total Liabilities, Deferred Inflows of Resources and Fund Balances	<u>\$ 23,589,311</u>	<u>\$ 1,936,133</u>	<u>\$ 13,711,389</u>	<u>\$ 39,236,832</u>

SKAGIT COUNTY, WASHINGTON
COMBINING STATEMENT OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCE
NONMAJOR GOVERNMENTAL FUNDS
FOR THE YEAR ENDED DECEMBER 31, 2017

	Non Major Funds			
	Special Revenue	Debt Service	Capital Project	Total
<u>Revenues</u>				
Property Taxes	\$8,468,162	-	\$2,043,447	\$ 10,511,609
Sales and Use Taxes	5,031,518		2,774,164	7,805,682
Other Taxes	193,717		-	193,717
Licenses and Permits	1,298,942	-	-	1,298,942
Intergovernmental	5,277,712	-	-	5,277,712
Charges for Services	3,351,652	-	11,305	3,362,957
Fines and Forfeits	132,966	-	-	132,966
Interest Earnings	52,592	68,297	73,838	194,727
Donations	639,769	-	-	639,769
Other Revenues	368,609	365,973	-	734,582
Total Revenues	<u>24,815,640</u>	<u>434,269</u>	<u>4,902,754</u>	<u>30,152,664</u>
<u>Expenditures</u>				
Current:				
General Governmental Services	969,980	-	-	969,979
Public Safety	10,617,384	-	-	10,617,384
Physical Environment	2,680,405	-	-	2,680,405
Transportation	195,965	-	-	195,965
Economic Environment	3,439,048	-	2,493,593	5,932,641
Health and Human Services	6,934,372	-	-	6,934,372
Culture and Recreation	1,960,676	-	218,000	2,178,676
Debt Service:	-	-	-	-
Principal	-	1,791,191	-	1,791,191
Interest	-	578,051	-	578,051
Capital Outlay	-	-	4,099,729	4,099,729
Total Expenditures	<u>26,797,830</u>	<u>2,369,239</u>	<u>6,811,322</u>	<u>35,978,393</u>
Excess (Deficit) Revenues Over Expenditures	<u>(1,982,190)</u>	<u>(1,934,970)</u>	<u>(1,908,568)</u>	<u>(5,825,729)</u>
<u>Other Financing Sources (Uses)</u>				
<u>Interfund Loan receivable</u>				
Proceeds of Long-Term Debt	296,545	616,769	-	913,314
Proceeds of Capital Assets	5,100	-	837,000	842,100
Transfers In	5,100,035	1,535,415	2,211,676	8,847,126
Transfers Out	(124,875)	-	(3,169,180)	(3,294,055)
Total Other Financing Source (Uses)	<u>5,276,805</u>	<u>2,152,184</u>	<u>(120,504)</u>	<u>7,308,485</u>
Net Change in Fund Balance	<u>3,294,615</u>	<u>217,214</u>	<u>(2,029,072)</u>	<u>1,482,756</u>
Fund Balance-January 1	17,682,714	1,628,846	15,565,843	34,877,403
Prior Period Adjustment	-	-	-	-
Fund Balance-December 31	<u>20,977,329</u>	<u>1,846,060</u>	<u>13,536,771</u>	<u>\$ 36,360,159</u>

SKAGIT COUNTY, WASHINGTON
NONMAJOR SPECIAL REVENUE FUNDS
AS OF DECEMBER 31, 2017

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, 2017

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, 2017

ASSETS and OUTFLOWS of RESOURCES	Public Health	Special Paths	Emergency Mgmt	County Fair
Cash and Cash Equivalents	\$1,410,799	\$339,232	\$215,782	\$772,713
Investments	101,247	58,847		
Taxes Receivable				
Accounts Receivable			-	
Due from Other Funds	-		-	1,000
Due from Other Governments	353,544		-	
Interfund Loans Receivable				
Inventories	-			
Prepaid Items				
Total Assets	<u>1,865,590</u>	<u>398,079</u>	<u>215,782</u>	<u>773,713</u>
Deferred Outflows of Resources				
Total Assets and Deferred Outflows of Resources	<u>1,865,590</u>	<u>398,079</u>	<u>215,782</u>	<u>773,713</u>
LIABILITIES, DEFERRED INFLOWS of REOURCES and FUND BALANCES				
<u>Liabilities</u>				
Accounts and Vouchers Payable	12,584	5,493	884	2,179
Due to Other Funds	251,526	3,224	72,113	9,560
Due to Other Governments	-	-	-	
Accrued Wages Payable	64,442	3,247	5,463	3,082
Accrued Employee Benefits	15,149	778	1,212	800
Custodial Accounts	(90)			250
Unearned Revenue	-			123,555
Interfund Loans Payable				
Total Liabilities	<u>343,610</u>	<u>12,741</u>	<u>79,673</u>	<u>139,426</u>
Deferred Inflows of Resources	69,018			
<u>Fund Balance</u>				
Nonspendable	-			
Restricted	1,006,467	385,337		
Committed	446,495		136,109	634,288
Assigned				
Unassigned				
Total Fund Balances	<u>1,452,962</u>	<u>385,337</u>	<u>136,109</u>	<u>634,288</u>
Total Liabilities, Deferred Inflows of Resources and Fund Balances	<u>1,865,591</u>	<u>398,079</u>	<u>215,782</u>	<u>773,713</u>

SKAGIT COUNTY, WASHINGTON
COMBINING BALANCE SHEET
NONMAJOR SPECIAL REVENUE FUNDS
AS OF DECEMBER 31, 2017

ASSETS and OUTFLOWS of RESOURCES	Veterans' Relief	Law Library	River Imp	Treasurer O&M
Cash and Cash Equivalents	\$719,377	\$54,476	\$12,455	\$29,690
Investments			14,959	284,702
Taxes Receivable	5,031			
Accounts Receivable			-	
Due from Other Funds			-	
Due from Other Governments			40,094	
Interfund Loans Receivable				
Inventories				
Prepaid Items				
Total Assets	724,408	54,476	67,508	314,392
Deferred Outflows of Resources				
Total Assets and Deferred Outflows of Resources	724,408	54,476	67,508	314,392
LIABILITIES, DEFERRED INFLOWS of RECOURCES and FUND BALANCES				
<u>Liabilities</u>				
Accounts and Vouchers Payable	38,545	2,157	45,554	-
Due to Other Funds	3,761		-	
Due to Other Governments		-		
Accrued Wages Payable		2,269	1,518	-
Accrued Employee Benefits		447	348	
Custodial Accounts				
Unearned Revenue				
Interfund Loans Payable				
Total Liabilities	42,306	4,874	47,420	-
Deferred Inflows of Resources	5,031			
<u>Fund Balance</u>				
Nonspendable				
Restricted	677,071	49,603	20,088	314,392
Committed				
Assigned				
Unassigned				
Total Fund Balances	677,071	49,603	20,088	314,392
Total Liabilities, Deferred Inflows of Resources and Fund Balances	724,408	54,477	67,508	314,392

SKAGIT COUNTY, WASHINGTON
COMBINING BALANCE SHEET
NONMAJOR SPECIAL REVENUE FUNDS
AS OF DECEMBER 31, 2017

ASSETS and OUTFLOWS of RESOURCES	Document			Substance
	Preserv	Election	Parks & Rec	Abuse
Cash and Cash Equivalents	\$101,286	\$685,522	\$599,826	\$500,064
Investments	629,656		399,699	
Taxes Receivable				
Accounts Receivable	-	-		-
Due from Other Funds			(1,100)	36,809
Due from Other Governments		-		(76,344)
Interfund Loans Receivable				
Inventories				
Prepaid Items			150,000	
Total Assets	<u>730,942</u>	<u>685,522</u>	<u>1,148,425</u>	<u>460,530</u>
Deferred Outflows of Resources				
Total Assets and Deferred Outflows of Resources	<u>730,942</u>	<u>685,522</u>	<u>1,148,425</u>	<u>460,530</u>
LIABILITIES, DEFERRED INFLOWS of RECOURCES and FUND BALANCES				
<u>Liabilities</u>				
Accounts and Vouchers Payable	5,549	12,044	17,632	57,344
Due to Other Funds		7,437		8,919
Due to Other Governments		-	-	
Accrued Wages Payable	2,145	7,653	20,325	-
Accrued Employee Benefits	366	1,626	4,789	1,045
Custodial Accounts			4,210	310
Unearned Revenue			138,556	
Interfund Loans Payable		-		
Total Liabilities	<u>8,060</u>	<u>28,761</u>	<u>185,512</u>	<u>67,618</u>
Deferred Inflows of Resources				
<u>Fund Balance</u>				
Nonspendable				
Restricted	722,882			392,912
Committed		656,761	962,912	
Assigned				
Unassigned				
Total Fund Balances	<u>722,882</u>	<u>656,761</u>	<u>962,912</u>	<u>392,912</u>
Total Liabilities, Deferred Inflows of Resources and Fund Balances	<u>730,942</u>	<u>685,522</u>	<u>1,148,425</u>	<u>460,530</u>

SKAGIT COUNTY, WASHINGTON
COMBINING BALANCE SHEET
NONMAJOR SPECIAL REVENUE FUNDS
AS OF DECEMBER 31, 2017

ASSETS and OUTFLOWS of RESOURCES	Community Services	Conv. Center	Clean Water	Conserv. Futures
Cash and Cash Equivalents	\$282,405	\$358,628	\$83,616	\$2,568,696
Investments		131,822	-	672,623
Taxes Receivable			61,410	19,011
Accounts Receivable	-	-	-	
Due from Other Funds			-	
Due from Other Governments	151,228	61,902	289,151	-
Interfund Loans Receivable				
Inventories				
Prepaid Items				
Total Assets	433,633	552,353	434,177	3,260,330
Deferred Outflows of Resources				
Total Assets and Deferred Outflows of Resources	433,633	552,353	434,177	3,260,330
 LIABILITIES, DEFERRED INFLOWS of REOURCES and FUND BALANCES				
<u>Liabilities</u>				
Accounts and Vouchers Payable	102,662	45,214	92,578	19
Due to Other Funds	-	-	46,266	12,780
Due to Other Governments	(74,771)			
Accrued Wages Payable	29,072		18,034	992
Accrued Employee Benefits	6,050		3,965	217
Custodial Accounts				
Unearned Revenue				
Interfund Loans Payable				
Total Liabilities	63,012	45,214	160,843	14,008
Deferred Inflows of Resources			61,410	19,011
<u>Fund Balance</u>				
Nonspendable				
Restricted	111,186	507,139	211,924	3,227,312
Committed	259,434			
Assigned				
Unassigned				
Total Fund Balances	370,620	507,139	211,924	3,227,312
Total Liabilities, Deferred Inflows of Resources and Fund Balances	433,633	552,353	434,177	3,260,330

SKAGIT COUNTY, WASHINGTON
COMBINING BALANCE SHEET
NONMAJOR SPECIAL REVENUE FUNDS
AS OF DECEMBER 31, 2017

ASSETS and OUTFLOWS of RESOURCES	Medic 1	Crime Victim	Comm. System	Water Quality
Cash and Cash Equivalents	\$3,253,941	\$19,320	\$362,402	\$161,959
Investments	2,427,720	120,368		125,659
Taxes Receivable	125,891			-
Accounts Receivable			-	
Due from Other Funds				
Due from Other Governments			757,273	221,524
Interfund Loans Receivable				
Inventories				
Prepaid Items				
Total Assets	5,807,553	139,688	1,119,674	509,142
Deferred Outflows of Resources				
Total Assets and Deferred Outflows of Resources	5,807,553	139,688	1,119,674	509,142
 LIABILITIES, DEFERRED INFLOWS of RECOURCES and FUND BALANCES				
<u>Liabilities</u>				
Accounts and Vouchers Payable	162,196	64	3,980	26,073
Due to Other Funds	118,670			-
Due to Other Governments	1,537			
Accrued Wages Payable	11,987	772		95
Accrued Employee Benefits	57,860	174		
Custodial Accounts	18,669			
Unearned Revenue	-			-
Interfund Loans Payable				
Total Liabilities	370,921	1,011	3,980	26,168
Deferred Inflows of Resources	133,891			
<u>Fund Balance</u>				
Nonspendable				
Restricted		138,677	1,115,694	482,974
Committed	5,302,741			
Assigned				
Unassigned				
Total Fund Balances	5,302,741	138,677	1,115,694	482,974
Total Liabilities, Deferred Inflows of Resources and Fund Balances	5,807,553	139,688	1,119,674	509,142

SKAGIT COUNTY, WASHINGTON
COMBINING BALANCE SHEET
NONMAJOR SPECIAL REVENUE FUNDS
AS OF DECEMBER 31, 2017

ASSETS and OUTFLOWS of RESOURCES	Planning & Development	Lake Mgmt Dist. 1	Lake Mgmt Dist. 2	Lake Mgmt Dist. 3
Cash and Cash Equivalents	\$1,593,621	\$138,303	\$68,470	\$76,470
Investments		-	-	-
Taxes Receivable		1,800	180	390
Accounts Receivable				
Due from Other Funds	-			
Due from Other Governments	38,657			
Interfund Loans Receivable				
Inventories				
Prepaid Items				
Total Assets	1,632,278	140,103	68,650	76,860
Deferred Outflows of Resources				
Total Assets and Deferred Outflows of Resources	1,632,278	140,103	68,650	76,860
LIABILITIES, DEFERRED INFLOWS of REOURCES and FUND BALANCES				
<u>Liabilities</u>				
Accounts and Vouchers Payable	21,166	44,425	12,709	35,360
Due to Other Funds	-			
Due to Other Governments	-			
Accrued Wages Payable	67,727	38	38	38
Accrued Employee Benefits	23,418			
Custodial Accounts				
Unearned Revenue	9,932	-	-	-
Interfund Loans Payable	-			
Total Liabilities	122,243	44,463	12,748	35,398
Deferred Inflows of Resources	-	1,800	180	390
<u>Fund Balance</u>				
Nonspendable				
Restricted	1,510,036	93,839	55,722	41,071
Committed				
Assigned				
Unassigned				
Total Fund Balances	1,510,036	93,839	55,722	41,071
Total Liabilities, Deferred Inflows of Resources and Fund Balances	1,632,279	140,102	68,650	76,860

SKAGIT COUNTY, WASHINGTON
COMBINING BALANCE SHEET
NONMAJOR SPECIAL REVENUE FUNDS
AS OF DECEMBER 31, 2017

ASSETS and OUTFLOWS of RESOURCES	Lake Mgmt Dist. 4	Edison Clean Wtr	Drug Enforce.	Boating Safety
Cash and Cash Equivalents	\$42,918	\$167,091	\$5,729	\$36,791
Investments	-	200,307	171,918	40,475
Taxes Receivable	-	768		
Accounts Receivable				-
Due from Other Funds				-
Due from Other Governments			-	-
Interfund Loans Receivable		1,000		
Inventories				
Prepaid Items				
Total Assets	42,918	369,167	177,647	77,265
Deferred Outflows of Resources				
Total Assets and Deferred Outflows of Resources	42,918	369,167	177,647	77,265
 LIABILITIES, DEFERRED INFLOWS of RECOURCES and FUND BALANCES				
<u>Liabilities</u>				
Accounts and Vouchers Payable	14,972	8,676	-	550
Due to Other Funds				-
Due to Other Governments				-
Accrued Wages Payable	38			-
Accrued Employee Benefits				
Custodial Accounts				
Unearned Revenue	-	-		
Interfund Loans Payable				
Total Liabilities	15,010	8,676	-	550
Deferred Inflows of Resources	-	768		
<u>Fund Balance</u>				
Nonspendable				
Restricted	27,907	1,000	177,647	76,715
Committed		358,722		
Assigned				
Unassigned				
Total Fund Balances	27,907	359,722	177,647	76,715
Total Liabilities, Deferred Inflows of Resources and Fund Balances	42,918	369,167	177,647	77,265

SKAGIT COUNTY, WASHINGTON
COMBINING BALANCE SHEET
NONMAJOR SPECIAL REVENUE FUNDS
AS OF DECEMBER 31, 2017

ASSETS and OUTFLOWS of RESOURCES	Low Inc. Housing	Title III Projects	Treasurer REET	Housing Assistance
Cash and Cash Equivalents	\$115,048	\$2,162	\$202,336	\$316,899
Investments	-		68,935	29,305
Taxes Receivable				
Accounts Receivable				
Due from Other Funds				
Due from Other Governments	125,354			231,975
Interfund Loans Receivable				
Inventories				
Prepaid Items				
Total Assets	<u>240,402</u>	<u>2,162</u>	<u>271,271</u>	<u>578,179</u>
Deferred Outflows of Resources				
Total Assets and Deferred Outflows of Resources	<u>240,402</u>	<u>2,162</u>	<u>271,271</u>	<u>578,179</u>
 LIABILITIES, DEFERRED INFLOWS of RECOURCES and FUND BALANCES				
<u>Liabilities</u>				
Accounts and Vouchers Payable	24,350	2,145		279,397
Due to Other Funds	3,069			10,954
Due to Other Governments				
Accrued Wages Payable	130			3,562
Accrued Employee Benefits				
Custodial Accounts				
Unearned Revenue				
Interfund Loans Payable				
Total Liabilities	<u>27,549</u>	<u>2,145</u>	<u>-</u>	<u>293,912</u>
Deferred Inflows of Resources				71,455
<u>Fund Balance</u>				
Nonspendable				
Restricted	212,852	18	271,271	212,812
Committed				
Assigned				
Unassigned				
Total Fund Balances	<u>212,852</u>	<u>18</u>	<u>271,271</u>	<u>212,812</u>
Total Liabilities, Deferred Inflows of Resources and Fund Balances	<u>240,402</u>	<u>2,163</u>	<u>271,271</u>	<u>578,179</u>

SKAGIT COUNTY, WASHINGTON
COMBINING BALANCE SHEET
NONMAJOR SPECIAL REVENUE FUNDS
AS OF DECEMBER 31, 2017

ASSETS and OUTFLOWS of RESOURCES	Interlocal Invest.	TOTAL
Cash and Cash Equivalents	\$132,257	\$15,430,283
Investments	84,236	5,562,478
Taxes Receivable		214,481
Accounts Receivable	-	-
Due from Other Funds	-	36,709
Due from Other Governments	-	2,194,360
Interfund Loans Receivable		1,000
Inventories	-	-
Prepaid Items		150,000
Total Assets	216,493	23,589,312
Deferred Outflows of Resources		
Total Assets and Deferred Outflows of Resources	216,493	23,589,312
LIABILITIES, DEFERRED INFLOWS of REOURCES and FUND BALANCES		
<u>Liabilities</u>		
Accounts and Vouchers Payable	17,719	1,094,219
Due to Other Funds	-	548,279
Due to Other Governments	-	(73,234)
Accrued Wages Payable	-	242,667
Accrued Employee Benefits		118,245
Custodial Accounts	23,464	46,813
Unearned Revenue		272,043
Interfund Loans Payable		-
Total Liabilities	41,183	2,249,034
Deferred Inflows of Resources		362,953
<u>Fund Balance</u>		
Nonspendable		-
Restricted	175,310	12,219,860
Committed		8,757,463
Assigned		-
Unassigned		-
Total Fund Balances	175,310	20,977,324
Total Liabilities, Deferred Inflows of Resources and Fund Balances	216,493	23,589,311

SKAGIT COUNTY, WASHINGTON
COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND
CHANGES IN FUND BALANCE
NONMAJOR SPECIAL REVENUE FUNDS
FOR THE YEAR ENDED DECEMBER 31, 2017

REVENUES	Public Health	Special Paths	Emergency Mgmt	County Fair
Property Taxes				
Sales and Use Taxes				
Other Taxes				
Licenses and Permits	431,921		-	
Intergovernmental	1,453,610	169,220	212,437	34,392
Charges for Services	456,654		-	258,556
Fines and Forfeits	8,397			
Interest Earnings	858	499		1,529
Donations	61,000		-	38,410
Other Revenue	184			62,805
Total Revenue	<u>2,412,624</u>	<u>169,719</u>	<u>212,437</u>	<u>395,693</u>
EXPENDITURES				
Current:				
General Governmental Services				
Public Safety			397,420	
Utilities and Environment				
Transportation		195,965		
Economic Environment				
Health & Human Services	3,123,939			
Culture and Recreation				365,990
Debt Service:				
Principal				
Interest				
Capital Outlay			-	
Total Expenditures	<u>3,123,939</u>	<u>195,965</u>	<u>397,420</u>	<u>365,990</u>
Excess (Deficit) of Revenues Over Expenditures	<u>(711,316)</u>	<u>(26,246)</u>	<u>(184,983)</u>	<u>29,702</u>
Other Financing Sources (Uses)				
Proceeds from Long Term Debt				
Proceeds from Sale of Capital Assets				
Transfers In	1,105,478		158,096	15,000
Transfers Out				
Total Other Financial Sources (Uses)	<u>1,105,478</u>	<u>-</u>	<u>158,096</u>	<u>15,000</u>
Net Change in Fund Balance	<u>394,162</u>	<u>(26,246)</u>	<u>(26,887)</u>	<u>44,702</u>
Fund Balance, January 1	1,058,800	411,583	162,996	589,585
Prior Period Adjustments				
Fund Balance, January 1, restated	<u>1,058,800</u>	<u>411,583</u>	<u>162,996</u>	<u>589,585</u>
Fund Balance, December 31	<u>\$1,452,962</u>	<u>\$385,337</u>	<u>\$136,109</u>	<u>\$634,288</u>

SKAGIT COUNTY, WASHINGTON
COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND
CHANGES IN FUND BALANCE
NONMAJOR SPECIAL REVENUE FUNDS
FOR THE YEAR ENDED DECEMBER 31, 2017

REVENUES	Veterans'	Law	River	Treasurer
	Relief	Library	Imp	O&M
Property Taxes	\$245,589			
Sales and Use Taxes				
Other Taxes	5,685			
Licenses and Permits				
Intergovernmental	17,449		63,887	
Charges for Services		42,999		72,654
Fines and Forfeits				
Interest Earnings	1,354		435	1,870
Donations				
Other Revenue	108	1,374		
Total Revenue	<u>270,185</u>	<u>44,373</u>	<u>64,322</u>	<u>74,524</u>
EXPENDITURES				
Current:				
General Governmental Services		133,773		30,153
Public Safety				
Utilities and Environment			130,889	
Transportation				
Economic Environment				
Health & Human Services	185,764			
Culture and Recreation				
Debt Service:				
Principal				
Interest				
Capital Outlay				
Total Expenditures	<u>185,764</u>	<u>133,773</u>	<u>130,889</u>	<u>30,153</u>
Excess (Deficit) of Revenues Over Expenditures	<u>84,421</u>	<u>(89,400)</u>	<u>(66,567)</u>	<u>44,371</u>
Other Financing Sources (Uses)				
Proceeds from Long Term Debt				
Proceeds from Sale of Capital Assets				
Transfers In		94,837	15,000	
Transfers Out				
Total Other Financial Sources (Uses)	<u>-</u>	<u>94,837</u>	<u>15,000</u>	<u>-</u>
Net Change in Fund Balance	<u>84,421</u>	<u>5,437</u>	<u>(51,567)</u>	<u>44,371</u>
Fund Balance, January 1	592,650	44,166	71,655	270,021
Prior Period Adjustments				
Fund Balance, January 1, restated	<u>592,650</u>	<u>44,166</u>	<u>71,655</u>	<u>270,021</u>
Fund Balance, December 31	<u>\$677,071</u>	<u>\$49,603</u>	<u>\$20,088</u>	<u>\$314,392</u>

SKAGIT COUNTY, WASHINGTON
COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND
CHANGES IN FUND BALANCE
NONMAJOR SPECIAL REVENUE FUNDS
FOR THE YEAR ENDED DECEMBER 31, 2017

REVENUES	Document Preserv	Election	Parks & Rec	Substance Abuse
Property Taxes				
Sales and Use Taxes				
Other Taxes				
Licenses and Permits				
Intergovernmental	72,830		34,947	435,448
Charges for Services	66,262	170,996	418,842	
Fines and Forfeits				
Interest Earnings	2,594		3,466	
Donations			11,360	
Other Revenue		1	245,219	
Total Revenue	<u>141,687</u>	<u>170,996</u>	<u>713,835</u>	<u>435,448</u>
EXPENDITURES				
Current:				
General Governmental Services	107,907	600,313		
Public Safety				
Utilities and Environment				
Transportation				
Economic Environment				
Health & Human Services				471,793
Culture and Recreation			1,412,502	
Debt Service:				
Principal				
Interest				
Capital Outlay				
Total Expenditures	<u>107,907</u>	<u>600,313</u>	<u>1,412,502</u>	<u>471,793</u>
Excess (Deficit) of Revenues Over Expenditures	<u>33,779</u>	<u>(429,317)</u>	<u>(698,668)</u>	<u>(36,344)</u>
Other Financing Sources (Uses)				
Proceeds from Long Term Debt				
Proceeds from Sale of Capital Assets				
Transfers In		443,789	1,015,472	-
Transfers Out				(9,975)
Total Other Financial Sources (Uses)	<u>-</u>	<u>443,789</u>	<u>1,015,472</u>	<u>(9,975)</u>
Net Change in Fund Balance	<u>33,779</u>	<u>14,472</u>	<u>316,804</u>	<u>(46,319)</u>
Fund Balance, January 1	689,103	642,289	646,108	439,231
Prior Period Adjustments				
Fund Balance, January 1, restated	<u>689,103</u>	<u>642,289</u>	<u>646,108</u>	<u>439,231</u>
Fund Balance, December 31	<u>\$722,882</u>	<u>\$656,761</u>	<u>\$962,912</u>	<u>\$392,912</u>

SKAGIT COUNTY, WASHINGTON
COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND
CHANGES IN FUND BALANCE
NONMAJOR SPECIAL REVENUE FUNDS
FOR THE YEAR ENDED DECEMBER 31, 2017

REVENUES	Community Services	Conv. Center	Clean Water	Conserv. Futures
Property Taxes			\$1,466,625	\$882,826
Sales and Use Taxes		438,244		148,083
Other Taxes				
Licenses and Permits				
Intergovernmental	650,976		527,056	62,586
Charges for Services	1,215		210	
Fines and Forfeits				
Interest Earnings		1,117	0	5,599
Donations	496,519			32,480
Other Revenue	13,982	-	28,325	341
Total Revenue	<u>1,162,693</u>	<u>439,361</u>	<u>2,022,217</u>	<u>1,131,915</u>
EXPENDITURES				
Current:				
General Governmental Services				
Public Safety				
Utilities and Environment			1,988,077	101,513
Transportation				
Economic Environment				
Health & Human Services	2,001,399			
Culture and Recreation		182,184		
Debt Service:				
Principal				
Interest				
Capital Outlay	0			
Total Expenditures	<u>2,001,399</u>	<u>182,184</u>	<u>1,988,077</u>	<u>101,513</u>
Excess (Deficit) of Revenues Over Expenditures	<u>(838,706)</u>	<u>257,178</u>	<u>34,140</u>	<u>1,030,402</u>
Other Financing Sources (Uses)				
Proceeds from Long Term Debt				
Proceeds from Sale of Capital Assets				
Transfers In	839,053			
Transfers Out		(114,900)		
Total Other Financial Sources (Uses)	<u>839,053</u>	<u>(114,900)</u>	<u>-</u>	<u>-</u>
Net Change in Fund Balance	<u>347</u>	<u>142,278</u>	<u>34,140</u>	<u>1,030,402</u>
Fund Balance, January 1	370,273	364,861	177,784	2,196,910
Prior Period Adjustments				
Fund Balance, January 1, restated	<u>370,273</u>	<u>364,861</u>	<u>177,784</u>	<u>2,196,910</u>
Fund Balance, December 31	<u>\$370,620</u>	<u>\$507,139</u>	<u>\$211,924</u>	<u>\$3,227,312</u>

SKAGIT COUNTY, WASHINGTON
COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND
CHANGES IN FUND BALANCE
NONMAJOR SPECIAL REVENUE FUNDS
FOR THE YEAR ENDED DECEMBER 31, 2017

REVENUES	Medic 1	Crime Victim	Comm. System	Water Quality
Property Taxes	\$5,873,122			
Sales and Use Taxes	135,402		4,309,789	
Other Taxes			-	
Licenses and Permits				
Intergovernmental	416,824		46,555	176,414
Charges for Services	19,508	78,757		2,100
Fines and Forfeits				
Interest Earnings	25,222	1,020	1,064	1,207
Donations				
Other Revenue	3,469			
Total Revenue	<u>6,473,546</u>	<u>79,777</u>	<u>4,357,408</u>	<u>179,721</u>
EXPENDITURES				
Current:				
General Governmental Services		77,834		
Public Safety	5,571,882		4,291,188	
Utilities and Environment				268,917
Transportation				
Economic Environment				
Health & Human Services				
Culture and Recreation				
Debt Service:				
Principal				
Interest				
Capital Outlay				
Total Expenditures	<u>5,571,882</u>	<u>77,834</u>	<u>4,291,188</u>	<u>268,917</u>
Excess (Deficit) of Revenues Over Expenditures	<u>901,664</u>	<u>1,943</u>	<u>66,220</u>	<u>(89,196)</u>
Other Financing Sources (Uses)				
Proceeds from Long Term Debt				296,545
Proceeds from Sale of Capital Assets				
Transfers In	9,975			
Transfers Out				
Total Other Financial Sources (Uses)	<u>9,975</u>	<u>-</u>	<u>-</u>	<u>296,545</u>
Net Change in Fund Balance	<u>911,639</u>	<u>1,943</u>	<u>66,220</u>	<u>207,349</u>
Fund Balance, January 1	4,391,102	136,734	1,049,474	275,625
Prior Period Adjustments				
Fund Balance, January 1, restated	<u>4,391,102</u>	<u>136,734</u>	<u>1,049,474</u>	<u>275,625</u>
Fund Balance, December 31	<u>\$5,302,741</u>	<u>\$138,677</u>	<u>\$1,115,694</u>	<u>\$482,974</u>

SKAGIT COUNTY, WASHINGTON
COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND
CHANGES IN FUND BALANCE
NONMAJOR SPECIAL REVENUE FUNDS
FOR THE YEAR ENDED DECEMBER 31, 2017

REVENUES	Planning & Development	Lake Mgmt Dist. 1	Lake Mgmt Dist. 2	Lake Mgmt Dist. 3
Property Taxes				
Sales and Use Taxes				
Other Taxes		57,076	14,610	29,445
Licenses and Permits	867,021			
Intergovernmental	10,869			
Charges for Services	858,271			
Fines and Forfeits	4,301			
Interest Earnings				
Donations				
Other Revenue	2,203			
Total Revenue	1,742,665	57,076	14,610	29,445
EXPENDITURES				
Current:				
General Governmental Services				
Public Safety				
Utilities and Environment		48,459	14,324	38,221
Transportation				
Economic Environment	2,959,326			
Health & Human Services				
Culture and Recreation				
Debt Service:				
Principal				
Interest				
Capital Outlay				
Total Expenditures	2,959,326	48,459	14,324	38,221
Excess (Deficit) of Revenues Over Expenditures	(1,216,661)	8,617	286	(8,776)
Other Financing Sources (Uses)				
Proceeds from Long Term Debt				
Proceeds from Sale of Capital Assets				
Transfers In	1,403,335			
Transfers Out				
Total Other Financial Sources (Uses)	1,403,335	-	-	-
Net Change in Fund Balance	186,674	8,617	286	(8,776)
Fund Balance, January 1	1,323,362	85,222	55,436	49,847
Prior Period Adjustments				
Fund Balance, January 1, restated	1,323,362	85,222	55,436	49,847
Fund Balance, December 31	\$1,510,036	\$93,839	\$55,722	\$41,071

SKAGIT COUNTY, WASHINGTON
COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND
CHANGES IN FUND BALANCE
NONMAJOR SPECIAL REVENUE FUNDS
FOR THE YEAR ENDED DECEMBER 31, 2017

REVENUES	Lake Mgmt Dist. 4	Edison Clean Wtr	Drug Enforce.	Boating Safety
Property Taxes				
Sales and Use Taxes				
Other Taxes		86,901		
Licenses and Permits	-			
Intergovernmental				73,474
Charges for Services				
Fines and Forfeits				
Interest Earnings		307	1,457	259
Donations				
Other Revenue				500
Total Revenue	<u>0</u>	<u>87,209</u>	<u>1,457</u>	<u>74,234</u>
EXPENDITURES				
Current:				
General Governmental Services				
Public Safety			7,397	92,217
Utilities and Environment	26,668	63,338		
Transportation				
Economic Environment				
Health & Human Services				
Culture and Recreation				
Debt Service:				
Principal				
Interest				
Capital Outlay				
Total Expenditures	<u>26,668</u>	<u>63,338</u>	<u>7,397</u>	<u>92,217</u>
Excess (Deficit) of Revenues Over Expenditures	<u>(26,668)</u>	<u>23,870</u>	<u>(5,940)</u>	<u>(17,984)</u>
Other Financing Sources (Uses)				
Proceeds from Long Term Debt				
Proceeds from Sale of Capital Assets				5,100
Transfers In				
Transfers Out				
Total Other Financial Sources (Uses)	<u>-</u>	<u>-</u>	<u>-</u>	<u>5,100</u>
Net Change in Fund Balance	<u>(26,668)</u>	<u>23,870</u>	<u>(5,940)</u>	<u>(12,884)</u>
Fund Balance, January 1	54,575	335,852	183,587	89,599
Prior Period Adjustments				
Fund Balance, January 1, restated	<u>54,575</u>	<u>335,852</u>	<u>183,587</u>	<u>89,599</u>
Fund Balance, December 31	<u>\$27,907</u>	<u>\$359,722</u>	<u>\$177,647</u>	<u>\$76,715</u>

SKAGIT COUNTY, WASHINGTON
COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND
CHANGES IN FUND BALANCE
NONMAJOR SPECIAL REVENUE FUNDS
FOR THE YEAR ENDED DECEMBER 31, 2017

REVENUES	Low Inc. Housing	Title III Projects	Treasurer REET	Housing Assistance
Property Taxes				
Sales and Use Taxes				
Other Taxes				
Licenses and Permits				
Intergovernmental	341,429		15,358	378,223
Charges for Services	145,603		15,092	743,932
Fines and Forfeits				
Interest Earnings	259		584	1,175
Donations				
Other Revenue				
Total Revenue	<u>487,291</u>	<u>0</u>	<u>31,035</u>	<u>1,123,330</u>
EXPENDITURES				
Current:				
General Governmental Services		20,000		
Public Safety				
Utilities and Environment				
Transportation				
Economic Environment	479,722			
Health & Human Services				1,151,477
Culture and Recreation				
Debt Service:				
Principal				
Interest				
Capital Outlay				
Total Expenditures	<u>479,722</u>	<u>20,000</u>	<u>0</u>	<u>1,151,477</u>
Excess (Deficit) of Revenues Over Expenditures	<u>7,568</u>	<u>(20,000)</u>	<u>31,035</u>	<u>(28,148)</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>7,568</u>	<u>(20,000)</u>	<u>31,035</u>	<u>(28,148)</u>
Fund Balance, January 1	205,284	20,018	240,236	240,960
Prior Period Adjustments				
Fund Balance, January 1, restated	<u>205,284</u>	<u>20,018</u>	<u>240,236</u>	<u>240,960</u>
Fund Balance, December 31	<u>\$212,852</u>	<u>\$18</u>	<u>\$271,271</u>	<u>\$212,812</u>

SKAGIT COUNTY, WASHINGTON
COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND
CHANGES IN FUND BALANCE
NONMAJOR SPECIAL REVENUE FUNDS
FOR THE YEAR ENDED DECEMBER 31, 2017

REVENUES	Interlocal Invest.	TOTAL
Property Taxes		\$8,468,162
Sales and Use Taxes		5,031,518
Other Taxes		193,717
Licenses and Permits		1,298,942
Intergovernmental	83,727	5,277,712
Charges for Services		3,351,652
Fines and Forfeits	120,269	132,966
Interest Earnings	714	52,592
Donations		639,769
Other Revenue	10,098	368,609
Total Revenue	214,808	24,815,640
 EXPENDITURES		
Current:		
General Governmental Services		969,980
Public Safety	257,279	10,617,384
Utilities and Environment		2,680,405
Transportation		195,965
Economic Environment		3,439,048
Health & Human Services		6,934,372
Culture and Recreation		1,960,676
Debt Service:		-
Principal		-
Interest		-
Capital Outlay		-
Total Expenditures	257,279	26,797,830
Excess (Deficit) of Revenues Over Expenditures	(42,471)	(1,982,190)
 Other Financing Sources (Uses)		
Proceeds from Long Term Debt		296,545
Proceeds from Sale of Capital Assets		5,100
Transfers In		5,100,035
Transfers Out		(124,875)
Total Other Financial Sources (Uses)	-	5,276,805
Net Change in Fund Balance	(42,471)	3,294,615
Fund Balance, January 1	217,781	17,682,714
Prior Period Adjustments		0
Fund Balance, January 1, restated	217,781	17,682,714
Fund Balance, December 31	\$175,310	\$20,977,329

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, 2017

	Budgeted Amounts			Variance with Final Budget
	Original Budget	Final Budget	Actual	
Budgeted Fund Balance, January 1	\$ 73,109	\$ 33,109	\$ 1,058,800	
Resources (in-flows)				
Licenses and Permits	496,624	496,624	431,921	(64,703)
Intergovernmental Revenue	1,473,134	1,493,134	1,453,610	(39,524)
Charges for Goods and Services	423,500	423,500	456,654	33,154
Fines and Forfeits	6,000	6,000	8,397	2,397
Interest Revenue	150	150	858	708
Donations	50,000	50,000	61,000	11,000
Transfers In	1,105,478	1,105,478	1,105,478	-
Miscellaneous Revenues	150	150	184	34
Total Resources (in-flows)	3,555,036	3,575,036	3,518,102	(56,934)
Amounts Available for Appropriation	3,628,145	3,608,145	4,576,902	
Charges to Appropriations (out-flows)				
Salaries and Wages	1,938,867	1,913,442	1,707,980	(205,462)
Personnel Benefits	905,906	892,599	771,604	(120,995)
Supplies	70,354	70,354	48,606	(21,748)
Services and Charges	212,236	506,750	418,618	(88,132)
Capital Outlays				-
Interfund Payments for Services	500,782	225,000	177,132	(47,868)
Transfers Out				-
Amount Charged to Appropriations (out-flows)	3,628,145	3,608,145	3,123,940	(484,205)
Budgeted Fund Balance, December 31	\$ -	\$ -	\$ 1,452,962	

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, 2017

	Budgeted Amounts		Actual	Variance with Final Budget
	Original Budget	Final Budget		
Budgeted Fund Balance, January 1	\$ 193,397	\$ 193,397	\$ 411,583	
Resources (in-flows)				
Intergovernmental Revenue	159,500	159,500	169,220	9,720
Miscellaneous Revenue	500	500	499	(1)
Total Resources (in-flows)	160,000	160,000	169,719	9,719
Amounts Available for Appropriation	353,397	353,397	581,302	
Charges to Appropriations (out-flows)				
Salaries and Wages	88,610	88,610	81,297	(7,313)
Personnel Benefits	42,175	42,175	39,824	(2,351)
Supplies	23,500	23,500	7,052	(16,448)
Services and Charges	176,338	176,338	64,485	(111,853)
Capital Outlays	17,000	17,000	83	(16,917)
Interfund Payments for Services	5,774	5,774	3,224	(2,550)
Transfers Out	-	-	-	-
Amount Charged to Appropriations (out-flows)	353,397	353,397	195,965	(157,432)
 Budgeted Fund Balance, December 31	 \$ -	 \$ -	 \$ 385,337	

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, 2017

	Budgeted Amounts		Actual	Variance with Final Budget
	Original Budget	Final Budget		
Budgeted Fund Balance, January 1	\$ (12,434)	\$ (12,434)	\$ 162,996	
Resources (in-flows)				
Licenses and Permits				-
Intergovernmental Revenue	261,340	261,340	212,437	(48,903)
Charges for Goods and Services	-	-	-	-
Transfers In	158,096	158,096	158,096	-
Miscellaneous Revenues	-	-	-	-
Total Resources (in-flows)	419,436	419,436	370,533	(48,903)
Amounts Available for Appropriation	407,002	407,002	533,529	
Charges to Appropriations (out-flows)				
Salaries and Wages	207,382	207,382	160,070	(47,312)
Personnel Benefits	80,370	80,370	69,617	(10,753)
Supplies	13,400	13,400	11,398	(2,002)
Services and Charges	29,200	29,200	114,505	85,305
Capital Outlays	-	-	16,114	16,114
Interfund Payments for Services	76,650	76,650	25,716	(50,934)
Transfers Out	-	-	-	-
Amount Charged to Appropriations (out-flows)	407,002	407,002	397,420	(9,582)
 Budgeted Fund Balance, December 31	 \$ -	 \$ -	 \$ 136,109	

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, 2017

	Budgeted Amounts			Variance with Final Budget
	Original Budget	Final Budget	Actual	
Budgeted Fund Balance, January 1	\$ 20,771	\$ 20,771	\$ 589,585	
Resources (in-flows)				
Licenses and Permits				-
Intergovernmental Revenue	41,967	41,967	34,392	(7,575)
Charges for Goods and Services	243,688	243,688	258,556	14,868
Donations	26,000	26,000	38,410	12,410
Other Revenue	44,007	44,007	64,334	20,327
Transfers In	15,000	15,000	15,000	-
Miscellaneous Revenues			-	-
Total Resources (in-flows)	370,662	370,662	410,692	40,030
Amounts Available for Appropriation	391,433	391,433	1,000,277	
Charges to Appropriations (out-flows)				
Salaries and Wages	132,127	132,127	121,947	(10,180)
Personnel Benefits	50,618	50,618	51,422	804
Supplies	26,392	26,392	22,016	(4,376)
Services and Charges	150,600	150,600	161,428	10,828
Capital Outlays				-
Interfund Payments for Services	31,696	31,696	9,177	(22,519)
Transfers Out	-	-	-	-
Amount Charged to Appropriations (out-flows)	391,433	391,433	365,990	(25,443)
Budgeted Fund Balance, December 31	\$ -	\$ -	\$ 634,288	

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, 2017

	<u>Budgeted Amounts</u>			Variance with Final Budget
	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	
Budgeted Fund Balance, January 1	\$ (7,667)	\$ (7,667)	\$ 592,650	
Resources (in-flows)				
Property Tax	221,305	221,305	245,589	24,284
Sales and Use Tax	3,810	3,810	5,685	1,875
Intergovernmental Revenue	10,511	10,511	17,449	6,938
Interest Revenue	-	-	1,367	1,367
Miscellaneous Revenues	41	41	95	54
Total Resources (in-flows)	<u>235,667</u>	<u>235,667</u>	<u>270,185</u>	<u>34,518</u>
Amounts Available for Appropriation	228,000	228,000	862,835	
Charges to Appropriations (out-flows)				
Salaries and Wages				-
Personnel Benefits				-
Supplies				-
Services and Charges	228,000	228,000	182,003	(45,997)
Capital Outlays				-
Interfund Payments for Services	-	-	3,761	3,761
Transfers Out	-	-	-	-
Amount Charged to Appropriations (out-flows)	<u>228,000</u>	<u>228,000</u>	<u>185,764</u>	<u>(42,236)</u>
Budgeted Fund Balance, December 31	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 677,071</u>	

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, 2017

	Budgeted Amounts		Actual	Variance with Final Budget
	Original Budget	Final Budget		
Budgeted Fund Balance, January 1			\$ 44,166	
Resources (in-flows)				
Charges for Goods and Services	45,900	45,900	42,999	(2,901)
Donations	-	-		-
Transfers In	86,837	94,837	94,837	-
Miscellaneous Revenues	2,000	1,500	1,374	(126)
Total Resources (in-flows)	134,737	142,237	139,210	(3,027)
Amounts Available for Appropriation	134,737	142,237	183,376	
Charges to Appropriations (out-flows)				
Salaries and Wages	53,577	56,577	55,001	(1,576)
Personnel Benefits	26,835	26,835	26,532	(303)
Supplies	9,300	9,300	4,275	(5,025)
Services and Charges	45,025	49,525	47,965	(1,560)
Capital Outlays				-
Interfund Payments for Services				-
Transfers Out				-
Amount Charged to Appropriations (out-flows)	134,737	142,237	133,773	(8,464)
 Budgeted Fund Balance, December 31	\$ -	\$ -	\$ 49,603	

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, 2017

	<u>Budgeted Amounts</u>			Variance with Final Budget
	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	
Budgeted Fund Balance, January 1	\$ 76,911	\$ 76,911	\$ 71,655	
Resources (in-flows)				
Intergovernmental Revenue	460,449	460,449	63,887	(396,562)
Charges for Goods and Services	-	-	-	-
Interest Revenue	-	-	435	435
Transfers In	5,000	5,000	15,000	10,000
Miscellaneous Revenues	-	-	-	-
Total Resources (in-flows)	<u>465,449</u>	<u>465,449</u>	<u>79,322</u>	<u>(386,127)</u>
Amounts Available for Appropriation	542,360	542,360	150,977	
Charges to Appropriations (out-flows)				
Salaries and Wages	28,416	28,416	27,838	(578)
Personnel Benefits	12,278	12,278	13,180	902
Supplies	-	-	39	39
Services and Charges	443,500	443,500	41,809	(401,691)
Capital Outlays	-	-	-	-
Interfund Payments for Services	58,166	58,166	48,023	(10,143)
Transfers Out	-	-	-	-
Amount Charged to Appropriations (out-flows)	<u>542,360</u>	<u>542,360</u>	<u>130,889</u>	<u>(411,471)</u>
Budgeted Fund Balance, December 31	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 20,088</u>	

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, 2017

	Budgeted Amounts		Actual	Variance with Final Budget
	Original Budget	Final Budget		
Budgeted Fund Balance, January 1	\$ 60,314	\$ 75,314	\$ 689,103	
Resources (in-flows)				
Intergovernmental Revenue	67,500	67,500	72,830	5,330
Charges for Goods and Services	60,000	60,000	66,262	6,262
Interest Revenue	2,000	2,000	2,594	594
Total Resources (in-flows)	129,500	129,500	141,686	12,186
Amounts Available for Appropriation	189,814	204,814	830,789	
Charges to Appropriations (out-flows)				
Salaries and Wages	45,899	60,899	48,686	(12,213)
Personnel Benefits	25,165	25,165	20,814	(4,351)
Supplies	-	-	-	-
Services and Charges	18,750	18,750	38,407	19,657
Capital Outlays	-	-	-	-
Interfund Payments for Services	100,000	100,000	-	(100,000)
Transfers Out	-	-	-	-
Amount Charged to Appropriations (out-flows)	189,814	204,814	107,907	(96,907)
Budgeted Fund Balance, December 31	\$ -	\$ -	\$ 722,882	

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, 2017

	<u>Budgeted Amounts</u>		Actual	Variance with Final Budget
	Original Budget	Final Budget		
Budgeted Fund Balance, January 1	\$ 100,000	\$ 102,686	\$ 642,289	
Resources (in-flows)				
Intergovernmental Revenue	-	-	-	-
Charges for Goods and Services	180,500	180,500	170,996	(9,504)
Transfers In	443,789	443,789	443,789	-
Miscellaneous Revenues	50	50	1	(49)
Total Resources (in-flows)	<u>624,339</u>	<u>624,339</u>	<u>614,786</u>	<u>(9,553)</u>
Amounts Available for Appropriation	724,339	727,025	1,257,075	
Charges to Appropriations (out-flows)				
Salaries and Wages	226,060	228,746	199,997	(28,749)
Personnel Benefits	89,867	89,867	87,600	(2,267)
Supplies	6,000	6,000	1,741	(4,259)
Services and Charges	311,500	402,412	310,975	(91,437)
Capital Outlays	-	-	-	-
Interfund Payments for Services	90,912	-	-	-
Transfers Out	-	-	-	-
Amount Charged to Appropriations (out-flows)	<u>724,339</u>	<u>727,025</u>	<u>600,313</u>	<u>(126,712)</u>
Budgeted Fund Balance, December 31	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 656,761</u>	

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, 2017

	Budgeted Amounts			Variance with Final Budget
	Original Budget	Final Budget	Actual	
Budgeted Fund Balance, January 1	\$ 78,986	\$ 78,986	\$ 646,108	
Resources (in-flows)				
Intergovernmental Revenue	2,500	2,500	37,123	34,623
Charges for Goods and Services	351,160	351,160	418,842	67,682
Interest Revenue	400	400	3,466	3,066
Donations	8,000	8,000	11,360	3,360
Transfers In	865,472	1,015,472	1,015,472	-
Miscellaneous Revenues	182,750	182,750	243,044	60,294
Total Resources (in-flows)	1,410,282	1,560,282	1,729,307	169,025
Amounts Available for Appropriation	1,489,268	1,639,268	2,375,415	
Charges to Appropriations (out-flows)				
Salaries and Wages	635,019	635,019	585,241	(49,778)
Personnel Benefits	291,614	291,614	270,789	(20,825)
Supplies	87,973	87,973	62,599	(25,374)
Services and Charges	343,193	493,193	481,034	(12,159)
Capital Outlays	6,300	6,300	5,435	(865)
Interfund Payments for Services	125,169	125,169	7,404	(117,765)
Transfers Out				-
Amount Charged to Appropriations (out-flows)	1,489,268	1,639,268	1,412,502	(226,766)
Budgeted Fund Balance, December 31	\$ -	\$ -	\$ 962,912	

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, 2017

	Budgeted Amounts		Actual	Variance with Final Budget
	Original Budget	Final Budget		
Budgeted Fund Balance, January 1	\$ 88,226	\$ 88,226	\$ 439,231	
Resources (in-flows)				
Intergovernmental Revenue	392,187	392,187	435,448	43,261
Miscellaneous Revenue	-	-	-	-
Transfers In	-	-	-	-
Total Resources (in-flows)	<u>392,187</u>	<u>392,187</u>	<u>435,448</u>	<u>43,261</u>
Amounts Available for Appropriation	480,413	480,413	874,679	
Charges to Appropriations (out-flows)				
Salaries and Wages	55,593	55,593	54,479	(1,114)
Personnel Benefits	23,948	23,948	23,870	(78)
Supplies	3,500	3,500	1,249	(2,251)
Services and Charges	392,287	392,287	381,201	(11,086)
Capital Outlays	-	-	-	-
Interfund Payments for Services	5,085	5,085	20,968	15,883
Transfers Out	-	-	-	-
Amount Charged to Appropriations (out-flows)	<u>480,413</u>	<u>480,413</u>	<u>481,767</u>	<u>1,354</u>
Budgeted Fund Balance, December 31	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 392,912</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, 2017

	Budgeted Amounts		Actual	Variance with Final Budget
	Original Budget	Final Budget		
Budgeted Fund Balance, January 1	\$ 100,000	\$ 90,173	\$ 370,273	
Resources (in-flows)				
Intergovernmental Revenue	1,161,779	1,188,926	650,976	(537,950)
Charges for Goods and Services	3,400	3,400	1,215	(2,185)
Donations	367,072	497,236	496,519	(717)
Transfers In	839,053	839,053	839,053	-
Miscellaneous Revenues	13,186	13,186	13,982	796
Total Resources (in-flows)	2,384,490	2,541,801	2,001,745	(540,056)
Amounts Available for Appropriation	2,484,490	2,631,974	2,372,018	
Charges to Appropriations (out-flows)				
Salaries and Wages	734,331	752,581	718,467	(34,114)
Personnel Benefits	399,451	410,133	384,567	(25,566)
Supplies	428,926	428,926	424,085	(4,841)
Services and Charges	899,737	1,040,334	452,173	(588,161)
Capital Outlays			22,107	22,107
Interfund Payments for Services	22,045	-	-	-
Transfers Out				-
Amount Charged to Appropriations (out-flows)	2,484,490	2,631,974	2,001,399	(630,575)
 Budgeted Fund Balance, December 31	 \$ -	 \$ -	 \$ 370,620	

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, 2017

	Budgeted Amounts		Actual	Variance with Final Budget
	Original Budget	Final Budget		
Budgeted Fund Balance, January 1			\$ 364,861	
Resources (in-flows)				
Sales and Use Tax	300,000	300,000	438,244	138,244
Miscellaneous Revenue		-	-	-
Interest Revenue	-	-	1,117	1,117
Total Resources (in-flows)	<u>300,000</u>	<u>300,000</u>	<u>439,361</u>	<u>139,361</u>
Amounts Available for Appropriation	300,000	300,000	804,222	
Charges to Appropriations (out-flows)				
Salaries and Wages				-
Personnel Benefits				-
Supplies				-
Services and Charges	183,600	183,600	182,184	(1,416)
Capital Outlays	-			-
Interfund Payments for Services	1,500	1,500	-	(1,500)
Transfers Out	114,900	114,900	114,900	-
Amount Charged to Appropriations (out-flows)	<u>300,000</u>	<u>300,000</u>	<u>297,084</u>	<u>(2,916)</u>
Budgeted Fund Balance, December 31	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 507,139</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, 2017

	Budgeted Amounts		Actual	Variance with Final Budget
	Original Budget	Final Budget		
Budgeted Fund Balance, January 1	\$ 77,859	\$ 77,859	\$ 177,784	
Resources (in-flows)				
Property Tax	1,450,000	1,450,000	1,466,625	16,625
Intergovernmental Revenue	803,788	803,788	527,056	(276,732)
Charges for Goods and Services	-	-	210	210
Interest Revenue	-	-	-	-
Miscellaneous Revenues	5,000	5,000	28,325	23,325
Transfers In	-	-	-	-
Total Resources (in-flows)	<u>2,258,788</u>	<u>2,258,788</u>	<u>2,022,216</u>	<u>(236,572)</u>
Amounts Available for Appropriation	2,336,647	2,336,647	2,200,000	
Charges to Appropriations (out-flows)				
Salaries and Wages	631,437	631,437	521,052	(110,385)
Personnel Benefits	254,023	254,023	240,533	(13,490)
Supplies	70,950	70,950	60,316	(10,634)
Services and Charges	1,007,059	1,007,059	960,402	(46,657)
Capital Outlays	-	-	-	-
Interfund Payments for Services	373,178	373,178	205,774	(167,404)
Transfers Out	-	-	-	-
Amount Charged to Appropriations (out-flows)	<u>2,336,647</u>	<u>2,336,647</u>	<u>1,988,077</u>	<u>(348,570)</u>
Budgeted Fund Balance, December 31	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 211,924</u>	

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, 2017

	Budgeted Amounts			Variance with Final Budget
	Original Budget	Final Budget	Actual	
Budgeted Fund Balance, January 1	\$ 1,125,644	\$ 1,125,644	\$ 2,196,910	
Resources (in-flows)				
Property Tax	827,998	827,998	882,826	54,828
Sales and Use Tax	10,740	10,740	148,083	137,343
Intergovernmental Revenue	16,800	16,800	62,586	45,786
Interest Revenue	500	500	5,599	5,099
Donations	50	50	32,480	32,430
Miscellaneous Revenues	150	150	341	191
Total Resources (in-flows)	856,238	856,238	1,131,915	275,677
Amounts Available for Appropriation	1,981,882	1,981,882	3,328,825	
Charges to Appropriations (out-flows)				
Salaries and Wages	38,347	38,347	30,408	(7,939)
Personnel Benefits	17,584	17,584	14,365	(3,219)
Supplies	200	200	48	(152)
Services and Charges	117,500	117,500	42,364	(75,136)
Capital Outlays	1,800,000	1,800,000	-	(1,800,000)
Interfund Payments for Services	8,251	8,251	14,328	6,077
Transfers Out				-
Amount Charged to Appropriations (out-flows)	1,981,882	1,981,882	101,513	(1,880,369)
Budgeted Fund Balance, December 31	\$ -	\$ -	\$ 3,227,312	

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, 2017

	Budgeted Amounts			Variance with Final Budget
	Original Budget	Final Budget	Actual	
Budgeted Fund Balance, January 1	\$ 141,898	\$ 205,898	\$ 4,391,102	
Resources (in-flows)				
Property Tax	5,841,631	5,841,631	5,873,122	31,491
Sales and Use Tax	134,000	134,000	135,402	1,402
Intergovernmental Revenue	250,000	375,000	416,824	41,824
Charges for Services	-	-	19,508	19,508
Interest Revenue	18,500	24,500	25,222	722
Transfers In	-	-	9,975	9,975
Miscellaneous Revenues	1,500	3,500	3,468	(32)
Total Resources (in-flows)	6,245,631	6,378,631	6,483,521	104,890
Amounts Available for Appropriation	6,387,529	6,584,529	10,874,623	
Charges to Appropriations (out-flows)				
Salaries and Wages	593,457	433,457	310,732	(122,725)
Personnel Benefits	163,112	163,112	125,412	(37,700)
Supplies	139,200	269,200	135,862	(133,338)
Services and Charges	1,373,760	1,465,760	1,311,944	(153,816)
Capital Outlays	425,000	425,000	-	(425,000)
Interfund Payments for Services	3,693,000	3,828,000	3,687,932	(140,068)
Transfers Out	-	-	-	-
Amount Charged to Appropriations (out-flows)	6,387,529	6,584,529	5,571,882	(1,012,647)
 Budgeted Fund Balance, December 31	 \$ -	 \$ -	 \$ 5,302,741	

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, 2017

	Budgeted Amounts		Actual	Variance with Final Budget
	Original Budget	Final Budget		
Budgeted Fund Balance, January 1	\$ 17,341	\$ 17,341	\$ 136,734	
Resources (in-flows)				
Charges for Goods and Services	75,000	75,000	78,757	3,757
Interest Revenue	300	300	1,020	720
Total Resources (in-flows)	<u>75,300</u>	<u>75,300</u>	<u>79,777</u>	<u>4,477</u>
Amounts Available for Appropriation	92,641	92,641	216,511	
Charges to Appropriations (out-flows)				
Salaries and Wages	22,727	22,727	15,667	(7,060)
Personnel Benefits	12,614	12,614	9,519	(3,095)
Supplies	-	-	-	-
Services and Charges	7,300	7,300	2,648	(4,652)
Capital Outlays	-	-	-	-
Interfund Payments for Services	50,000	50,000	50,000	-
Transfers Out	-	-	-	-
Amount Charged to Appropriations (out-flows)	<u>92,641</u>	<u>92,641</u>	<u>77,834</u>	<u>(14,807)</u>
Budgeted Fund Balance, December 31	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 138,677</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, 2017

	Budgeted Amounts			Variance with Final Budget
	Original Budget	Final Budget	Actual	
Budgeted Fund Balance, January 1		\$ 200,000	\$ 1,049,474	
Resources (in-flows)				
Sales and Use Tax	4,090,000	4,320,000	4,309,789	(10,211)
Other Tax	-	-		-
Interest Earnings	850	850	1,064	214
Intergovernmental Revenue	27,250	57,250	46,555	(10,695)
Total Resources (in-flows)	4,118,100	4,378,100	4,357,408	(20,692)
Amounts Available for Appropriation	4,118,100	4,578,100	5,406,882	
Charges to Appropriations (out-flows)				
Salaries and Wages				-
Personnel Benefits				-
Supplies				-
Services and Charges	4,118,100	4,578,100	4,291,188	(286,912)
Capital Outlays				-
Interfund Payments for Services				-
Transfers Out				-
Amount Charged to Appropriations (out-flows)	4,118,100	4,578,100	4,291,188	(286,912)
 Budgeted Fund Balance, December 31	 \$ -	 \$ -	 \$ 1,115,694	

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, 2017

	Budgeted Amounts		Actual	Variance with Final Budget
	Original Budget	Final Budget		
Budgeted Fund Balance, January 1	\$ (5,501)	\$ (5,501)	\$ 275,625	
Resources (in-flows)				
Property Tax	-	-	-	-
Intergovernmental Revenue	20,000	20,000	176,414	156,414
Charges for Goods and Services	1,900	1,900	2,100	200
Interest Revenue	1,200	1,200	1,207	7
Proceeds of Long Term Debt	300,000	300,000	296,545	(3,455)
Total Resources (in-flows)	323,100	323,100	476,266	153,166
Amounts Available for Appropriation	317,599	317,599	751,891	
Charges to Appropriations (out-flows)				
Salaries and Wages	10,814	10,814	5,851	(4,963)
Personnel Benefits	5,035	5,035	2,654	(2,381)
Supplies	-	-	-	-
Services and Charges	301,750	301,750	260,412	(41,338)
Capital Outlays	-	-	-	-
Interfund Payments for Services	-	-	-	-
Transfers Out	-	-	-	-
Amount Charged to Appropriations (out-flows)	317,599	317,599	268,917	(48,682)
 Budgeted Fund Balance, December 31	 \$ -	 \$ -	 \$ 482,974	

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, 2017

	Budgeted Amounts			Variance with Final Budget
	Original Budget	Final Budget	Actual	
Budgeted Fund Balance, January 1	\$ 300,000	\$ 290,211	\$ 1,323,362	
Resources (in-flows)				
Licenses and Permits	729,100	729,100	867,021	137,921
Intergovernmental Revenue	11,000	11,000	10,869	(131)
Charges for Goods and Services	730,500	730,500	858,271	127,771
Fines and Forfeits	14,000	14,000	4,301	(9,699)
Interest Earnings	-	-	-	-
Transfers In	1,403,335	1,403,335	1,403,335	-
Miscellaneous Revenues	-	-	2,203	2,203
Total Resources (in-flows)	2,887,935	2,887,935	3,146,000	258,065
Amounts Available for Appropriation	3,187,935	3,178,146	4,469,362	
Charges to Appropriations (out-flows)				
Salaries and Wages	2,076,712	2,069,212	1,945,398	(123,814)
Personnel Benefits	875,827	873,538	819,756	(53,782)
Supplies	16,950	16,950	28,834	11,884
Services and Charges	171,051	171,051	162,634	(8,417)
Capital Outlays	-	-	-	-
Interfund Payments for Services	47,395	47,395	2,705	(44,690)
Transfers Out	-	-	-	-
Amount Charged to Appropriations (out-flows)	3,187,935	3,178,146	2,959,327	(218,819)
Budgeted Fund Balance, December 31	\$ -	\$ -	\$ 1,510,036	

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, 2017

	Budgeted Amounts		Actual	Variance with Final Budget
	Original Budget	Final Budget		
Budgeted Fund Balance, January 1	\$ 28,524	\$ 28,524	\$ 85,222	
Resources (in-flows)				
Other Tax	58,000	58,000	57,076	(924)
Interest Earnings	76	76	-	(76)
Total Resources (in-flows)	<u>58,076</u>	<u>58,076</u>	<u>57,076</u>	<u>(1,000)</u>
Amounts Available for Appropriation	86,600	86,600	142,298	
Charges to Appropriations (out-flows)				
Salaries and Wages	4,536	4,536	2,834	(1,702)
Personnel Benefits	2,064	2,064	1,189	(875)
Supplies	-	-	11	11
Services and Charges	80,000	80,000	44,425	(35,575)
Capital Outlays	-	-	-	-
Interfund Payments for Services	-	-	-	-
Transfers Out	-	-	-	-
Amount Charged to Appropriations (out-flows)	<u>86,600</u>	<u>86,600</u>	<u>48,459</u>	<u>(38,141)</u>
Budgeted Fund Balance, December 31	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 93,839</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, 2017

	Budgeted Amounts		Actual	Variance with Final Budget
	Original Budget	Final Budget		
Budgeted Fund Balance, January 1	\$ (766)	\$ (766)	\$ 55,436	
Resources (in-flows)				
Other Tax	15,000	15,000	14,610	(390)
Interest Earnings	90	90	-	(90)
Total Resources (in-flows)	<u>15,090</u>	<u>15,090</u>	<u>14,610</u>	<u>(390)</u>
Amounts Available for Appropriation	14,324	14,324	70,046	
Charges to Appropriations (out-flows)				
Salaries and Wages	1,296	1,296	1,128	(168)
Personnel Benefits	590	590	476	(114)
Supplies			11	11
Services and Charges	12,438	12,438	12,709	271
Capital Outlays				-
Interfund Payments for Services	-	-		-
Transfers Out	-			-
Amount Charged to Appropriations (out-flows)	<u>14,324</u>	<u>14,324</u>	<u>14,324</u>	<u>-</u>
Budgeted Fund Balance, December 31	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 55,722</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, 2017

	<u>Budgeted Amounts</u>			Variance with Final Budget
	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	
Budgeted Fund Balance, January 1	\$ 4,665	\$ 13,165	\$ 49,847	
Resources (in-flows)				
Other Tax	29,000	29,000	29,445	445
Interest Earnings	106	106	-	(106)
Total Resources (in-flows)	<u>29,106</u>	<u>29,106</u>	<u>29,445</u>	<u>339</u>
Amounts Available for Appropriation	33,771	42,271	79,292	
Charges to Appropriations (out-flows)				
Salaries and Wages	2,592	2,592	1,991	(601)
Personnel Benefits	1,179	1,179	858	(321)
Supplies	-	-	11	11
Services and Charges	30,000	38,500	35,360	(3,140)
Capital Outlays	-	-	-	-
Interfund Payments for Services	-	-	-	-
Transfers Out	-	-	-	-
Amount Charged to Appropriations (out-flows)	<u>33,771</u>	<u>42,271</u>	<u>38,220</u>	<u>(4,051)</u>
Budgeted Fund Balance, December 31	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 41,071</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, 2017

	Budgeted Amounts		Actual	Variance with Final Budget
	Original Budget	Final Budget		
Budgeted Fund Balance, January 1	\$ (2,917)	\$ 12,083	\$ 54,575	
Resources (in-flows)				
Other Tax	20,670	20,670	-	(20,670)
Interest Earnings	76	76	-	(76)
Total Resources (in-flows)	<u>20,746</u>	<u>20,746</u>	-	<u>(20,746)</u>
Amounts Available for Appropriation	17,829	32,829	54,575	
Charges to Appropriations (out-flows)				
Salaries and Wages	1,944	6,944	7,114	170
Personnel Benefits	885	5,885	3,241	(2,644)
Supplies			19	19
Services and Charges	15,000	20,000	16,293	(3,707)
Capital Outlays				-
Interfund Payments for Services	-	-		-
Transfers Out				-
Amount Charged to Appropriations (out-flows)	<u>17,829</u>	<u>32,829</u>	<u>26,667</u>	<u>(6,162)</u>
Budgeted Fund Balance, December 31	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 27,907</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, 2017

	Budgeted Amounts		Actual	Variance with Final Budget
	Original Budget	Final Budget		
Budgeted Fund Balance, January 1	\$ (33,200)	\$ 11,589	\$ 335,852	
Resources (in-flows)				
Property Tax	80,000	80,000	86,901	6,901
Charges for Goods and Services	-	-	-	-
Interest Earnings	-	-	307	307
Miscellaneous Revenues	-	-	-	-
Total Resources (in-flows)	80,000	80,000	87,208	7,208
Amounts Available for Appropriation	46,800	91,589	423,060	
Charges to Appropriations (out-flows)				
Salaries and Wages	-	7,500	2,493	(5,007)
Personnel Benefits	-	2,289	1,007	(1,282)
Supplies	1,300	1,300	8,718	7,418
Services and Charges	45,500	80,500	51,120	(29,380)
Capital Outlays	-	-	-	-
Interfund Payments for Services	-	-	-	-
Transfers Out	-	-	-	-
Amount Charged to Appropriations (out-flows)	46,800	91,589	63,338	(28,251)
 Budgeted Fund Balance, December 31	 \$ -	 \$ -	 \$ 359,722	

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, 2017

	Budgeted Amounts		Actual	Variance with Final Budget
	Original Budget	Final Budget		
Budgeted Fund Balance, January 1	\$ (12,176)	\$ 17,512	\$ 183,587	
Resources (in-flows)				
Intergovernmental Revenue	-	-	-	-
Interest Revenue	800	800	1,457	657
Miscellaneous Revenues	21,500	21,500	-	(21,500)
Total Resources (in-flows)	<u>22,300</u>	<u>22,300</u>	<u>1,457</u>	<u>(20,843)</u>
Amounts Available for Appropriation	10,124	39,812	185,044	
Charges to Appropriations (out-flows)				
Salaries and Wages	-	-	-	-
Personnel Benefits	-	-	-	-
Supplies	10,124	39,812	7,247	(32,565)
Services and Charges	-	-	150	150
Capital Outlays	-	-	-	-
Interfund Payments for Services	-	-	-	-
Transfers Out	-	-	-	-
Amount Charged to Appropriations (out-flows)	<u>10,124</u>	<u>39,812</u>	<u>7,397</u>	<u>(32,415)</u>
Budgeted Fund Balance, December 31	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 177,647</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, 2017

	Budgeted Amounts		Actual	Variance with Final Budget
	Original Budget	Final Budget		
Budgeted Fund Balance, January 1	\$ 6,837	\$ 37,247	\$ 89,599	
Resources (in-flows)				
Intergovernmental Revenue	87,000	87,000	73,474	(13,526)
Interest Earnings	150	150	259	109
Miscellaneous Revenues	1,800	6,900	5,600	(1,300)
Total Resources (in-flows)	88,950	94,050	79,333	(14,717)
Amounts Available for Appropriation	95,787	131,297	168,932	
Charges to Appropriations (out-flows)				
Salaries and Wages	40,000	40,000	17,971	(22,029)
Personnel Benefits	12,287	12,287	6,928	(5,359)
Supplies	14,000	14,510	23,567	9,057
Services and Charges	24,500	58,454	11,257	(47,197)
Capital Outlays	5,000	6,046	32,494	26,448
Interfund Payments for Services	-	-	-	-
Transfers Out	-	-	-	-
Amount Charged to Appropriations (out-flows)	95,787	131,297	92,217	(39,080)
Budgeted Fund Balance, December 31	\$ -	\$ -	\$ 76,715	

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, 2017

	<u>Budgeted Amounts</u>		Actual	Variance with Final Budget
	Original Budget	Final Budget		
Budgeted Fund Balance, January 1	\$ 29,647	\$ 26,721	\$ 205,284	
Resources (in-flows)				
Charges for Goods and Services	160,000	160,000	145,603	(14,397)
Intergovernmental Revenue	475,000	475,000	341,429	(133,571)
Interest Revenue	500	500	259	(241)
Total Resources (in-flows)	<u>635,500</u>	<u>635,500</u>	<u>487,291</u>	<u>(148,209)</u>
Amounts Available for Appropriation	665,147	662,221	692,575	
Charges to Appropriations (out-flows)				
Salaries and Wages	11,929	9,929	6,538	(3,391)
Personnel Benefits	5,217	4,291	2,998	(1,293)
Supplies			62	62
Services and Charges	648,001	648,001	467,056	(180,945)
Capital Outlays				-
Interfund Payments for Services	-		3,069	3,069
Transfers Out				-
Amount Charged to Appropriations (out-flows)	<u>665,147</u>	<u>662,221</u>	<u>479,723</u>	<u>(182,498)</u>
Budgeted Fund Balance, December 31	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 212,852</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, 2017

	Budgeted Amounts			Variance with Final Budget
	Original Budget	Final Budget	Actual	
Budgeted Fund Balance, January 1	\$ -	\$ -	\$ 20,018	
Resources (in-flows)				
Intergovernmental Revenue	20,000	20,000	-	(20,000)
Total Resources (in-flows)	20,000	20,000	-	(20,000)
Amounts Available for Appropriation	20,000	20,000	20,018	
Charges to Appropriations (out-flows)				
Salaries and Wages				-
Personnel Benefits				-
Supplies				-
Services and Charges	20,000	20,000	20,000	-
Capital Outlays				-
Interfund Payments for Services				-
Transfers Out				-
Amount Charged to Appropriations (out-flows)	20,000	20,000	20,000	-
Budgeted Fund Balance, December 31	\$ -	\$ -	\$ 18	

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, 2017**

	Budgeted Amounts			Variance with Final Budget
	Original Budget	Final Budget	Actual	
Budgeted Fund Balance, January 1	\$ 22,000	\$ 22,000	\$ 240,236	
Resources (in-flows)				
Sales and Use Tax			-	-
Intergovernmental	14,000	14,000	15,359	1,359
Services and Charges	14,000	14,000	15,092	1,092
Interest Revenue	-	-	585	585
Total Resources (in-flows)	28,000	28,000	31,036	3,036
Amounts Available for Appropriation	50,000	50,000	271,272	
Charges to Appropriations (out-flows)				
Salaries and Wages	-	-	-	-
Personnel Benefits				-
Supplies				-
Services and Charges	50,000	50,000		(50,000)
Capital Outlays				-
Interfund Payments for Services				-
Transfers Out				-
Amount Charged to Appropriations (out-flows)	50,000	50,000	-	(50,000)
 Budgeted Fund Balance, December 31	 \$ -	 \$ -	 \$ 271,271	

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, 2017

	<u>Budgeted Amounts</u>		Actual	Variance with Final Budget
	Original Budget	Final Budget		
Budgeted Fund Balance, January 1	\$ 10,927	\$ 12,627	\$ 240,960	
Resources (in-flows)				
Intergovernmental Revenue	660,685	1,321,370	378,223	(943,147)
Charges for Goods and Services	720,000	720,000	743,932	23,932
Interest Revenue	150	150	1,175	1,025
Total Resources (in-flows)	<u>1,380,835</u>	<u>2,041,520</u>	<u>1,123,330</u>	<u>24,957</u>
Amounts Available for Appropriation	1,391,762	2,054,147	1,364,290	
Charges to Appropriations (out-flows)				
Salaries and Wages	60,317	66,317	64,106	(2,211)
Personnel Benefits	28,290	31,070	31,379	309
Supplies	320	2,020	570	(1,450)
Services and Charges	1,302,835	1,954,740	1,044,468	(910,272)
Capital Outlays				-
Interfund Payments for Services			10,954	10,954
Transfers Out				-
Amount Charged to Appropriations (out-flows)	<u>1,391,762</u>	<u>2,054,147</u>	<u>1,151,477</u>	<u>(902,670)</u>
Budgeted Fund Balance, December 31	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 212,812</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, 2017

	Budgeted Amounts		Actual	Variance with Final Budget
	Original Budget	Final Budget		
Budgeted Fund Balance, January 1	\$ 80,841	\$ 13,198	\$ 217,781	
Resources (in-flows)				
Intergovernmental Revenue	133,506	183,284	83,727	(99,557)
Charges for Goods and Services	-	-	-	-
Fines and Forfeits	166,217	166,217	120,269	(45,948)
Interest Revenue	400	400	714	314
Miscellaneous Revenues	12,402	12,402	10,098	(2,304)
Total Resources (in-flows)	312,525	362,303	214,808	(147,495)
Amounts Available for Appropriation	393,366	375,501	432,589	
Charges to Appropriations (out-flows)				
Salaries and Wages	55,775	43,275	37,063	(6,212)
Personnel Benefits	27,141	21,776	20,143	(1,633)
Supplies	22,000	22,000	4,134	(17,866)
Services and Charges	205,450	205,450	135,728	(69,722)
Capital Outlays	20,000	20,000	30,379	10,379
Interfund Payments for Services	63,000	63,000	29,832	(33,168)
Transfers Out				-
Amount Charged to Appropriations (out-flows)	393,366	375,501	257,279	(118,222)
Budgeted Fund Balance, December 31	\$ -	\$ -	\$ 175,310	

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, 2017

SKAGIT COUNTY, WASHINGTON
BALANCE SHEET
Combining Nonmajor Debt Service Fund
As of December 31, 2017

ASSETS AND OTHER DEBITS:	TOTALS
ASSETS:	
Cash	\$817,434
Investments	1,029,626
Accounts Receivable	40
Interfund Loans Receivable	89,033
TOTAL ASSETS	\$1,936,133
LIABILITIES AND FUND BALANCES	
LIABILITIES	
Unearned Revenue	-
Interfund Loans Payable	90,033
TOTAL LIABILITIES	90,033
Deferred Inflow of Resources	40
FUND BALANCES	
Reserved for Debt Service	1,846,059
TOTAL FUND BALANCES	1,846,059
TOTAL LIABILITIES AND FUND BALANCES	1,936,133

SKAGIT COUNTY, WASHINGTON
Combing Statement of Revenues, Expenditures
And Changes in Fund Balances
DEBT SERVICE FUND
For the Year Ended December 31, 2017

REVENUES:	Total
Interest Revenue	\$68,297
Miscellaneous Revenues	365,973
TOTAL REVENUES	434,271
EXPENDITURES:	
Debt Service: Principal	1,791,191
Debt Service: Interest and Related Costs	578,051
TOTAL EXPENDITURES	2,369,241
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	(1,934,971)
OTHER FINANCING SOURCES (USES):	
Transfers In	1,535,415
Proceeds of Long Term Debt	616,769
TOTAL OTHER FINANCING SOURCES (USES)	2,152,184
EXCESS (DEFICIENCY) OF REVENUES AND OTHER FINANCING SOURCES OVER EXPENDITURES AND OTHER FINANCING USES	217,213
FUND BALANCES:	
Fund Balance, January 1	1,628,846
FUND BALANCE, DECEMBER 31	1,846,059

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, 2017

	<u>Budgeted Amounts</u>			Variance with Final Budget
	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	
Budgeted Fund Balance, January 1	\$ (464,058)	\$ (464,058)	\$ 1,628,846	
Resources (in-flows)				
Intergovernmental Revenues			-	-
Transfers In	1,535,417	1,535,417	1,535,415	(2)
Interest Revenue	62,000	62,000	68,297	6,297
Other Revenue	935,770	935,770	982,742	46,972
Total Resources (in-flows)	<u>2,533,187</u>	<u>2,533,187</u>	<u>2,586,455</u>	<u>53,268</u>
Amounts Available for Appropriation	2,069,129	2,069,129	4,215,301	
Charges to Appropriations (out-flows)				
Debt Service				-
Principal	1,635,000	1,635,000	1,791,191	156,191
Interest	434,129	434,129	578,051	143,922
Transfers Out	-	-	-	-
Amount Charged to Appropriations (out-flows)	<u>2,069,129</u>	<u>2,069,129</u>	<u>2,369,241</u>	<u>300,112</u>
Budgeted Fund Balance, December 31	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 1,846,059</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, 2017

ASSETS:	FACILITY IMPROVEMENTS	CAPITAL IMPROVEMENT	DISTRESSED PUBLIC IMPROVEMENTS	PARKS IMPROVEMENT	TOTALS
ASSETS:					
Cash	\$1,636,489	\$2,187,696	(\$697,671)	\$166,050	\$3,292,564
Investments	200,554	1,163,078	8,558,417	-	\$9,922,050
Due from Other Funds		-	-	-	\$0
Due from another government unit		-	496,776		\$496,776
Interfund Loan Receivable	-	-	-	-	0
TOTAL ASSETS	1,837,043	3,350,775	8,357,522	166,050	\$13,711,389
LIABILITIES AND FUND BALANCES					
LIABILITIES:					
Accounts/vouchers payable	58,104	-	97,040	1,496	156,641
Due to other funds	14,774	-	-	3,204	17,978
Unearned Revenue	-	-	-		0
TOTAL LIABILITIES	72,878	-	97,040	4,700	\$174,619
FUND BALANCES					
Fund balances:					
Nonspendable	-		-	-	-
Restricted	1,764,165	3,350,774	8,260,482	161,349	13,536,771
Committed					-
Unassigned	-	-	-	-	-
TOTAL FUND BALANCES	1,764,165	3,350,774	8,260,482	161,349	\$13,536,771
TOTAL LIABILITIES AND FUND BALANCES	\$1,837,043	\$3,350,774	\$8,357,522	\$166,049	\$13,711,389

SKAGIT COUNTY, WASHINGTON
COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES
IN FUND BALANCE
NONMAJOR CAPITAL PROJECTS FUNDS
For the Year Ended December 31, 2017

REVENUES:	Facility IMPROVEMENTS FUND	CAPITAL IMPROVEMENTS FUND	DISTRESSED PUBLIC IMPROVEMENT	PARK IMPROVEMENT FUND	TOTALS
Property Taxes	\$0	\$2,043,447			\$2,043,447
Excise Taxes			\$2,774,164	\$0	\$2,774,164
Intergovernmental Revenue		-	-	-	\$0
Charges for Goods and Services	-	-	-	11,305	\$11,305
Interest Revenue	12,545	14,559	46,734		\$73,838
Other Revenue	-	-	-	-	-
TOTAL REVENUES	12,545	2,058,006	2,820,898	11,305	4,902,754
EXPENDITURES:					
Current	-	-	-	-	-
Economic Environment			2,493,593	-	2,493,593
Culture and Recreation	-			218,000	218,000
Capital Outlay	3,782,269	-	-	317,460	4,099,729
Total Expenditures	3,782,269	-	2,493,593	535,460	6,811,321
TOTAL EXPENDITURES	3,782,269	-	2,493,593	535,460	6,811,321
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	(3,769,724)	2,058,006	327,305	(524,155)	(1,908,567)
OTHER FINANCING SOURCES (USES):					
Issuance of Long Term Debt	-	-	-	-	-
Proceeds of Capital Assets	837,000	-	-	-	837,000
Transfers In	1,759,676	-	-	452,000	2,211,676
Transfers Out	-	(2,576,828)	(592,353)	-	(3,169,180)
TOTAL OTHER FINANCING SOURCES (USES)	2,596,676	(2,576,828)	(592,353)	452,000	(120,504)
EXCESS (DEFICIENCY) OF REVENUES AND OTHER FINANCING SOURCES OVER EXPENDITURES AND OTHER FINANCING USE	(1,173,048)	(518,822)	(265,047)	(72,155)	(2,029,071)
FUND BALANCES:					
Fund Balance, January 1	2,937,213	3,869,597	8,525,529	233,504	15,565,843
Prior Period Adjustment					-
FUND BALANCE, DECEMBER 31	\$1,764,165	3,350,774	\$8,260,482	161,349	13,536,771

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, 2017

	<u>Budgeted Amounts</u>			Variance with Final Budget
	Original Budget	Final Budget	Actual	
Budgeted Fund Balance, January 1	\$ 4,687,281	\$ 4,691,431	\$ 2,937,213	
Resources (in-flows)				
Intergovernmental Revenues	-	-	-	-
Proceeds of Lt Debt	-	-	-	-
Transfers In	1,134,021	1,134,021	1,759,676	625,655
Interest Revenue	-	-	12,545	12,545
Other Revenue	-	-	837,000	837,000
Total Resources (in-flows)	<u>1,134,021</u>	<u>1,134,021</u>	<u>2,609,221</u>	<u>1,475,200</u>
Amounts Available for Appropriation	5,821,302	5,825,452	5,546,434	
Charges to Appropriations (out-flows)				
Salaries and Wages	79,198	82,198	81,693	(505)
Personnel Benefits	34,604	35,754	35,484	(270)
Supplies	-	-	-	-
Services and Charges	2,327,500	2,327,500	166,779	(2,160,721)
Capital Outlays	3,380,000	3,380,000	3,483,539	103,539
Interfund Payments for Services	-	-	14,774	14,774
Transfers Out	-	-	-	-
Amount Charged to Appropriations (out-flows)	<u>5,821,302</u>	<u>5,825,452</u>	<u>3,782,269</u>	<u>(2,043,183)</u>
Budgeted Fund Balance, December 31	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 1,764,165</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, 2017

	<u>Budgeted Amounts</u>			Variance with Final Budget
	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	
Budgeted Fund Balance, January 1	\$ 1,277,084	\$ 1,277,084	\$ 3,869,597	
Resources (in-flows)				
Property Tax	1,400,000	1,400,000	2,043,446	643,446
Interest Revenue	15,000	15,000	14,559	(441)
Total Resources (in-flows)	<u>1,415,000</u>	<u>1,415,000</u>	<u>2,058,005</u>	<u>643,005</u>
Amounts Available for Appropriation	2,692,084	2,692,084	5,927,602	
Charges to Appropriations (out-flows)				
Salaries and Wages				-
Personnel Benefits				-
Supplies				-
Services and Charges				-
Capital Outlays				-
Interfund Payments for Services				-
Transfers Out	2,692,084	2,692,084	2,576,828	(115,256)
Amount Charged to Appropriations (out-flows)	<u>2,692,084</u>	<u>2,692,084</u>	<u>2,576,828</u>	<u>(115,256)</u>
Budgeted Fund Balance, December 31	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 3,350,774</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, 2017

	<u>Budgeted Amounts</u>			Variance with Final Budget
	Original Budget	Final Budget	Actual	
Budgeted Fund Balance, January 1	\$ 1,807,054	\$ 1,807,054	\$ 8,525,529	
Resources (in-flows)				
Sales and Use Tax	2,550,000	2,550,000	2,774,164	224,164
Interest Revenue	20,000	20,000	46,734	26,734
Total Resources (in-flows)	<u>2,570,000</u>	<u>2,570,000</u>	<u>2,820,898</u>	<u>250,898</u>
Amounts Available for Appropriation	4,377,054	4,377,054	11,346,427	
Charges to Appropriations (out-flows)				
Salaries and Wages				-
Personnel Benefits				-
Supplies				-
Services and Charges	74,700	74,700	60,100	(14,600)
Capital Outlays				-
Interfund Payments for Services	3,710,000	3,710,000	2,433,493	(1,276,507)
Transfers Out	592,354	592,354	592,353	(1)
Amount Charged to Appropriations (out-flows)	<u>4,377,054</u>	<u>4,377,054</u>	<u>3,085,946</u>	<u>(1,291,108)</u>
Budgeted Fund Balance, December 31	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 8,260,482</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, 2017

	<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	\$ 250,619	\$ 250,619	\$ 233,504	
Resources (in-flows)				
Intergovernmental Revenue	-	-	-	-
Charges for Goods and Services	10,000	10,000	11,305	1,305
Interest Earnings	-	-	-	-
Transfers In	615,000	615,000	452,000	(163,000)
Donations	-	-	-	-
Total Resources (in-flows)	<u>625,000</u>	<u>625,000</u>	<u>463,305</u>	<u>(161,695)</u>
Amounts Available for Appropriation	875,619	875,619	696,809	
Charges to Appropriations (out-flows)				
Salaries and Wages	45,107	45,107	-	(45,107)
Personnel Benefits	17,212	17,212	-	(17,212)
Supplies	20,000	20,000	3,530	(16,470)
Services and Charges	403,500	403,500	214,470	(189,030)
Capital Outlays	255,000	255,000	317,460	62,460
Interfund Payments for Services	-	-	-	-
Transfers Out	134,800	134,800	-	(134,800)
Amount Charged to Appropriations (out-flows)	<u>875,619</u>	<u>875,619</u>	<u>535,460</u>	<u>(340,159)</u>
Budgeted Fund Balance, December 31	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 161,349</u>	

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Nonmajor Enterprise Funds



SKAGIT COUNTY, WASHINGTON

NONMAJOR ENTERPRISE FUNDS

For the Year ended December 31, 2017, 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, 2017

Assets	Equipment Rental Fund	Insurance Service Fund	Central Services Fund	Unemployment Compensation # Fund	Total
Current Assets					
Cash and Cash Equivalents	\$6,539,790	\$10,360,820	\$1,708,993	\$666,004	\$19,275,608
Accounts Receivable	1,071	-	48,592	-	49,663
Due From Other Funds	1,686,773	1,769,436	1,724,278	-	5,180,486
Due From Other Governments	5,750	-	5,078	-	10,828
Inventories and Prepayments	5,366,913	-	-	-	5,366,913
Total Current Assets	13,600,298	12,130,256	3,486,940	666,004	29,883,497
Noncurrent Assets					
Capital Assets					
Buildings	180,888	-	-	-	180,888
Machinery and Equipment	18,990,563	-	1,924,368	-	20,914,931
Less Accumulated Depreciation	(9,626,764)	-	(1,293,936)	-	(10,920,700)
Total noncurrent assets	9,544,686	-	630,432	-	10,175,118
Total Assets	23,144,984	12,130,256	4,117,371	666,004	40,058,615
Deferred Outflows of Resources	6,756	17,326	92,411	-	116,493
Liabilities and Fund Equity					
Current Liabilities					
Accounts/Vouchers Payable	219,280	90,378	228,397	17,211	555,266
Claims and Judgements Payable	-	2,047,085	-	-	2,047,085
Accrue Wages Payable	19,357	12,966	98,032	19,477	149,832
Due to other Funds	1,754,148	57,206	-	-	1,811,354
Accrued Employee Benefits	5,255	2,842	21,385	-	29,482
Other Accrued Liabilities	1,000	-	27	-	1,027
Total Current Liabilities	1,999,040	2,210,477	347,841	36,688	4,594,046
Non-Current Liabilities					
Compensated Absences	41,381	23,673	218,419	-	283,473
Environmental Liability	39,368	-	-	-	39,368
Net Pension Liability	124,846	140,305	939,374	-	1,204,525
Total Non-Current Liabilities	205,595	163,978	1,157,793	-	1,527,366
Total Liabilities	2,204,635	2,374,454	1,505,634	36,688	6,121,412
Deferred Inflows of Resources	68,325	28,656	308,511	-	405,492
Net Position					
Net Investment in Capital Assets,	9,544,686	-	630,432	-	10,175,118
Unrestricted	11,334,094	9,744,472	1,765,205	629,315	23,473,087
Total Net Position	\$ 20,878,781	\$ 9,744,472	\$2,395,637	\$ 629,315	\$ 33,648,205

SKAGIT COUNTY, WASHINGTON
Combining Statement of Revenues, Expenses, and Changes in Fund Net Position
Internal Service Funds
December 31, 2017

	Equipment Rental Fund	Insurance Services Fund	Central Services Fund	Unemployment Compensation Fund	Total
<u>Operating Revenues:</u>					
Charges For Services	\$5,583,852	\$1,769,436	\$8,088,586	\$527,533	\$15,969,406
Miscellaneous	69,486	11,637,953			11,707,440
Total Operating Revenue	<u>5,653,338</u>	<u>13,407,389</u>	<u>8,088,586</u>	<u>527,533</u>	<u>27,676,846</u>
<u>Operating Expenses:</u>					
Personal services	773,853	457,833	3,564,268	393,465	5,189,419
Contractual services	-	2,457,290	-		2,457,290
Other supplies and expenses	3,512,689	99,463	3,470,784	-	7,082,937
Depreciation	1,182,381	-	186,431	-	1,368,812
Payment to Claimants	-	11,052,805	-	55,564	11,108,370
Total Operating Expenses	<u>5,468,923</u>	<u>14,067,391</u>	<u>7,221,484</u>	<u>449,030</u>	<u>27,206,827</u>
Operating Income (Loss)	<u>184,415</u>	<u>(660,002)</u>	<u>867,102</u>	<u>78,504</u>	<u>470,019</u>
<u>Non-Operating Revenues (Expenses):</u>					
Interest Revenue	34,781	71,827		1,354	107,962
Miscellaneous Revenue	-		3,125	-	3,125
Gain (Loss) on Fixed Asset Disposal	(126,299)		-	-	(126,299)
Miscellaneous Expense	-		-	-	-
Total non-operating revenues	<u>(91,518)</u>	<u>71,827</u>	<u>3,125</u>	<u>1,354</u>	<u>(15,212)</u>
Net Income (Loss) Before Operating Transfers Contributions and Special Items	<u>92,897</u>	<u>(588,175)</u>	<u>870,227</u>	<u>79,857</u>	<u>454,807</u>
Transfers In	255,853	-	-		255,853
Transfers Out	-	-	-	-	-
Changes in Net Position	<u>348,751</u>	<u>(588,175)</u>	<u>870,227</u>	<u>79,857</u>	<u>710,660</u>
Net Position as of January 1	20,530,030	10,332,647	1,525,410	549,458	32,937,545
Prior Period Correction	-				0
Net Position as of December 31	<u><u>20,878,781</u></u>	<u><u>9,744,472</u></u>	<u><u>2,395,637</u></u>	<u><u>629,315</u></u>	<u><u>33,648,205</u></u>

SKAGIT COUNTY, WASHINGTON
Combining Statement of Cash Flow
Internal Service Funds
For the Year Ended December 31, 2017

	Equipment Rental Fund	Insurance Service Fund	Central Services Fund	Unemployment Compensation Fund	Total
<u>Cash Flows From Operating Activities:</u>					
Receipts from Customers	\$336,197	\$1,162,046	\$861,851	\$0	\$2,360,094
Receipts from interfund services provided	4,802,516	12,338,448	7,105,594	527,535	24,774,093
Payments to Employees	(776,042)	(461,883)	(3,727,706)	(459,960)	(5,425,591)
Payments to Suppliers	(1,901,584)	(2,750,809)	(3,336,453)	-	(7,988,846)
Payments to Claimants		(11,080,994)	-	(53,925)	(11,134,919)
Payments for interfund services used	(1,103,719)	(60,235)	-	-	(1,163,954)
Miscellaneous receipts/payments)	(103,655)	113,420	3,125	-	12,890
Net cash provided (used) by operating activities	<u>1,253,713</u>	<u>(740,007)</u>	<u>906,411</u>	<u>13,650</u>	<u>1,433,768</u>
<u>Cash Flows From Non-Capital And Related Financing Activities</u>					
Transfers to Other Funds		-	-	-	-
Transfers From Other Funds	255,853	-	-	-	255,853
Net cash provided (used) by Non-Capital and related financing activities	<u>255,853</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	(1,988,858)	-	(707,232)	-	(2,696,090)
Purchases of capital assets	124,601	-	300,615	-	425,216
Net cash provided (used) by capital and related financing activities	<u>(1,864,257)</u>	<u>-</u>	<u>(406,617)</u>	<u>-</u>	<u>(2,270,874)</u>
<u>Cash Flows From Investing Activities:</u>					
Interest Received	34,780	71,827	-	1,354	107,961
Net Cash Provided by Investing Activities	<u>34,780</u>	<u>71,827</u>	<u>-</u>	<u>1,354</u>	<u>107,961</u>
Net Increase in Cash & Cash Equivalents	(319,911)	(668,180)	499,794	15,004	(473,293)
Balances as of January 1	6,859,701	11,029,000	1,209,199	651,000	19,748,900
Balances as of December 31	<u>6,539,790</u>	<u>10,360,820</u>	<u>1,708,993</u>	<u>666,004</u>	<u>19,275,607</u>
Operating Income/(Loss)	<u>184,415</u>	<u>(660,002)</u>	<u>867,102</u>	<u>78,504</u>	<u>470,019</u>

SKAGIT COUNTY, WASHINGTON
Combining Reconciliation of Operating Income to Net Cash Provided
Internal Service Funds
For the Year Ended December 31, 2017

	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)	\$ 184,415	\$ (660,002)	\$ 867,102	\$ 78,504	470,019
Adjustments to Reconcile Operating Income to Net Cash Provided (Used) by Operating Activities:					
Depreciation Expense	1,182,382		186,431		1,368,813
Miscellaneous Receipts	(103,655)	-	3,125		(100,530)
Changes in Assets and Liabilities:					
Receivables, Net	(514,624)	217,629	(165,352)	-	(462,347)
Prepayables		-	-		-
Inventories	(14,202)				(14,202)
Accounts and Other Payables	519,397	(297,634)	15,105	(64,854)	172,014
Net Cash Provided (Used) by Operating Activities	<u>\$ 1,253,713</u>	<u>\$ (740,007)</u>	<u>\$ 906,411</u>	<u>\$ 13,650</u>	<u>\$ 1,433,768</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, 2017

ASSETS	TRUST FUNDS	CLEARING FUNDS	STATE FUNDS	NW CLEAN AIR AGENCY FUNDS
Cash	\$ 659,251	\$ 4,564,280	\$ 839,656	\$ 12,786
Investments				4,642,479
Taxes Receivable		4,437	747,065	
Deposits		-		
TOTAL ASSETS	659,251	4,568,717	1,586,721	4,655,265
LIABILITIES				
Warrants Payable		4,608,408		
Custodial Accounts	659,251	(39,691)	1,586,721	4,655,265
TOTAL LIABILITIES	\$ 659,251	\$ 4,568,717	\$ 1,586,721	\$ 4,655,265

ASSETS	LIBRARY FUNDS	SKAGIT HOUSING FUND	CITIES AND TOWNS FUNDS	PORT DISTRICT FUNDS
Cash	\$ 1,205,051	\$ 36,076	\$ 309,666	\$ 1,746,271
Investments	2,726,968	746,172		18,783,915
Taxes Receivable	54,916		321,057	65,429
Deposits				
TOTAL ASSETS	3,986,935	782,248	630,723	20,595,615
LIABILITIES				
Warrants Payable	38,429			324,503
Custodial Accounts	3,948,506	782,248	630,723	20,271,112
TOTAL LIABILITIES	\$ 3,986,935	\$ 782,248	\$ 630,723	\$ 20,595,615

SKAGIT COUNTY, WASHINGTON
COMBINING BALANCE SHEET

As of December 31, 2017

ASSETS	COUNCIL OF GOVERNMENTS FUNDS	FIDALGO PARK FUNDS	AFFILIATED HEALTH SERVICES FUNDS
Cash	\$ 105,764	\$ (45,177)	\$ 11
Investments	482,639	301,063	19,806
Taxes Receivable		7,987	
Deposits			
TOTAL ASSETS	588,403	263,873	19,817
LIABILITIES			
Warrants Payable	48,287	-	-
Custodial Accounts	540,116	263,873	19,817
TOTAL LIABILITIES	\$ 588,403	\$ 263,873	\$ 19,817

ASSETS	NORTH SOUND RSN FUNDS	DIKE DISTRICTS FUNDS	SKAGIT TRANSPORTATION FUNDS
Cash	\$ 7,072,524	\$ 4,890,962	\$ 504
Investments	52,537,282	15,159,698	8,631,014
Taxes Receivable		134,998	
Deposits			
TOTAL ASSETS	59,609,806	20,185,658	8,631,518
LIABILITIES			
Warrants Payable	15,442,940	22,687	
Custodial Accounts	44,166,866	20,162,971	8,631,518
TOTAL LIABILITIES	\$ 59,609,806	\$ 20,185,658	\$ 8,631,518

SKAGIT COUNTY, WASHINGTON
COMBINING BALANCE SHEET

As of December 31, 2017

ASSETS	HOSPITAL DISTRICT 1 FUNDS	HOSPITAL DISTRICT 2 FUNDS	HOSPITAL DISTRICT 304 FUNDS	WATER DISTRICT FUNDS
Cash	\$ 12,419,658	\$ 1,721,678	\$ 514,707	\$ 57,612
Investments	142,312,869	30,843,350	13,885,658	281,010
Taxes Receivable	77,567	44,192	29,427	
Deposits				
TOTAL ASSETS	154,810,094	32,609,220	14,429,792	338,622
LIABILITIES				
Warrants Payable	2,285,874	1,417,203	142,051	-
Custodial Accounts	152,524,220	31,192,017	14,287,741	338,622
TOTAL LIABILITIES	\$ 154,810,094	\$ 32,609,220	\$ 14,429,792	\$ 338,622

ASSETS	DRAINAGE DISTRICT FUNDS	SCHOOL DISTRICTS FUNDS	CEMETARY DISTRICTS FUNDS	SKAGIT COMMUNITY NETWORK
Cash	\$ 662,992	\$ 24,824,020	\$ 187,282	\$ 1,801
Investments	1,088,501	201,340,778	441,643	
Taxes Receivable	20,289	1,604,553	4,836	
Deposits				
TOTAL ASSETS	1,771,782	227,769,351	633,761	1,801
LIABILITIES				
Warrants Payable	12,448	15,020,972	3,955	
Custodial Accounts	1,759,334	212,748,379	629,806	1,801
TOTAL LIABILITIES	\$ 1,771,782	\$ 227,769,351	\$ 633,761	\$ 1,801

SKAGIT COUNTY, WASHINGTON
COMBINING BALANCE SHEET

As of December 31, 2017

ASSETS	SEWER DISTRICT FUNDS	FIRE DISTRICT FUNDS	SKAGIT HOSPICE SERVICES
Cash	\$ 472,642	\$ 3,200,671	\$ -
Investments	229,037	4,700,961	2,006,453
Taxes Receivable	-	150,914	
Deposits			
TOTAL ASSETS	701,679	8,052,546	2,006,453
LIABILITIES			
Warrants Payable	11,742	64,926	
Custodial Accounts	689,937	7,987,620	2,006,453
TOTAL LIABILITIES	\$ 701,679	\$ 8,052,546	\$ 2,006,453

ASSETS	PUBLIC FACILITIES DISTRICT	SKAGIT EMERGENCY COMM	2017 TOTALS
Cash	\$ 86,140	\$ 50	\$ 65,546,878
Investments	1,726,498	942,738	503,830,535
Taxes Receivable			3,267,667
Deposits			-
TOTAL ASSETS	1,812,638	942,788	572,645,080
LIABILITIES			
Warrants Payable	-	-	39,444,425
Custodial Accounts	1,812,638	942,788	533,200,655
TOTAL LIABILITIES	\$ 1,812,638	\$ 942,788	\$ 572,645,080

SKAGIT COUNTY, WASHINGTON
COMBINING STATEMENT OF CHANGES IN ASSETS AND LIABILITIES
Fiscal Year Ended December 31, 2017

TRUST FUNDS	Balance		Balance	
	December 31, 2016	Additions	Deductions	December 31, 2017
ASSETS				
Cash	\$ 558,001	\$ 516,605	\$ 415,355	\$ 659,251
Investments	-			-
Taxes Receivable	-			-
Deposits	-			-
TOTAL ASSETS	558,001	516,605	415,355	659,251
LIABILITIES				
Warrants Payable	-			-
Custodial Accounts	558,001	516,605	415,355	659,251
TOTAL LIABILITIES	\$ 558,001	\$ 516,605	\$ 415,355	\$ 659,251

CLEARING FUNDS	Balance		Balance	
	December 31, 2016	Additions	Deductions	December 31, 2017
ASSETS				
Cash	\$ 14,673,012	\$ 405,026,276	\$ 415,135,007	\$ 4,564,280
Investments	-			-
Taxes Receivable	-			-
Deposits	-	10,725	6,288	4,437
TOTAL ASSETS	14,673,012	405,037,001	415,141,295	4,568,717
LIABILITIES				
Warrants Payable	14,648,653	286,757,546	296,797,791	4,608,408
Custodial Accounts	24,359	125,021,977	125,086,027	(39,691)
TOTAL LIABILITIES	\$ 14,673,012	\$ 411,779,523	\$ 421,883,818	\$ 4,568,717

STATE FUNDS	Balance		Balance	
	December 31, 2016	Additions	Deductions	December 31, 2017
ASSETS				
Cash	\$ 661,370	\$ 54,736,327	\$ 54,558,041	\$ 839,656
Investments	-			-
Taxes Receivable	851,911	33,672,855	33,777,701	747,065
Deposits	-			-
TOTAL ASSETS	1,513,281	88,409,182	88,335,742	1,586,721
LIABILITIES				
Warrants Payable	-	5	5	-
Custodial Accounts	1,513,281	37,195,460	37,122,020	1,586,721
TOTAL LIABILITIES	\$ 1,513,281	\$ 37,195,465	\$ 37,122,025	\$ 1,586,721

SKAGIT COUNTY, WASHINGTON
COMBINING STATEMENT OF CHANGES IN ASSETS AND LIABILITIES
Fiscal Year Ended December 31, 2017

NW AIR POLLUTION FUNDS	Balance		Balance
	December 31, 2016	Additions	Deductions
ASSETS			December 31, 2017
Cash	\$ 86,382	\$ 8,632,811	\$ 8,706,407
Investments	5,161,535	3,345,666	3,864,722
Taxes Receivable	-		-
Deposits	-		-
TOTAL ASSETS	5,247,917	11,978,477	12,571,128
LIABILITIES			
Warrants Payable	-	4,938,977	4,938,977
Custodial Accounts	5,247,917		592,651
TOTAL LIABILITIES	\$ 5,247,917	\$ 4,938,977	\$ 5,531,629

COUNCIL OF GOV'T FUNDS	Balance		Balance
	December 31, 2016	Additions	Deductions
ASSETS			December 31, 2017
Cash	\$ 178,069	\$ 1,516,848	\$ 1,589,153
Investments	904,092	278,072	699,525
Taxes Receivable	-		-
Deposits	-		-
TOTAL ASSETS	1,082,161	1,794,919	2,288,678
LIABILITIES			
Warrants Payable	21,521	335,804	309,039
Custodial Accounts	1,060,640	181,281	701,806
TOTAL LIABILITIES	\$ 1,082,161	\$ 517,085	\$ 1,010,845

LIBRARY FUNDS	Balance		Balance
	December 31, 2016	Additions	Deductions
ASSETS			December 31, 2017
Cash	\$ 1,468,119	\$ 2,233,085	\$ 2,496,153
Investments	1,934,050	971,031	178,113
Taxes Receivable	56,394	1,326,734	1,328,211
Deposits	-		-
TOTAL ASSETS	3,458,562	4,530,849	4,002,477
LIABILITIES			
Warrants Payable	12,347	834,402	808,320
Custodial Accounts	3,446,215	1,826,078	1,323,786
TOTAL LIABILITIES	\$ 3,458,562	\$ 2,660,480	\$ 2,132,106

SKAGIT COUNTY, WASHINGTON
COMBINING STATEMENT OF CHANGES IN ASSETS AND LIABILITIES
Fiscal Year Ended December 31, 2017

SKAGIT HOUSING	Balance December 31, 2016	Additions	Deductions	Balance December 31, 2017
ASSETS				
Cash	\$ 13,600	\$ 67,743	\$ 45,267	\$ 36,076
Investments	700,905	45,267		746,172
Taxes Receivable	-			-
Deposits	-			-
TOTAL ASSETS	714,505	113,011	45,267	782,248
LIABILITIES				
Warrants Payable	-	-	-	-
Custodial Accounts	714,505	67,743		782,248
TOTAL LIABILITIES	\$ 714,505	\$ 67,743	\$ -	\$ 782,248

CITIES AND TOWNS FUNDS	Balance December 31, 2016	Additions	Deductions	Balance December 31, 2017
ASSETS				
Cash	\$ 406,479	\$ 22,255,330	\$ 22,352,144	\$ 309,666
Investments	-			-
Taxes Receivable	396,104	18,317,921	18,392,968	321,056
Deposits	-			-
TOTAL ASSETS	802,583	40,573,251	40,745,112	630,723
LIABILITIES				
Warrants Payable	-			-
Custodial Accounts	802,583	18,278,967	18,450,825	630,723
TOTAL LIABILITIES	\$ 802,583	\$ 18,278,967	\$ 18,450,825	\$ 630,723

PORT OF ANACORTES FUNDS	Balance December 31, 2016	Additions	Deductions	Balance December 31, 2017
ASSETS				
Cash	\$ 77,704	\$ 31,288,169	\$ 30,510,595	\$ 855,278
Investments	10,239,666	10,468,534	10,312,343	10,395,858
Taxes Receivable	7,759	619,805	619,335	8,229
Deposits	-			-
TOTAL ASSETS	10,325,129	42,376,508	41,442,273	11,259,365
LIABILITIES				
Warrants Payable	55,797	14,715,718	14,543,655	227,860
Custodial Accounts	10,269,332	6,554,805	5,792,633	11,031,504
TOTAL LIABILITIES	\$ 10,325,129	\$ 21,270,524	\$ 20,336,288	\$ 11,259,365

SKAGIT COUNTY, WASHINGTON
COMBINING STATEMENT OF CHANGES IN ASSETS AND LIABILITIES
Fiscal Year Ended December 31, 2017

PORT OF SKAGIT FUNDS	Balance December 31, 2016	Additions	Deductions	Balance December 31, 2017
ASSETS				
Cash	\$ 834,314	\$ 38,232,704	\$ 38,176,024	\$ 890,993
Investments	6,232,722	7,128,385	4,973,049	8,388,058
Taxes Receivable	63,194	2,210,331	2,216,325	57,200
Deposits	-			-
TOTAL ASSETS	7,130,230	47,571,419	45,365,398	9,336,251
LIABILITIES				
Warrants Payable	377,516	7,946,124	8,226,997	96,643
Custodial Accounts	6,752,714	21,535,172	19,048,278	9,239,608
TOTAL LIABILITIES	\$ 7,130,230	\$ 29,481,296	\$ 27,275,275	\$ 9,336,251

FIDALGO PARK FUNDS	Balance December 31, 2016	Additions	Deductions	Balance December 31, 2017
ASSETS				
Cash	\$ 306,378	\$ 1,328,625	\$ 1,680,180	\$ (45,177)
Investments	227,164	301,063	227,164	301,063
Taxes Receivable	8,234	642,335	642,581	7,988
Deposits	-			-
TOTAL ASSETS	541,776	2,272,022	2,549,925	263,873
LIABILITIES				
Warrants Payable	-	1,186,770	1,186,770	-
Custodial Accounts	541,776	760,087	1,037,990	263,873
TOTAL LIABILITIES	\$ 541,776	\$ 1,946,857	\$ 2,224,760	\$ 263,873

AFFILIATED HEALTH FUNDS	Balance December 31, 2016	Additions	Deductions	Balance December 31, 2017
ASSETS				
Cash	\$ 402	\$ 72,131	\$ 72,522	\$ 11
Investments	72,782	9,573	62,548	19,806
Taxes Receivable	-			-
Deposits	-			-
TOTAL ASSETS	73,183	81,704	135,070	19,817
LIABILITIES				
Warrants Payable	-	62,950	62,950	-
Custodial Accounts	73,183		53,366	19,817
TOTAL LIABILITIES	\$ 73,183	\$ 62,950	\$ 116,316	\$ 19,817

SKAGIT COUNTY, WASHINGTON
COMBINING STATEMENT OF CHANGES IN ASSETS AND LIABILITIES
Fiscal Year Ended December 31, 2017

HOSPITAL DISTRICT 1 FUNDS	Balance			Balance
	December 31, 2016	Additions	Deductions	December 31, 2017
ASSETS				
Cash	\$ 7,752,684	\$ 1,211,950,707	\$ 1,207,283,733	\$ 12,419,659
Investments	165,676,002	546,850,138	570,213,272	142,312,868
Taxes Receivable	94,262	3,782,406	3,799,100	77,567
Deposits	-			-
TOTAL ASSETS	173,522,948	1,762,583,251	1,781,296,105	154,810,094
LIABILITIES				
Warrants Payable	9,280,536	293,925,381	300,920,043	2,285,874
Custodial Accounts	164,242,412	23,375,937	35,094,129	152,524,220
TOTAL LIABILITIES	\$ 173,522,948	\$ 317,301,318	\$ 336,014,172	\$ 154,810,094

HOSPITAL DISTRICT 2 FUNDS	Balance			Balance
	December 31, 2016	Additions	Deductions	December 31, 2017
ASSETS				
Cash	\$ 909,539	\$ 133,204,387	\$ 132,392,248	\$ 1,721,677
Investments	31,721,143	22,156,300	23,034,093	30,843,351
Taxes Receivable	46,656	3,445,429	3,447,892	44,192
Deposits	-			-
TOTAL ASSETS	32,677,338	158,806,116	158,874,233	32,609,220
LIABILITIES				
Warrants Payable	491,514	53,806,182	52,880,493	1,417,203
Custodial Accounts	32,185,824	5,145,429	6,139,236	31,192,017
TOTAL LIABILITIES	\$ 32,677,338	\$ 58,951,611	\$ 59,019,729	\$ 32,609,220

HOSPITAL DISTRICT 304 FUNDS	Balance			Balance
	December 31, 2016	Additions	Deductions	December 31, 2017
ASSETS				
Cash	\$ 534,933	\$ 17,276,930	\$ 17,297,157	\$ 514,707
Investments	13,959,586	12,037,000	12,110,929	13,885,658
Taxes Receivable	32,869	972,317	975,759	29,427
Deposits	-			-
TOTAL ASSETS	14,527,389	30,286,247	30,383,844	14,429,792
LIABILITIES				
Warrants Payable	8,540	2,629,953	2,496,442	142,051
Custodial Accounts	14,518,849	972,317	1,203,425	14,287,741
TOTAL LIABILITIES	\$ 14,527,389	\$ 3,602,270	\$ 3,699,867	\$ 14,429,792

SKAGIT COUNTY, WASHINGTON
COMBINING STATEMENT OF CHANGES IN ASSETS AND LIABILITIES
Fiscal Year Ended December 31, 2017

DIKE FUNDS	Balance			Balance	
	December 31, 2016	Additions	Deductions	December 31, 2017	
ASSETS					
Cash	\$ 5,328,047	\$ 12,182,395	\$ 12,619,480	\$	4,890,962
Investments	11,898,508	6,821,077	3,559,887		15,159,698
Taxes Receivable	152,281	5,327,204	5,344,486		134,999
Deposits	-				-
TOTAL ASSETS	17,378,836	24,330,675	21,523,853		20,185,658
LIABILITIES					
Warrants Payable	38,217	2,012,085	2,027,615		22,687
Custodial Accounts	17,340,619	5,801,848	2,979,496		20,162,972
TOTAL LIABILITIES	\$ 17,378,836	\$ 7,813,933	\$ 5,007,111	\$	20,185,658

SKAGIT TRANSPORTATION	Balance			Balance	
	December 31, 2016	Additions	Deductions	December 31, 2017	
ASSETS					
Cash	\$ -	\$ 4,105,249	\$ 4,104,745	\$	504
Investments	8,560,274	4,104,745	4,034,004		8,631,015
Taxes Receivable	-				-
Deposits	-				-
TOTAL ASSETS	8,560,274	8,209,993	8,138,749		8,631,519
LIABILITIES					
Warrants Payable	-				-
Custodial Accounts	8,560,274	71,245			8,631,519
TOTAL LIABILITIES	\$ 8,560,274	\$ 71,245	\$ -	\$	8,631,519

DRAINAGE DISTRICT FUNDS	Balance			Balance	
	December 31, 2016	Additions	Deductions	December 31, 2017	
ASSETS					
Cash	\$ 552,851	\$ 1,909,863	\$ 1,799,722	\$	662,992
Investments	1,080,154	148,347	140,000		1,088,501
Taxes Receivable	17,428	859,885	857,024		20,289
Deposits	-				-
TOTAL ASSETS	1,650,433	2,918,095	2,796,746		1,771,782
LIABILITIES					
Warrants Payable	29,544	1,214,384	1,231,480		12,448
Custodial Accounts	1,620,889	1,755,160	1,616,715		1,759,335
TOTAL LIABILITIES	\$ 1,650,433	\$ 2,969,544	\$ 2,848,195	\$	1,771,782

SKAGIT COUNTY, WASHINGTON
COMBINING STATEMENT OF CHANGES IN ASSETS AND LIABILITIES
Fiscal Year Ended December 31, 2017

SCHOOL DISTRICT FUNDS	Balance December 31, 2016	Additions	Deductions	Balance December 31, 2017
ASSETS				
Cash	\$ 12,157,317	\$ 642,915,601	\$ 630,248,898	\$ 24,824,020
Investments	177,947,962	288,478,793	265,085,977	201,340,778
Taxes Receivable	1,717,391	75,793,709	75,906,547	1,604,553
Deposits	-			-
TOTAL ASSETS	191,822,670	1,007,188,102	971,241,422	227,769,351
LIABILITIES				
Warrants Payable	10,544,444	189,961,947	185,485,419	15,020,972
Custodial Accounts	181,278,226	168,670,482	137,200,329	212,748,379
TOTAL LIABILITIES	\$ 191,822,670	\$ 358,632,429	\$ 322,685,748	\$ 227,769,351

CEMETERY DISTRICT FUNDS	Balance December 31, 2016	Additions	Deductions	Balance December 31, 2017
ASSETS				
Cash	\$ 265,404	\$ 557,351	\$ 635,472	\$ 187,282
Investments	593,254	105,032	256,644	441,643
Taxes Receivable	4,896	213,843	213,903	4,836
Deposits	-			-
TOTAL ASSETS	863,554	876,226	1,106,019	633,761
LIABILITIES				
Warrants Payable	3,060	160,907	160,011	3,955
Custodial Accounts	860,494	246,229	476,918	629,805
TOTAL LIABILITIES	\$ 863,554	\$ 407,136	\$ 636,929	\$ 633,761

WATER DISTRICT FUNDS	Balance December 31, 2016	Additions	Deductions	Balance December 31, 2017
ASSETS				
Cash	\$ 39,658	\$ 65,659	\$ 47,705	\$ 57,612
Investments	278,679	2,364	33	281,011
Taxes Receivable	-			-
Deposits	-			-
TOTAL ASSETS	318,337	68,023	47,737	338,622
LIABILITIES				
Warrants Payable	3,552	40,089	43,641	-
Custodial Accounts	314,784	40,939	17,101	338,622
TOTAL LIABILITIES	\$ 318,337	\$ 81,028	\$ 60,742	\$ 338,622

SKAGIT COUNTY, WASHINGTON
COMBINING STATEMENT OF CHANGES IN ASSETS AND LIABILITIES
Fiscal Year Ended December 31, 2017

SEWER DISTRICT FUNDS	Balance				Balance	
	December 31, 2016	Additions	Deductions		December 31, 2017	
ASSETS						
Cash	\$ 198,959	\$ 2,143,740	\$ 1,870,056	\$	472,642	
Investments	468,360	140,167	379,490		229,037	
Taxes Receivable	-				-	
Deposits	-				-	
TOTAL ASSETS	667,319	2,283,907	2,249,546		701,679	
LIABILITIES						
Warrants Payable	245	571,336	559,839		11,742	
Custodial Accounts	667,073	473,484	450,620		689,937	
TOTAL LIABILITIES	\$ 667,319	\$ 1,044,819	\$ 1,010,459	\$	701,679	

FIRE DISTRICT FUNDS	Balance				Balance	
	December 31, 2016	Additions	Deductions		December 31, 2017	
ASSETS						
Cash	\$ 3,088,300	\$ 9,590,845	\$ 9,478,474	\$	3,200,671	
Investments	4,097,222	1,896,446	1,292,707		4,700,961	
Taxes Receivable	155,244	5,304,928	5,309,259		150,913	
Deposits	-				-	
TOTAL ASSETS	7,340,766	16,792,220	16,080,440		8,052,546	
LIABILITIES						
Warrants Payable	118,233	5,963,103	6,016,410		64,926	
Custodial Accounts	7,222,533	7,342,766	6,577,679		7,987,620	
TOTAL LIABILITIES	\$ 7,340,766	\$ 13,305,869	\$ 12,594,089	\$	8,052,546	

NORTH SOUND RSN	Balance				Balance	
	December 31, 2016	Additions	Deductions		December 31, 2017	
ASSETS						
Cash	\$ 978,736	\$ 181,876,623	\$ 175,782,836	\$	7,072,524	
Investments	56,818,957	15,313,668	19,595,343		52,537,282	
Taxes Receivable	-				-	
Deposits	-				-	
TOTAL ASSETS	57,797,693	197,190,291	195,378,179		59,609,806	
LIABILITIES						
Warrants Payable	7,242,847	162,345,918	154,145,825		15,442,940	
Custodial Accounts	50,554,846	1,739,661	8,127,641		44,166,866	
TOTAL LIABILITIES	\$ 57,797,693	\$ 164,085,579	\$ 162,273,466	\$	59,609,806	

SKAGIT COUNTY, WASHINGTON
COMBINING STATEMENT OF CHANGES IN ASSETS AND LIABILITIES
Fiscal Year Ended December 31, 2017

SKAGIT EMERGENCY COMM	Balance				Balance	
	December 31, 2016	Additions	Deductions		December 31, 2017	
ASSETS						
Cash	\$ 50	\$ 4,975,099	\$ 4,975,099	\$	50	
Investments	808,526	432,339	298,127		942,738	
Taxes Receivable	-				-	
Deposits	-				-	
TOTAL ASSETS	808,576	5,407,437	5,273,226		942,788	
LIABILITIES						
Warrants Payable	-				-	
Custodial Accounts	808,576	134,212			942,788	
TOTAL LIABILITIES	\$ 808,576	\$ 134,212	\$ -	\$	942,788	
SKAGIT COMMUNITY NETWORK	Balance				Balance	
	December 31, 2016	Additions	Deductions		December 31, 2017	
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, 2016	Additions	Deductions		December 31, 2017	
ASSETS						
Cash	\$ 76,857	\$ 3,631,328	\$ 3,622,046	\$	86,139	
Investments	1,505,570	2,023,943	1,803,015		1,726,499	
Taxes Receivable	-				-	
Deposits	-				-	
TOTAL ASSETS	1,582,428	5,655,271	5,425,061		1,812,638	
LIABILITIES						
Warrants Payable	-				-	
Custodial Accounts	1,582,428	665,210	435,000		1,812,638	
TOTAL LIABILITIES	\$ 1,582,428	\$ 665,210	\$ 435,000	\$	1,812,638	

SKAGIT COUNTY, WASHINGTON
COMBINING STATEMENT OF CHANGES IN ASSETS AND LIABILITIES
Fiscal Year Ended December 31, 2017

SKAGIT HOSPICE SERVICES	Balance				Balance	
	December 31, 2016	Additions	Deductions		December 31, 2017	
ASSETS						
Cash	\$ -	\$ 3,003,519	\$ 3,003,519	\$	-	-
Investments	-	3,003,519	997,067		2,006,453	
Taxes Receivable	-				-	
Deposits	-				-	
TOTAL ASSETS	-	6,007,039	4,000,586		2,006,454	
LIABILITIES						
Warrants Payable	-				-	
Custodial Accounts	-	2,006,454			2,006,454	
TOTAL LIABILITIES	\$ -	\$ 2,006,454	\$ -	\$	2,006,454	

SKAGIT COUNTY, WASHINGTON
COMBINING STATEMENT OF CHANGES IN ASSETS AND LIABILITIES
Fiscal Year Ended December 31, 2017

TRUST AGENCY FUNDS	Balance December 31, 2016	Additions	Deductions	Balance December 31, 2017
ASSETS				
Cash	\$ 51,147,968	\$ 2,795,296,948	\$ 2,780,898,038	\$ 65,546,878
Investments	500,887,112	\$ 926,061,472	\$ 923,118,049	503,830,535
Taxes Receivable	3,604,622	\$ 152,494,137	\$ 152,831,092	3,267,667
Deposits	-			-
TOTAL ASSETS	555,639,702	3,873,852,557	3,856,847,179	572,645,080
LIABILITIES				
Warrants Payable	42,876,566	\$ 1,029,409,581	\$ 1,032,841,722	39,444,425
Custodial Accounts	512,763,136	\$ 430,380,545	\$ 409,943,026	533,200,655
TOTAL LIABILITIES	\$ 555,639,702	\$ 1,459,790,126	\$ 1,442,784,748	\$ 572,645,080

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.

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Financial Trends These schedules contain trend information to help the reader understand how the County's financial performance has changed over time.	181
Revenue Capacity These schedules contain information to help the reader assess the County's most significant local revenue source, property taxes.	190
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.	194
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.	199
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.	203

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

	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017
Government Activities										
Net Investment in Capital Assets	\$ 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	\$ 245,952,404
Restricted	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	53,776,272
Unrestricted	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	17,837,553
Total Governmental Activities Net Position	\$ 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	\$ 317,566,229
Business-Type Activities										
Net Investment in Capital Assets	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	18,958,513
Restricted	-	-	-	-	-	-	-	-	58,529	-
Unrestricted	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	5,506,284
Total Business-Type Activities Net Position	\$ 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	\$ 24,464,797
Primary Government										
Net Investment in Capital Assets	349,933,033	369,989,867	363,800,045	332,665,364	330,537,275	319,039,653	306,033,780	282,865,520	261,495,355	264,910,917
Restricted	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	53,776,272
Unrestricted	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	23,343,837
Total Primary Government Net Position	\$ 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	\$ 342,031,026

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

Source: Skagit County Auditor's Office

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

	Fiscal Year				
	2008	2009	2010	2011	2012
Expenses					
Governmental Activities					
General Government	\$ 34,187,307	\$ 32,293,073	\$ 30,411,707	\$ 29,694,591	\$ 32,996,294
Judicial	6,385,303	6,786,074	6,281,910	6,528,192	6,762,929
Public Safety	22,665,563	24,713,361	20,015,584	20,622,410	19,980,408
Physical Environment	3,008,208	2,185,797	3,560,748	2,672,643	2,729,881
Transportation	28,136,224	27,080,176	27,144,427	29,952,995	29,724,498
Economic Environment	5,947,702	5,348,995	3,467,987	3,162,607	3,233,397
Health and Human Services	12,606,481	11,340,490	10,134,616	10,387,711	10,391,910
Culture and Recreation	2,782,984	2,573,312	2,566,016	1,642,170	2,066,029
Interest on Long-Term Debt	687,761	660,210	559,293	516,260	222,519
Total Government Activities	116,407,533	112,981,488	104,142,288	105,179,579	108,107,865
Business-Type Activities					
Solid Waste	8,216,764	7,723,823	8,705,787	7,252,470	6,952,600
Drainage Utility	905,641	1,626,049	1,240,898	1,412,499	1,716,453
Jail Fund	-	-	-	-	-
Total Business-Type Activities	9,122,405	9,349,872	9,946,685	8,664,969	8,669,053
Total Primary Government Expenses	125,529,938	122,331,360	114,088,973	113,844,548	116,776,918
Program Revenues					
Governmental Activities					
Property Tax	37,192,117	38,020,570	40,839,173	40,612,732	41,460,187
Sales and Other Tax	20,586,592	17,367,314	15,939,206	18,124,427	18,898,614
Interest and Investments	3,040,686	1,432,797	1,104,621	781,032	589,613
Charges for Services					
General Government	10,110,482	7,888,910	8,468,108	9,081,343	7,670,970
Judicial	2,515,475	3,931,874	3,922,658	3,962,902	3,923,771
Public Safety	3,408,760	3,577,904	3,268,388	3,590,375	2,813,154
Physical Environment	521,983	89,253	113,852	125,144	201,726
Transportation	7,693,881	6,188,799	6,227,702	6,354,529	6,756,935
Economic Environment	1,788,532	1,424,780	1,195,078	894,872	1,088,468
Health and Human Services	3,999,141	3,555,103	3,057,962	3,322,591	3,026,346
Culture and Recreation	935,070	719,082	884,659	894,709	666,661
Operating Grants and Contributions	9,659,021	11,271,785	10,628,645	8,961,787	9,492,002
Capital Grants and Contributions	1,496,744	3,384,760	3,471,716	5,685,601	13,169,596
Gain(Loss) from Sale of Captl Assets	(82,021)	(59,262)	14,837	(118,394)	-
Issuance of Long Term Debt	-	-	-	-	-
Total Governmental Activities Program Revenues	102,866,463	98,793,669	99,136,605	102,273,650	109,758,043
Business-Type Activities					
Interest and Investments	138,581	44,502	21,111	(545,115)	(485,298)
Charges for Services					
Solid Waste	8,531,366	7,809,298	8,253,739	8,194,581	8,084,972
Drainage Utility	1,353,038	1,752,753	1,670,508	1,544,370	1,604,197
Jail Fund	-	-	-	-	-
Operating Grants and Contributions	266,239	485,717	303,245	397,974	480,798
Capital Grants and Contributions	-	-	-	71,451	-
Gain(Loss) from Sale of Captl Assets	-	-	-	700	-
Total Business-Type Activities	10,289,224	10,092,270	10,248,603	9,663,961	9,684,669
Total Primary Gvrnmt Program Revs	113,155,687	108,885,939	109,385,208	111,937,611	119,442,712
Net (Expense) Revenue					
Governmental Activities	(13,541,070)	(14,187,819)	(5,005,683)	(2,905,929)	1,650,178
Business-Type Activities	1,166,819	742,398	301,918	998,992	1,015,616
Total Primary Government Net Expense	\$ (12,374,251)	\$ (13,445,421)	\$ (4,703,765)	\$ (1,906,937)	\$ 2,665,794

Notes:

* The County began separating out Judicial operations 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
For Ten Fiscal Years
(Accrual Basis of Accounting)

	Fiscal Year				
	2013	2014	2015	2016	2017
Expenses					
Governmental Activities					
General Government	\$ 31,210,941	\$ 33,434,058	\$ 38,988,745	\$ 35,189,312	\$ 34,868,544
Judicial	7,068,715	6,993,755	7,023,822	7,994,589	5,875,661
Public Safety	22,333,986	21,504,017	22,700,976	24,535,763	23,235,604
Physical Environment	2,835,410	2,241,397	2,579,726	3,231,182	2,420,083
Transportation	32,986,406	32,912,501	25,806,761	26,676,629	30,425,842
Economic Environment	3,188,571	2,836,294	2,662,654	4,228,992	6,063,851
Health and Human Services	11,895,878	11,366,884	10,277,091	11,131,708	11,133,584
Culture and Recreation	1,699,884	2,010,042	2,118,435	2,295,704	2,321,809
Interest on Long-Term Debt	969,862	2,572,433	1,113,066	1,100,345	1,089,760
Total Government Activities	114,189,653	115,871,381	113,271,275	116,384,224	117,434,738
Business-Type Activities					
Solid Waste	8,826,690	8,065,622	8,414,131	9,277,227	8,939,419
Drainage Utility	1,468,019	2,495,934	2,259,694	1,540,053	1,806,801
Jail Fund	-	6,944,227	7,351,101	6,470,825	10,788,388
Total Business-Type Activities	10,294,709	17,505,783	18,024,926	17,288,105	21,534,608
Total Primary Government Expenses	124,484,362	133,377,164	131,296,201	133,672,329	138,969,346
Program Revenues					
Government Activities					
Property Tax	45,491,521	44,659,376	45,164,735	49,106,391	50,138,944
Sales and Other Tax	16,716,680	18,060,643	19,255,493	20,514,571	22,016,238
Interest and Investments	2,896,837	1,559,578	1,613,617	1,887,018	2,554,231
Charges for Services					
General Government	7,902,178	8,053,198	11,225,727	11,198,012	8,624,929
Judicial	4,148,064	4,129,697	4,246,989	4,212,319	4,558,311
Public Safety	3,296,521	1,854,641	2,072,801	2,122,196	2,692,409
Physical Environment	312,525	527,379	289,242	67,537	78,244
Transportation	6,607,346	6,731,733	6,685,090	6,937,385	7,999,900
Economic Environment	1,184,165	1,055,292	1,380,435	1,524,967	1,754,501
Health and Human Services	3,506,429	3,769,935	4,461,088	4,622,944	5,116,681
Culture and Recreation	939,657	917,338	902,599	947,128	1,028,944
Operating Grants and Contributions	7,423,603	8,098,345	7,309,333	7,204,908	6,049,133
Capital Grants and Contributions	4,165,511	4,097,331	1,324,956	3,379,086	7,490,767
Gain(Loss) from Sale of Captl Assets	1,292,478	(340,575)	114,660	76,294	696,538
Issuance of Long Term Debt	-	1,786,614	-	-	-
Total Governmental Activities Program Revenues	105,883,515	104,960,525	106,046,765	113,800,756	120,799,770
Business-Type Activities					
Interest and Investments	(504,334)	(406,062)	(395,829)	(384,815)	(1,662,621)
Charges for Services					
Solid Waste	8,616,406	9,083,934	9,194,846	9,949,949	10,488,212
Drainage Utility	1,646,427	1,592,768	1,751,555	1,640,358	1,760,592
Jail Fund	-	12,121,803	12,357,458	13,129,310	13,209,111
Operating Grants and Contributions	446,909	1,044,605	1,004,289	1,823,176	742,982
Capital Grants and Contributions	54,414	-	-	-	-
Gain(Loss) from Sale of Captl Assets	8,372	-	-	12,549	(16,767)
Total Business-Type Activities	10,268,194	23,437,048	23,912,319	26,170,527	24,521,509
Total Primary Gvrnmt Program Revs	116,151,709	128,397,573	129,959,084	139,971,283	145,321,279
Net (Expense) Revenue					
Governmental Activities	(8,306,138)	(10,910,856)	(7,224,510)	(2,583,468)	3,365,032
Business-Type Activities	(26,515)	5,931,265	5,887,393	8,882,422	2,986,901
Total Primary Government Net Expense	\$ (8,332,653)	\$ (4,979,591)	\$ (1,337,117)	\$ 6,298,954	\$ 6,351,933

Notes:

* The County began separating out Judicial operations 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

For Ten Fiscal Years

(Accrual Basis of Accounting)

	2008	2009	2010	2011	2012
General Revenues and Other Changes in Net Position					
Governmental Activities					
Property Taxes	\$ 37,192,117	\$ 38,020,570	\$ 40,839,173	\$ 40,612,732	\$ 41,460,187
Sales/Use Tax	15,301,986	13,850,662	13,065,954	15,478,629	16,447,958
Other Tax	5,284,606	3,516,652	2,873,252	2,645,798	2,450,656
Interest and Investment Earnings	3,040,686	1,432,797	1,104,621	781,032	589,613
Gain (Loss) From Sale of Assets	(82,021)	(59,262)	14,837	(118,394)	-
Special Item	-	-	-	-	-
Transfers	154,075	(83,945)	(84,008)	9,142	(185,509)
Total Governmental Activities	60,891,449	56,677,474	57,813,829	59,408,939	60,762,905
Business-Type Activities					
Interest on Long-Term Debt	138,581	44,502	21,111	(545,115)	(485,298)
Gain (Loss) From Sale of Assets	-	-	-	700	-
Transfers	(154,075)	83,945	84,008	(9,142)	185,509
Total Business-Type Activities	(15,494)	128,447	105,119	(553,557)	(299,789)
Total Primary Government	60,875,955	56,805,921	57,918,948	58,855,382	60,463,116
Changes in Net Position					
Government Activities	(13,386,995)	(14,271,764)	(5,089,691)	(2,896,787)	1,464,669
Business-Type Activities	1,012,744	826,343	385,926	989,850	1,201,125
Total Primary Government	\$ (12,374,251)	\$ (13,445,421)	\$ (4,703,765)	\$ (1,906,937)	\$ 2,665,794

Note: 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

For Ten Fiscal Years

(Accrual Basis of Accounting)

	2013	2014	2015	2016	2017
General Revenues and Other Changes in Net Position					
Governmental Activities					
Property Taxes	\$ 45,491,521	\$ 44,659,376	\$ 45,164,735	\$ 49,106,391	\$ 50,138,944
Sales/Use Tax	16,716,680	17,263,481	18,421,647	19,778,645	20,697,012
Other Tax	895,827	797,162	833,846	735,926	1,319,226
Interest and Investment Earnings	2,001,010	1,559,578	1,613,617	1,887,018	2,554,231
Gain (Loss) From Sale of Assets	1,292,478	(340,575)	114,660	76,294	696,538
Special Item		1,786,614			
Transfers	104,000	(50,845)	(58,858)	(38,451)	5,000
Total Governmental Activities	66,501,516	65,674,791	66,089,647	71,545,823	75,410,951
Business-Type Activities					
Interest on Long-Term Debt	(504,334)	(406,062)	(395,829)	(384,815)	(1,662,621)
Gain (Loss) From Sale of Assets	8,372	-	-		(16,767)
Transfers	(104,000)	50,845	58,858	38,451	(5,000)
Total Business-Type Activities	(599,962)	(355,217)	(336,971)	(346,364)	(1,684,388)
Total Primary Government	65,901,554	65,319,574	65,752,676	71,199,459	73,726,563
Changes in Net Position					
Government Activities	(8,202,138)	(10,961,701)	(7,283,369)	(2,621,919)	3,370,032
Business-Type Activities	(130,515)	5,982,110	5,946,251	8,920,873	2,981,901
Total Primary Government	\$ (8,332,653)	\$ (4,979,591)	\$ (1,337,117)	\$ 6,298,954	\$ 6,351,933

Note: 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
For Ten Fiscal Years
 (Modified Accrual Basis of Accounting)

	2008	2009	2010	2011	2012
General Fund*					
Nonspendable					
Restricted					
Committed				350,000	
Assigned					
Unassigned				10,349,381	11,915,249
Reserved	343,754	2,210,372	146,500	-	
Unreserved	7,683,278	4,397,640	7,752,934	-	
Total General Fund	8,027,032	6,608,012	7,899,434	10,699,381	11,915,249
All Other Governmental Funds*					
Nonspendable				60,685	45,681
Restricted				31,305,595	30,877,381
Committed				3,480,815	2,776,253
Assigned				10,349,381	
Unassigned					
Reserved, Reported in:					
Prepaid Items	101,101	286,266	76,143	-	
Loans Receivables	434,000	3,003,000	2,374,000	-	
Debt Service	775,311	1,149,878	1,507,334	-	
Petty Cash and Inventory	51,877	40,614	-	-	
Unreserved, Reported in:					
Special Revenue Funds	29,212,957	24,966,994	23,992,632	-	
Capital Projects Funds	6,399,111	(115,505)	2,870,512	-	
Total All Other Gvnmntl Funds	\$ 36,974,357	\$ 29,331,247	\$ 30,820,621	\$ 45,196,476	\$ 33,699,315

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

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

	2013	2014	2015	2016	2017
General Fund*					
Nonspendable					5,314
Restricted					
Committed			1,000,000	1,000,000	1,000,000
Assigned			13,576,013	14,197,999	15,859,550
Unassigned	13,962,092	13,822,646			
Reserved					
Unreserved					
Total General Fund	13,962,092	13,822,646	14,576,013	15,197,999	16,864,864
All Other Governmental Funds*					
Nonspendable	122,235	57,488	7,232		150,000
Restricted	29,266,009	30,576,475	35,167,746	43,127,886	45,258,951
Committed	3,102,611	6,313,711	7,247,553	7,507,552	8,534,251
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 Gvnmntl Funds	\$ 32,490,855	\$ 36,947,674	\$ 42,422,531	\$ 50,635,438	\$ 53,943,202

* 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
For Ten Fiscal Years
(Modified Accrual Basis of Accounting)

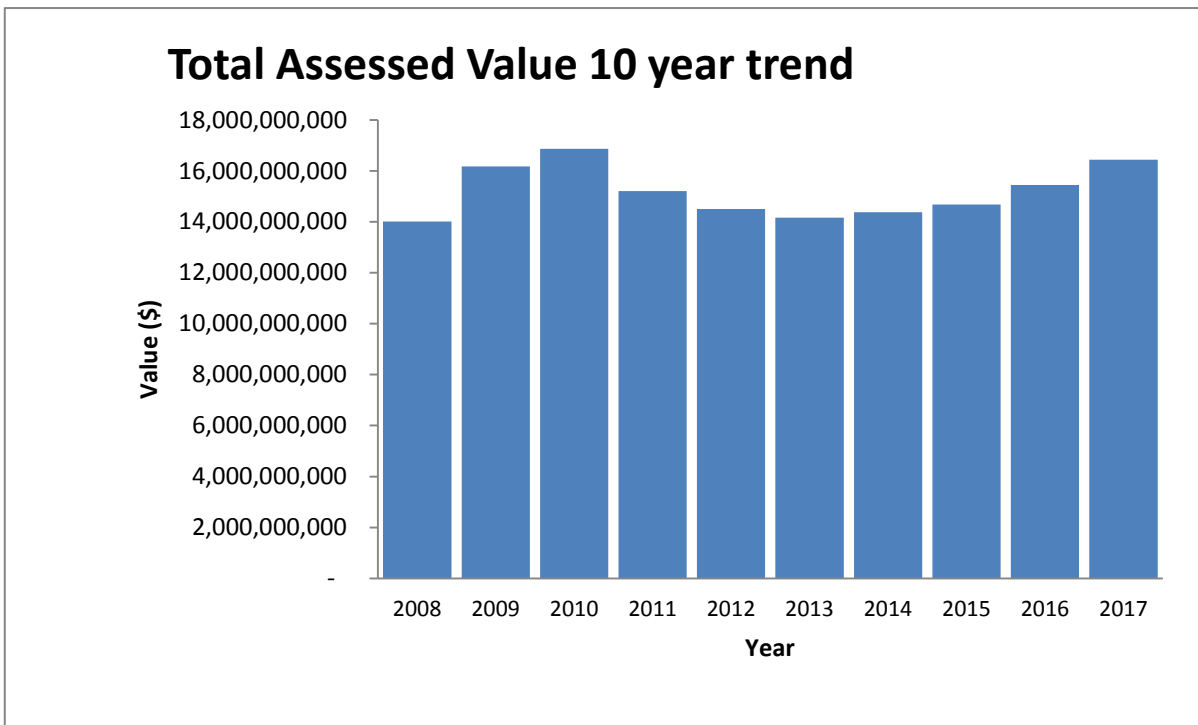
	2008	2009	2010	2011	2012
Revenues					
Property Tax	\$ 37,029,198	\$ 37,752,796	\$ 39,891,962	\$ 40,654,187	\$ 41,270,011
Sales/Use Tax	15,301,986	13,850,662	13,065,954	15,478,629	16,447,958
Other Tax	5,284,606	3,516,652	2,873,252	2,645,798	2,450,656
License and Permits	1,390,282	1,173,469	1,104,621	970,105	1,039,551
Intergovernmental	24,288,227	24,406,041	25,397,870	26,894,695	33,469,657
Charges for Services	11,052,341	10,705,767	9,757,448	10,019,437	10,309,648
Fines and Forfeits	2,101,195	1,992,299	1,957,965	2,285,628	1,852,797
Interest Earnings	3,140,914	1,405,561	919,121	756,562	584,571
Donations	431,841	490,959	524,932	350,297	574,306
Other Revenues	1,548,852	1,399,883	1,707,960	1,299,538	2,019,288
Total Revenues	101,569,442	96,694,089	97,201,085	101,354,876	110,018,443
Expenditures					
General Government	18,227,332	17,571,572	16,556,020	16,633,997	18,111,961
Judicial	7,321,077	7,841,920	7,479,340	7,823,116	8,192,507
Public Safety	26,163,388	28,240,870	24,420,953	24,533,549	25,249,050
Physical Environment	3,928,950	3,317,183	4,394,408	3,467,079	3,583,100
Transportation	17,147,101	18,775,959	17,027,304	17,585,104	18,953,032
Economic Environment	6,657,659	6,044,992	3,949,022	3,606,739	3,602,203
Health and Human Services	13,428,834	12,124,090	11,261,219	11,617,447	12,060,459
Culture and Recreation	3,040,439	2,707,825	3,209,727	2,016,505	2,536,420
Debt Service					
Principal	2,308,099	1,017,081	1,058,134	1,116,572	1,213,119
Interest	679,353	627,364	589,480	600,115	565,948
Capital Outlay	10,469,357	7,673,632	4,704,095	5,750,727	15,023,756
Total Expenditures	109,371,589	105,942,488	94,649,702	94,750,950	109,091,555
Excess (deficiency) of Revenues over (under) Expenditures	(7,802,147)	(9,248,399)	2,551,383	6,603,926	926,888
Other Financial Sources (Uses)					
Proceeds of Long Term Debt	990,768	389,607	415,042	201,035	353,939
Proceeds from Sale of Capital Assets	3,226	43,988		1,200	8,172
Transfers In	8,597,666	8,967,747	8,622,743	8,588,548	8,808,381
Transfers Out	(8,656,869)	(9,242,081)	(8,706,751)	(8,829,405)	(9,398,067)
Total Other Financing Sources (Uses)	934,791	159,261	331,034	(38,622)	(227,575)
Net Change in Fund Balance	\$ (6,867,356)	\$ (9,089,138)	\$ 2,882,417	\$ 6,565,304	\$ 699,313
Debt Service as a Percentage of Noncapital Expenditures	1.8%	3.0%	1.7%	2.0%	1.9%

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

	2013	2014	2015	2016	2017
Revenues					
Property Tax	\$ 45,950,878	\$ 44,633,004	\$ 45,444,886	\$ 49,036,278	\$ 49,944,857
Sales/Use Tax	16,716,680	17,263,481	18,421,647	19,778,645	20,697,012
Other Tax	895,827	797,162	833,846	735,926	1,319,226
License and Permits	1,363,241	1,403,580	1,572,816	1,718,637	1,720,642
Intergovernmental	22,187,738	21,210,374	21,943,000	24,452,313	28,626,209
Charges for Services	10,580,307	10,351,662	8,834,090	9,522,520	9,044,516
Fines and Forfeits	2,606,269	2,420,473	2,212,512	2,048,756	2,256,734
Interest Earnings	1,995,311	1,549,712	1,601,551	1,839,041	2,446,269
Donations	479,642	437,591	536,411	555,934	663,082
Other Revenues	1,786,735	1,652,153	993,365	1,187,244	1,234,380
Total Revenues	104,562,628	101,719,192	102,394,124	110,875,294	117,952,927
Expenditures					
General Government	17,218,893	21,016,835	18,302,815	19,767,777	21,255,604
Judicial	8,426,095	6,437,688	8,713,544	9,360,475	7,205,165
Public Safety	26,727,069	26,225,434	27,005,041	28,185,071	28,061,750
Physical Environment	3,605,198	3,000,198	3,446,955	3,329,938	2,686,928
Transportation	18,872,864	17,771,654	17,493,644	18,366,268	19,075,130
Economic Environment	3,736,169	3,369,706	3,314,408	4,774,441	6,284,484
Health and Human Services	13,163,601	12,630,363	11,594,828	11,902,846	12,376,167
Culture and Recreation	2,108,744	2,353,191	2,361,129	2,503,338	2,660,040
Debt Service		-	-		
Principal	2,084,813	2,772,142	1,469,334	1,557,880	1,791,191
Interest	667,297	693,958	681,870	627,770	578,051
Capital Outlay	8,960,070	7,052,054	2,832,109	5,708,813	12,545,096
Total Expenditures	105,570,813	103,323,223	97,215,677	106,084,618	114,519,606
Excess (deficiency) of Revenues over (under) Expenditures	(1,008,185)	(1,604,031)	5,178,447	4,790,676	3,433,321
Other Financial Sources (Uses)					
Proceeds of Long Term Debt	715,416	1,786,614	814,731	4,081,331	913,314
Proceeds from Sale of Capital Assets	1,414,600	58,072	328,400	14,625	878,848
Transfers In	7,058,643	7,551,869	7,007,509	7,478,991	9,098,576
Transfers Out	(7,342,090)	(7,643,603)	(7,100,867)	(7,530,730)	(9,349,429)
Total Other Financing Sources (Uses)	1,846,569	1,752,952	1,049,773	4,044,217	1,541,309
Net Change in Fund Balance	\$ 838,384	\$ 148,921	\$ 6,228,220	\$ 8,834,893	\$ 4,974,630
Debt Service as a Percentage of Noncapital Expenditures	2.9%	3.7%	2.3%	2.2%	2.4%

SKAGIT COUNTY, WASHINGTON
ASSESSED VALUE OF TAXABLE PROPERTY
For a Ten Year Period

Year	Real Property Assessed Value	Personal Property Assessed Value	Total Assessed Value	Total Direct Tax Per Assessed Value
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	3.75
2017	15,232,382,080	1,200,738,501	16,433,120,581	3.58



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

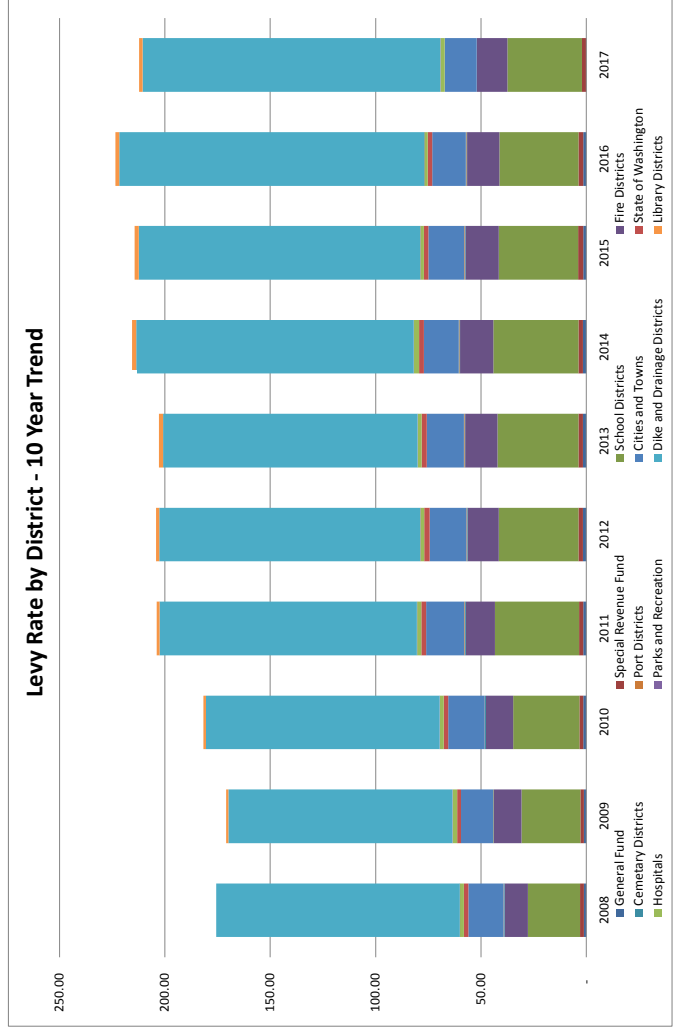
(Per \$1,000 of Assessed Value)

For a Twenty Year Period

	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017
General Fund	1.21	1.24	1.45	1.55	1.62	1.62	1.59	1.56	1.51	1.44
Special Revenue Fund	1.77	1.66	1.87	1.97	2.19	2.19	2.21	2.39	2.24	2.14
Total	2.98	2.90	3.32	3.52	3.81	3.81	3.80	3.95	3.75	3.58
School Districts	24.83	27.91	31.39	39.90	37.82	38.30	40.31	37.68	37.45	35.37
Fire Districts	11.04	13.01	13.01	13.83	14.65	15.38	15.83	15.69	15.42	14.60
Cemetery Districts	0.29	0.29	0.34	0.35	0.36	0.35	0.29	0.28	0.27	0.26
Port Districts	0.20	0.20	0.20	0.30	0.30	0.30	0.32	0.31	0.32	0.30
Cities and Towns	16.72	15.12	17.26	18.09	17.41	17.64	16.51	17.03	15.97	15.17
State of Washington	2.01	1.96	2.21	2.37	2.55	2.41	2.30	2.15	2.04	2.89
Hospitals	2.01	2.06	1.80	1.93	1.82	1.80	2.47	1.74	1.68	1.95
Parks and Recreation	0.07	0.07	0.11	0.11	0.14	0.14	0.14	0.13	0.13	0.13
Dike and Drainage Districts	115.53	106.39	110.89	122.14	123.86	120.73	131.67	133.44	144.56	141.22
Library Districts	-	1.05	1.25	1.31	1.41	1.94	1.99	1.94	1.88	1.73
Total	175.68	170.96	181.78	203.86	204.13	202.80	215.63	214.34	223.47	217.21

Source: Skagit County Assessor

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
PROPERTY TAX LEVIES AND COLLECTIONS
For a Twenty 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
1998	\$89,352,163	\$86,952,100	97.31%	\$1,787,294	\$88,739,394	99.31%	\$4,283,922	4.79%
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	97.68%	4,165,855	172,156,881	100.10%	7,966,597	4.63%
2013	182,248,613	179,129,124	98.29%	5,165,263	184,294,387	101.12%	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	2.61%
2016	192,414,284	189,228,179	98.34%	2,792,682	192,020,861	99.80%	4,892,894	2.54%
2017	201,754,899	198,883,526	98.58%	3,128,618	202,012,144	100.13%	4,472,206	2.22%

(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

Source:
Skagit County Treasurer

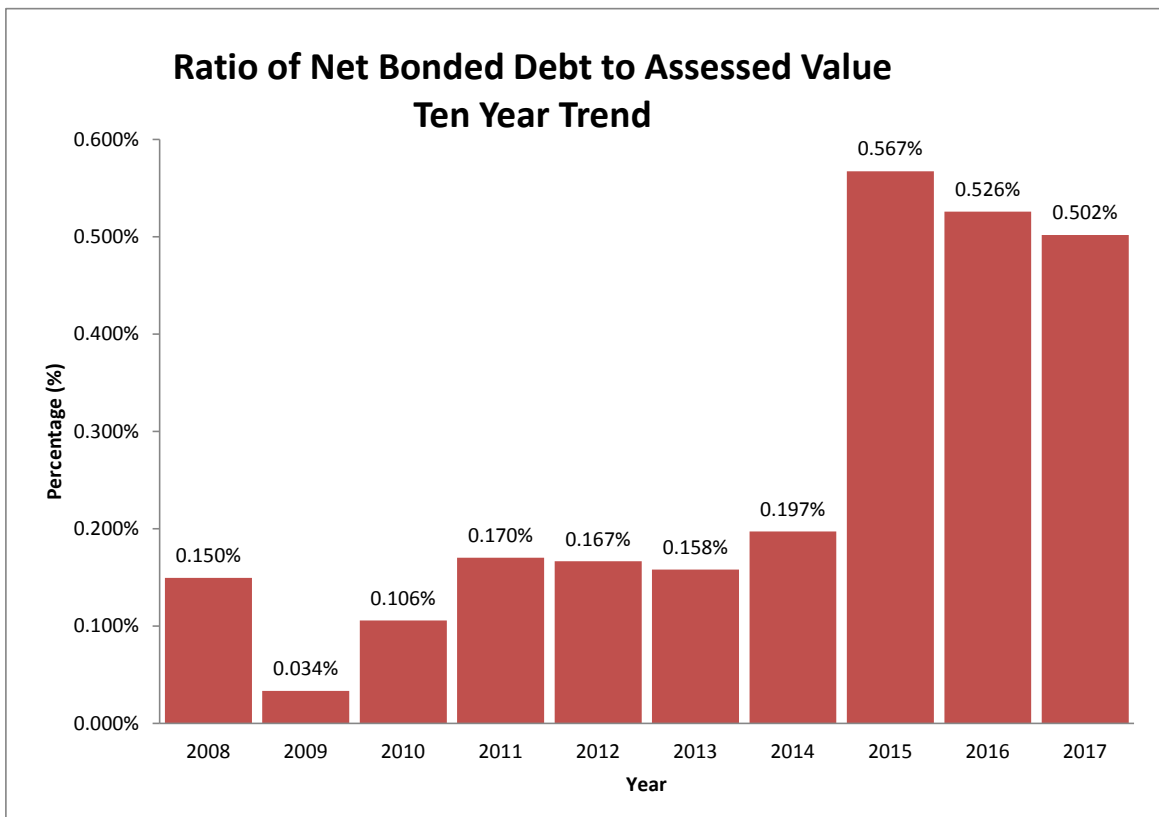
SKAGIT COUNTY, WASHINGTON
SPECIAL ASSESSMENT COLLECTIONS
For a Twenty Year Period

Year	Assessment Receivable At January 1	Additions	Collections	Assessment Receivable At December 31
1998	\$ 2,909	\$ 141,833	\$ 139,667	\$ 5,075
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
2017	\$ 62,295	\$1,677,885	\$ 1,675,624	\$ 64,556

SOURCE: Skagit County Treasurer

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

Year	Population	Assessed Value	Net Bonded Debt	Ratio of Net Bonded Debt to Assessed Value	Bond Debt Per Capita (restated)
2008	115,300	14,004,423,861	5,416,423	0.150%	182
2009	117,500	16,166,682,507	17,830,497	0.034%	46
2010	118,900	16,868,200,169	25,867,519	0.106%	150
2011	116,901	15,210,471,781	24,152,923	0.170%	221
2012	117,400	14,494,671,744	22,378,328	0.167%	206
2013	118,837	14,164,054,879	28,350,841	0.158%	188
2014	120,365	14,370,022,271	83,248,228	0.197%	236
2015	121,846	14,670,422,177	81,206,615	0.567%	683
2016	122,270	15,446,113,686	82,448,143	0.526%	664
2017	124,100	16,433,120,581	74,700,000	0.502%	664



SKAGIT COUNTY, WASHINGTON LIMITATION OF INDEBTEDNESS For a Ten Year Period

	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017
TOTAL TAXABLE PROPERTY VALUE	\$ 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	\$ 17,747,214,025
INDEBTEDNESS FOR GENERAL PURPOSE WITHOUT A VOTE										
DEBT LIMIT-1.5% OF TOTAL ASSESSED VALUE	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	266,208,210
DEBT LIMITATION APPLICABLE TO THE LIMIT	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	74,700,000
Less Outstanding Debt	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	20,913,329
Add Assets Available	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	53,786,671
REMAINING DEBT CAPACITY WITHOUT A VOTE	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	212,421,540
INDEBTEDNESS FOR GENERAL PURPOSE WITH A VOTE										
DEBT LIMIT-2.5% OF TOTAL ASSESSED VALUE	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	443,680,351
REMAINING DEBT CAPACITY INCLUDING VOTED DEBT	\$ 179,204,767	\$ 168,682,002	\$ 152,104,718	\$ 144,946,717	\$ 141,640,549	\$ 143,700,223	\$ 146,704,222	\$ 154,461,137	\$ 164,331,206	\$ 177,472,140
NET DEBT APPLICABLE TO THE LIMIT AS A PERCENTAGE OF DEBT LIMIT	4.06%	4.40%	6.41%	3.59%	7.78%	5.21%	28.49%	24.84%	21.89%	20.20%

Source:
Skagit County Treasurer

SKAGIT COUNTY, WASHINGTON
RATIOS OF OUTSTANDING DEBT BY TYPE
For a Ten Year Period

Fiscal Year	<u>Governmental Activities</u>		<u>Business-Type Activities</u>		Total Primary Government	Percentage of Personal Income	Per Capita
	General Obligation Bonds	Loans Payable	General Obligation Bonds				
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
2017	\$ 16,967,136	\$ 2,664,823	\$ 61,967,065		\$ 81,599,024	2.30%	658

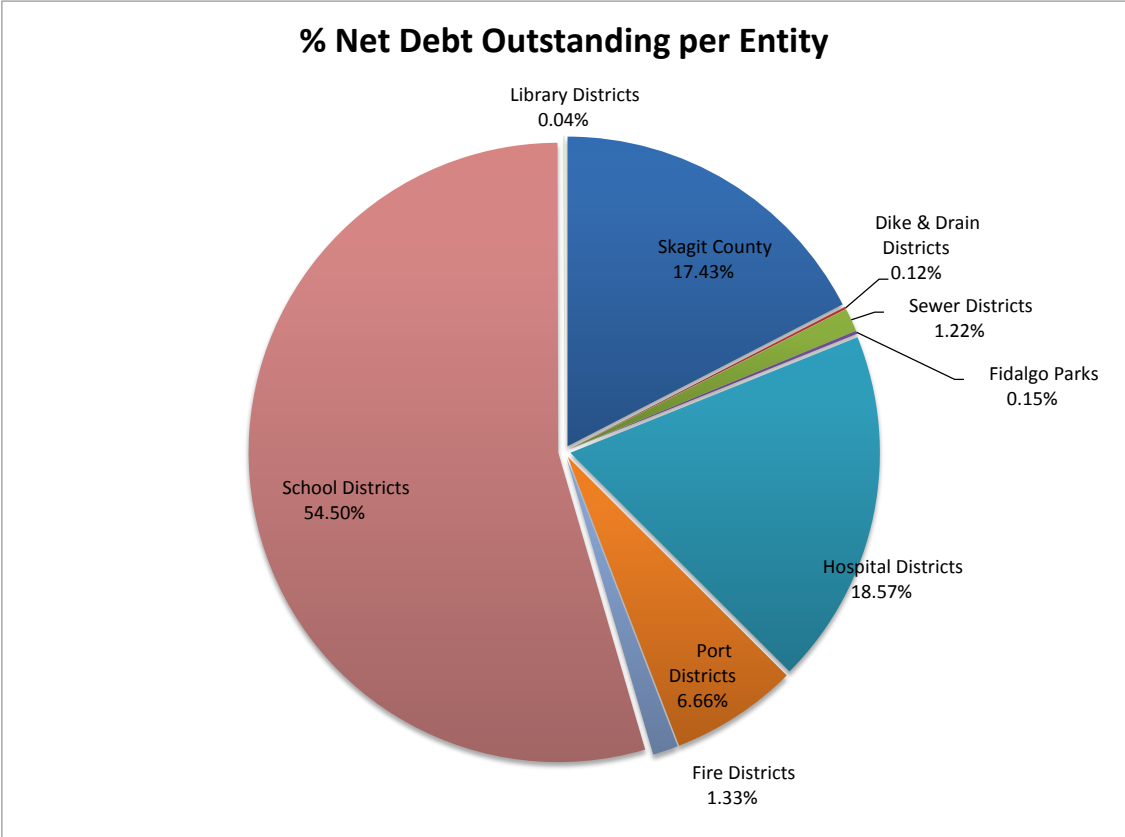
**SKAGIT COUNTY, WASHINGTON
COMPUTATION OF DIRECT AND OVERLAPPING DEBT
FOR THE YEAR ENDED DECEMBER 31, 2017**

JURISDICTION	NET DEBT OUTSTANDING	PERCENTAGE APPLICABLE TO SKAGIT COUNTY	AMOUNT APPLICABLE TO SKAGIT COUNTY
Direct Debt			
Skagit County	74,700,000	100%	74,700,000
Total Direct Debt	\$ 74,700,000		\$ 74,700,000
Overlapping debt			
Dike & Drain Districts	516,483	100%	516,483
Sewer Districts	5,208,319	100%	5,208,319
Fidalgo Parks	661,558	100%	661,558
Hospital Districts	79,580,000	100%	79,580,000
Port Districts	28,537,276	100%	28,537,276
Fire Districts	5,687,810	100%	5,687,810
School Districts	233,606,000	100%	233,606,000
Library Districts	152,538	100%	152,538
Total Overlapping Debt	353,949,984		353,949,984
Total Direct & Overlapping Debt	\$428,649,984	0%	\$428,649,984

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 Ten Year Period

Year	Principal	Interest and Fiscal Charges	*Total Debt Service	**Total General Expenditures	Ratio of Net Bonded Debt to Assessed Value
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%
2017	1,791,191	578,051	2,369,242	99,605,267	2.38%

Notes:

* Does not include Enterprise Funds

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

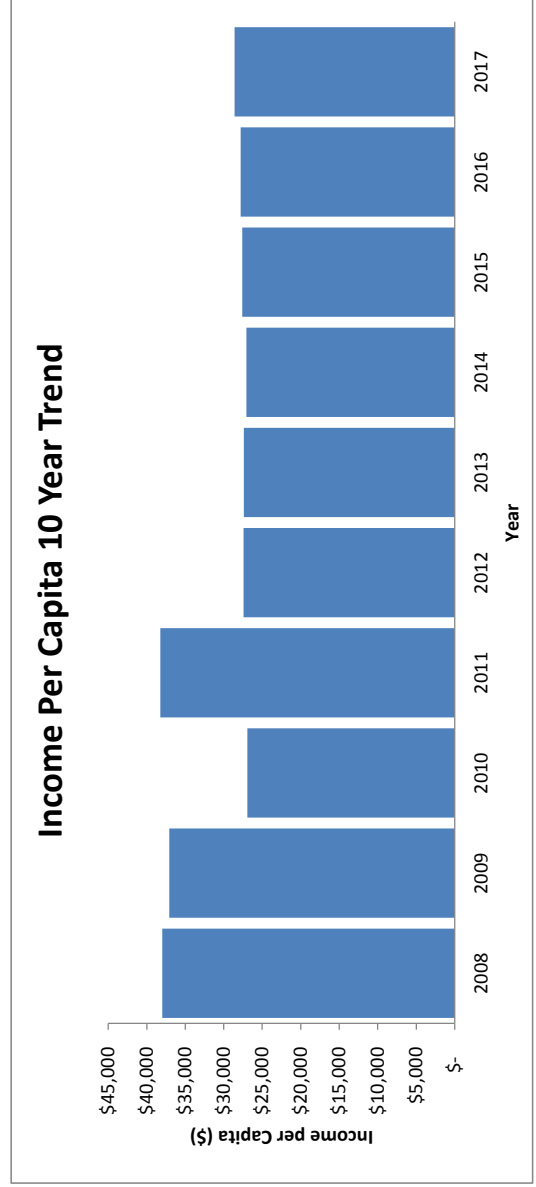
SKAGIT COUNTY, WASHINGTON

Demographic Statistics

For a Ten Year Period

	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017
County Population April 1										
Unincorporated	49,720	49,915	48,112	48,255	48,345	48,411	48,720	49,220	49,860	50,875
Incorporated	67,780	68,985	68,789	69,145	69,605	70,189	70,780	71,400	72,410	73,225
Totals	117,500	118,900	116,901	117,400	117,950	118,600	119,500	120,620	122,270	124,100
Income Per Capita	\$ 37,989	\$ 37,076	\$ 26,925	\$ 38,225	\$ 27,447	\$ 27,395	\$ 27,065	\$ 27,598	\$ 27,794	\$ 28,586
Median Household Income	\$ 54,803	\$ 55,572	\$ 54,426	\$ 55,085	\$ 56,443	\$ 56,058	\$ 54,852	\$ 56,322	\$ 55,524	\$ 58,990
Unemployment Rate	5.6%	10.2%	10.7%	10.2%	9.2%	8.7%	5.8%	6.6%	6.8%	4.9%
School Enrollment	19,296	18,723	18,878	18,668	18,920	18,678	18,869	18,920	18,951	19,148

Sources:
 Office of Financial Management, Forecasting Division, State of Washington Employment Security Department,
 Educational Service District #189, Washington State Office of Superintendent of Public Instruction, U.S. Census Bureau



SKAGIT COUNTY, WASHINGTON
PRINCIPAL PROPERTY TAXPAYERS
Current Year Compared to 2007

Top Ten Taxpayers	2017			2007		
	Taxable Assessed Value	Rank	Percentage of Total Assessed Taxable Value	Taxable Assessed Value	Rank	Percentage of Total Assessed Taxable Value
Equilon Enterprises LLC	\$499,129,300	1	2.91%	\$ 437,017,336	1	3.22%
Tesoro Refining and Marketing Corp	333,476,000	2	1.94%	\$ 325,174,920	2	2.39%
Puget Sound Energy Electric	333,168,739	3	1.94%	\$ 235,018,476	3	1.73%
Tesoro Logistics Operations LLC	83,731,700	4	0.49%			
Sierra Pacific Industries	70,234,200	5	0.41%	\$ 95,386,400	4	0.70%
PACCAR Inc Truck Testing	60,000,000	6	0.35%	\$ 41,145,176	8	0.30%
Pacific Woodtech Corporation	58,783,300	7	0.34%	\$ 67,964,400	5	0.50%
Frontier Property Tax Dept NCA	41,625,397	8	0.24%	\$ 64,373,613	6	0.47%
Health Care Reit Inc	39,835,100	9	0.23%			
NW Pipeline GP	35,960,896	10	0.21%	\$ 34,384,579	10	0.25%
PPR Cascade LLC				\$ 38,298,600	9	0.28%
March Point Cogeneration Co & San Juan Energy Co				\$ 47,380,326	7	0.35%
	1,555,944,632		9.06%	1,386,143,826		10.20%
Total County Assessed Value	\$ 17,180,483,658			\$ 13,587,677,093		

Source: Skagit County Assessor

**SKAGIT COUNTY, WASHINGTON
PRINCIPAL EMPLOYERS
Current Year Compared to 2009**

Top Ten Principal Employers	2017			2009		
	Number of Employees	Rank	Percentage of Total Labor Force	Number of Employees	Rank	Percentage of Total Labor Force
Skagit Regional Health	1,802	1	3.02%	1,305	1	2.23%
Mount Vernon School District	998	2	1.67%	793	4	1.35%
Skagit Horticulture (formerly Skagit Gardens)	980	3	1.64%			
Skagit County Government	809	4	1.36%	985	2	1.68%
Janicki Industries	785	5	1.32%			
Sedro Woolley School District	683	6	1.15%	530	5	0.90%
Island Hospital	568	7	0.95%	655	3	1.12%
Swinomish Casino	559	8	0.94%			
Draper Valley Farms	519	9	0.87%	500	7	0.85%
Shell Puget Sound Refinery	500	10	0.84%	480	9	0.82%
Regence Blue Shield				520	6	0.89%
Skagit Valley Casino				500	7	0.85%
United General Hospital				454	10	0.77%
Total Top Ten Employees	8,203		13.76%	6,722		11.47%
Total County Labor Force	59,619			58,609		

Sources:

- *Western Washington University Center of Economic and Business Research
- *Economic Development Alliance of Skagit County
- *WA State Employment Security Dept.

Note:

Includes seasonal and temporary employees

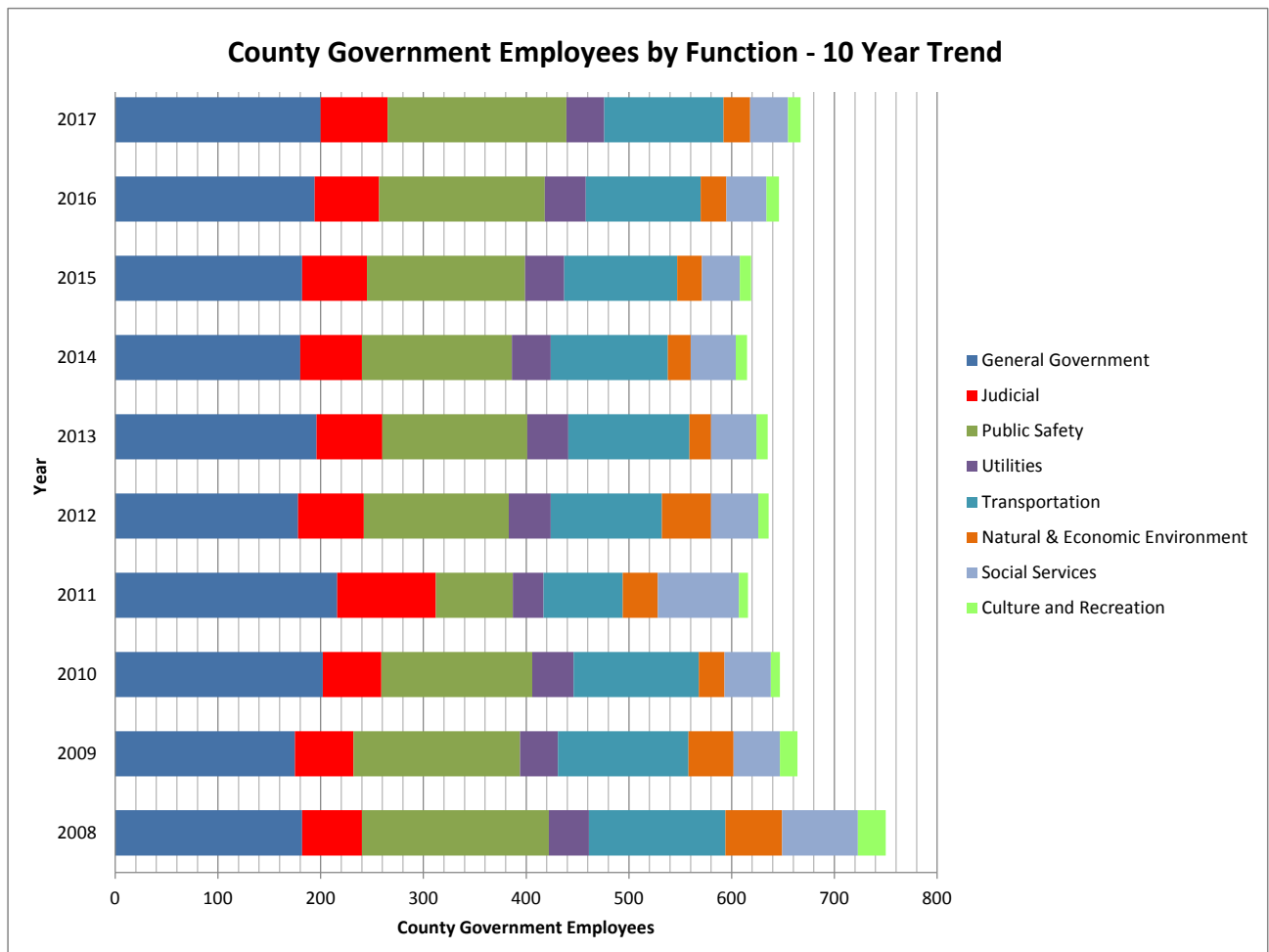
SKAGIT COUNTY, WASHINGTON

COUNTY GOVERNMENT EMPLOYEES BY FUNCTION

For a Ten Year Period

Function	Number of Employees as of December 31									
	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017
General Government	182	175	202	216	178	196	180	182	194	200
Judicial	58	57	57	96	64	64	60	63	63	65
Public Safety	182	162	147	75	141	141	146	154	161	174
Utilities	39	37	40	30	41	40	38	38	40	37
Transportation	133	127	122	77	108	118	114	110	112	116
Natural & Economic Environment	55	44	25	34	48	21	22	24	25	26
Social Services	74	45	45	79	46	44	44	37	39	37
Culture and Recreation	27	17	9	9	10	11	11	11	12	12
Total	750	664	647	616	636	635	615	619	646	666

Source: Skagit County Auditor



SKAGIT COUNTY, WASHINGTON
MISCELLANEOUS STATISTICS
For a Ten Year Period

	2008	2009	2010	2011	2012
(A) MILES OF ROAD					
Roads, paved	756	758	761	761	760
Roads, unpaved	41	41	41	41	41
(B) BUILDING PERMITS					
Permits issued	632	547	414	416	424
Value of buildings	\$ 48,838,303	\$ 41,441,249	\$ 42,538,000	\$ 38,893,281	\$ 40,588,568
(C) FIRE PROTECTION					
Number of districts	17	18	18	18	18
Number of volunteer firefighters	509	550	585	568	561
(D) POLICE PROTECTION					
Number of employees, commissioned	61	62	58	46	44
Number of employees, civilian and limited commission	57	58	53	53	59
Average daily jail population	241	275	243	196	226.3
Police patrol units, vehicle	61	62	54	49	71
Police patrol units, boats	3	4	4	5	5
(E) RECREATIONAL FACILITIES					
Number of parks	34	35	36	26	32
Park acreage	2227	2240	2255	2300	2153.5
(F) GENERAL ELECTIONS					
Number of registered voters	69,335	68,119	68,936	\$ 68,996	72,966
Number of votes cast	56,632	36,160	48,960	\$ 38,256	56,262
Percentage voting	82%	53%	71%	59%	83%
(G) PUBLIC EDUCATION					
Elementary	25	25	25	25	25
Middle/Junior High	5	5	5	5	5
High	8	9	9	6	6
Community College	1	1	1	1	1
Alternative	6	4	4	6	8
Special Education	5	5	4	4	5

SOURCE:

Washington State Board of Volunteer Firefighters
 Skagit County Educational Service District 189
 Skagit County: Auditor, Parks & Recreation, Sheriff
 Planning & Development Services, Public Works
 Washington State Association of Sheriffs and Police Chiefs

Washington State Office of Public Instruction

SKAGIT COUNTY, WASHINGTON
MISCELLANEOUS STATISTICS
For a Ten Year Period

	2013	2014	2015	2016	2017
(A) MILES OF ROAD					
Roads, paved	761	761	761	756	761
Roads, unpaved	40	40	40	40	40
(B) BUILDING PERMITS					
Permits issued	445	392	591	524	587
Value of buildings	\$ 58,051,285	\$ 57,696,373	\$ 62,443,127	\$ 67,496,136	\$ 84,524,082
(C) FIRE PROTECTION					
Number of districts	18	18	18	18	17
Number of volunteer firefighters	559	572	589	589	588
(D) POLICE PROTECTION					
Number of employees, commissioned	50	52	51	54	51
Number of employees, civilian and limited commission	55	56	65	65	87
Average daily jail population	247.7	235	205	213.8	213
Police patrol units, vehicle	55	56	55	68	81
Police patrol units, boats	5	4	4	4	3
(E) RECREATIONAL FACILITIES					
Number of parks	29	29	29	29	29
Park acreage	2054.5	2054.5	2058.05	2058.05	2063.88
(F) GENERAL ELECTIONS					
Number of registered voters	74,075	75,774	74,282	79,796	73,710
Number of votes cast	35,847	40,825	29,784	59,023	27,947
Percentage voting	53%	61%	43%	80%	38%
(G) PUBLIC EDUCATION					
Elementary	26	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	10
Special Education	5	4	4	4	4

SOURCE:

Washington State Board of Volunteer Firefighters
 Skagit County Educational Service District 189
 Skagit County: Auditor, Parks & Recreation, Sheriff
 Planning & Development Services, Public Works
 Washington State Association of Sheriffs and Police Chiefs

Washington State Office of Public Instruction

Compliance Section



Skagit County
Schedule of Expenditures of Federal Awards
For the Year Ended December 31, 2017

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-03-54, Etach Creek	-	679	679	-	1
Farm Service Agency, Department Of Agriculture	Conservation Reserve Program	10.069	CREP-03-55, Day Creek	-	274	274	-	1
Farm Service Agency, Department Of Agriculture	Conservation Reserve Program	10.069	CREP-05-72, Martin Slough	-	6,519	6,519	-	1
			Total CFDA 10.069:	-	7,472	7,472	-	
Child Nutrition Cluster								
Food And Nutrition Service, Department Of Agriculture (via Washington State, Office of Superintendent of Public Instruction)	School Breakfast Program	10.553	29-320- 9788/05486	6,033	-	6,033	-	1
Food And Nutrition Service, Department Of Agriculture (via Washington State, Office of Superintendent of Public Instruction)	National School Lunch Program	10.555	29-320- 9788/05486	9,445	-	9,445	-	1
			Total Child Nutrition Cluster:	15,478	-	15,478	-	
Food And Nutrition Service, Department Of Agriculture (via Northwest Regional Council)	Senior Farmers Market Nutrition Program	10.576	201018-NUTR, SFMNP Administration	422	-	422	-	1, 2
Food And Nutrition Service, Department Of Agriculture (via Northwest Regional Council)	Senior Farmers Market Nutrition Program	10.576	201018-NUTR, Farmers Market Vouchers	3,705	-	3,705	-	1, 6
			Total CFDA 10.576:	4,127	-	4,127	-	
Forest Service Schools and Roads Cluster								
Forest Service, Department Of Agriculture (via Forest Service, Department of Agriculture)	Schools and Roads - Grants to States	10.665	Title 1 Forest Yield, RCW 36.17.020	37,536	-	37,536	-	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, 2017**

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		
Total Forest Service Schools and Roads Cluster:				37,536	-	37,536	-	
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, Martin Slough	3,765	-	3,765	-	1, 2
Office Of Community Planning And Development, Department Of Housing And Urban Development (via Washington State Department of Commerce)	Community Development Block Grants/State's program and Non-Entitlement Grants in Hawaii	14.228	15-62210-019, Infrastructure Assistance for a Farm	106,043	-	106,043	106,043	1
Office Of Community Planning And Development, Department Of Housing And Urban Development (via Washington State Department of Commerce)	Community Development Block Grants/State's program and Non-Entitlement Grants in Hawaii	14.228	16-62210-012, Public Services	21,884	-	21,884	21,884	1
Office Of Community Planning And Development, Department Of Housing And Urban Development (via Washington State Department of Commerce)	Community Development Block Grants/State's program and Non-Entitlement Grants in Hawaii	14.228	17-62210-012, Public Services	20,396	-	20,396	20,396	1
Office Of Community Planning And Development, Department Of Housing And Urban Development (via Washington State Department of Commerce)	Community Development Block Grants/State's program and Non-Entitlement Grants in Hawaii	14.228	15-62210-047, Planning Only	24,000	-	24,000	24,000	1
Office Of Community Planning And Development, Department Of Housing And Urban Development (via Washington State Department of Commerce)	Community Development Block Grants/State's program and Non-Entitlement Grants in Hawaii	14.228	16-62210-033, Aerospace Training Facility	3,759	-	3,759	3,759	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, 2017

		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
Office Of Community Planning And Development, Department Of Housing And Urban Development (via Washington State Department of Commerce)	Community Development Block Grants/State's program and Non-Entitlement Grants in Hawaii	14.228	15-62210-031, Homeowner Assistance	341,429	-	341,429	226,310	1
			Total CFDA 14.228:	517,510	-	517,510	402,392	
Office Of Community Planning And Development, Department Of Housing And Urban Development	Home Investment Partnerships Program	14.239	M15-DC530210	-	137,411	137,411	137,411	1
Office Of Community Planning And Development, Department Of Housing And Urban Development	Home Investment Partnerships Program	14.239	M16-DC530210	-	54,455	54,455	-	1
Office Of Community Planning And Development, Department Of Housing And Urban Development	Home Investment Partnerships Program	14.239	M17-DC530210	-	6,823	6,823	-	1
			Total CFDA 14.239:	-	198,689	198,689	137,411	
Office For Victims Of Crime, Department Of Justice (via Washington State Department of Commerce)	Crime Victim Assistance	16.575	S17-31102-526	32,379	-	32,379	-	1
Office For Victims Of Crime, Department Of Justice (via Washington State Department of Commerce)	Crime Victim Assistance	16.575	S18-31102-526 SFY2018	21,467	-	21,467	-	1
			Total CFDA 16.575:	53,847	-	53,847	-	

The accompanying notes are an integral part of this schedule.

Skagit County
Schedule of Expenditures of Federal Awards
For the Year Ended December 31, 2017

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		
Violence Against Women Office, Department Of Justice (via Washington State Department of Commerce)	Violence Against Women Formula Grants	16.588	F 16-31103-031	16,514	-	16,514	-	1, 2
Bureau Of Justice Assistance, Department Of Justice (via Washington State Department of Social and Health Services, Residential Substance Abuse Treatment)	Residential Substance Abuse Treatment for State Prisoners	16.593	1563-53486, RSAT	54,187	-	54,187	54,187	1, 2
Office Of Community Oriented Policing Services, Department Of Justice (via Office of Community Oriented Policing Services, Department of Justice)	Public Safety Partnership and Community Policing Grants	16.710	2014UMWX007 7	86,073	-	86,073	-	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	83,727	-	83,727	-	1
Highway Planning and Construction Cluster								
Federal Highway Administration (fhwa), Department Of Transportation (via Washington State Department of Transportation)	Highway Planning and Construction	20.205	C20170401, Burlington Northern Overpass on Old Hwy 99 North	142,970	-	142,970	-	1
Federal Highway Administration (fhwa), Department Of Transportation (via Washington State Department of Transportation)	Highway Planning and Construction	20.205	LA-6452, Skagit River Bridge	63,887	-	63,887	-	1, 2

The accompanying notes are an integral part of this schedule.

Skagit County
Schedule of Expenditures of Federal Awards
For the Year Ended December 31, 2017

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 (fwa), Department Of Transportation (via Washington State Department of Transportation)	Highway Planning and Construction	20.205	LA8075, Burlington Northern Overpass on Old Hwy 99 North	6,426,051	-	6,426,051	-	1, 2
Federal Highway Administration (fwa), Department Of Transportation (via Washington State Department of Transportation)	Highway Planning and Construction	20.205	LA8076, Bow Hill Road	1,134	-	1,134	-	1, 2
Federal Highway Administration (fwa), Department Of Transportation (via Washington State Department of Transportation)	Highway Planning and Construction	20.205	LA 8724, Dodge Valley road	4,943	-	4,943	-	1, 2
Federal Highway Administration (fwa), Department Of Transportation (via Washington State Department of Transportation)	Highway Planning and Construction	20.205	LA 8426, Josh Wilson Road	1,021	-	1,021	-	1, 2
Federal Highway Administration (fwa), Department Of Transportation (via Washington State Department of Transportation)	Highway Planning and Construction	20.205	LA 8702, Samish River Bridge	7,397	-	7,397	-	1, 2
Federal Highway Administration (fwa), Department Of Transportation (via Washington State Department of Transportation)	Highway Planning and Construction	20.205	LA 8733, Lower Finney Creek Bridge	292,293	-	292,293	-	1, 2

Skagit County
Schedule of Expenditures of Federal Awards
For the Year Ended December 31, 2017

		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
Federal Highway Administration (fwa), Department Of Transportation (via Washington State Department of Transportation)	Highway Planning and Construction	20.205	LA 8746, Friday Creek Bridge	10,406	-	10,406	-	1, 2
Federal Highway Administration (fwa), Department Of Transportation (via Washington State Department of Transportation)	Highway Planning and Construction	20.205	LA 8744, Cook Road	49,371	-	49,371	-	1, 2
Total Highway Planning and Construction Cluster:				6,999,474	-	6,999,474	-	
Highway Safety Cluster								
National Highway Traffic Safety Administration (nhtsa), Department Of Transportation (via Washington Traffic Safety Commission)	State and Community Highway Safety	20.600	402-2017	2,986	-	2,986	-	1
National Highway Traffic Safety Administration (nhtsa), Department Of Transportation (via Washington Traffic Safety Commission)	State and Community Highway Safety	20.600	402-2018	805	-	805	-	1
Total Highway Safety Cluster:				3,791	-	3,791	-	
Region 10, Environmental Protection Agency (via Washington State Department of Health)	Puget Sound Action Agenda: Technical Investigations and Implementation Assistance Program	66.123	C17124, PS SSI 1-5	49,157	-	49,157	-	1, 4e
Region 10, Environmental Protection Agency (via Washington State Department of Health)	Puget Sound Action Agenda: Technical Investigations and Implementation Assistance Program	66.123	C17124, Onsite Sewage Management NEP	47,991	-	47,991	-	1, 4e

The accompanying notes are an integral part of this schedule.

Skagit County
Schedule of Expenditures of Federal Awards
For the Year Ended December 31, 2017

		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
Region 10, Environmental Protection Agency (via Washington State Department of Health)	Puget Sound Action Agenda: Technical Investigations and Implementation Assistance Program	66.123	N20689, Inspections and Tracers	87,822	-	87,822	-	1
Region 10, Environmental Protection Agency (via Washington State Department of Health)	Puget Sound Action Agenda: Technical Investigations and Implementation Assistance Program	66.123	GVL22580, Samish and Padilla Bay Watersheds	49,661	-	49,661	-	1
Region 10, Environmental Protection Agency (via Washington State Department of Health)	Puget Sound Action Agenda: Technical Investigations and Implementation Assistance Program	66.123	SEANWS-2017-SKCoPW-00002	2,621	-	2,621	-	1
Region 10, Environmental Protection Agency (via Washington State Department of Health)	Puget Sound Action Agenda: Technical Investigations and Implementation Assistance Program	66.123	SEANWS-2016-SKCoPW-00003	52,254	-	52,254	-	1
Total CFDA 66.123:				289,506	-	289,506	-	
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	201301-CDSME	4,000	-	4,000	-	1
Aging Cluster								
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	201018-NUTR, Congregate Meals	93,074	-	93,074	-	1, 2

The accompanying notes are an integral part of this schedule.

Skagit County
Schedule of Expenditures of Federal Awards
For the Year Ended December 31, 2017

		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
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	201018-NUTR, Home Delivered Meals	93,073	-	93,073	-	1, 2
			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	201018-NUTR NSIP	90,000	-	90,000	-	1, 2
			Total Aging Cluster:	276,147	-	276,147	-	
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, 16EPR	46,346	-	46,346	-	1, 4e
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, 17EPR	39,516	-	39,516	-	1, 4e
			Total CFDA 93.069:	85,862	-	85,862	-	
Substance Abuse And Mental Health Services Administration, Department Of Health And Human Services (via Washington State Department of Social and Health Services, Behavioral Health and Service Integration, Division of Behavioral Health and Recovery)	Substance Abuse and Mental Health Services Projects of Regional and National Significance	93.243	1563-42494, Partnerships for Success	13,971	-	13,971	13,971	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, 2017

		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 Social and Health Services, Behavioral Health and Service Integration, Division of Behavioral Health and Recovery)	Substance Abuse and Mental Health Services Projects of Regional and National Significance	93.243	1663-53477, Access to Recovery	156,267	-	156,267	154,418	1
Substance Abuse And Mental Health Services Administration, Department Of Health And Human Services (via Washington State Department of Social and Health Services, Behavioral Health and Service Integration, Division of Behavioral Health and Recovery)	Substance Abuse and Mental Health Services Projects of Regional and National Significance	93.243	1763-94269, Partnerships for Success	8,250	-	8,250	8,250	1
				Total CFDA 93.243:	-	178,489	176,639	
Maternal, Infant, and Early Childhood Home Visiting Cluster								
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	F17-HVSA- MIECHV	203,076	-	203,076	-	1, 4f
Health Resources And Services Administration, Department Of Health And Human Services (via Washington State Department of Early Learning)	Affordable Care Act (ACA) Maternal, Infant, and Early Childhood Home Visiting Program	93.505	18-1050 MIECHV	170,958	-	170,958	2,000	1
				Total Maternal, Infant, and Early Childhood Home Visiting Cluster:	-	374,034	2,000	

Skagit County
Schedule of Expenditures of Federal Awards
For the Year Ended December 31, 2017

		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
Administration For Children And Families, Department Of Health And Human Services (via Washington State Department of Social and Health Services)	Child Support Enforcement	93.563	0863-31629/75-1501-0-1-609	509,041	-	509,041	-	1, 2, 4d
Administration For Children And Families, Department Of Health And Human Services (via Washington State Department of Social and Health Services)	Child Support Enforcement	93.563	1663-67776	32,100	-	32,100	-	1, 2, 4d
Total CFDA 93.563:				541,141	-	541,141	-	
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	K1416, Medicaid Administrative Claiming	96,686	-	96,686	-	1, 2
Centers For Medicare And Medicaid Services, Department Of Health And Human Services (via North Sound Behavioral Health Organization)	Medical Assistance Program	93.778	North Sound BHO-Skagit County-Admin-17, FYSPRT	62,434	-	62,434	-	1
Total Medicaid Cluster:				159,120	-	159,120	-	
Substance Abuse And Mental Health Services Administration, Department Of Health And Human Services (via Washington State Department of Social and Health Services, Behavioral Health and Service Integration, Division of Behavioral Health and Recovery)	Opioid STR	93.788	1763-94269, Opioid STR	27,774	-	27,774	12,797	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, 2017

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 North Sound Behavioral Health Administration)	Block Grants for Community Mental Health Services	93.958	North Sound BHO-Skagit Co-MHBG-16-17	50,000	-	50,000	-	1
Substance Abuse And Mental Health Services Administration, Department Of Health And Human Services (via North Sound Behavioral Health Organization)	Block Grants for Community Mental Health Services	93.958	North Sound BHO-Skagit Co-MHBG-17-18	96,899	-	96,899	96,899	1
Total CFDA 93.958:				146,899	-	146,899	96,899	
Research & Development Cluster								
Substance Abuse And Mental Health Services Administration, Department Of Health And Human Services (via Washington State Department of Social and Health Services, Substance Abuse Prevention DASA)	Block Grants for Prevention and Treatment of Substance Abuse	93.959	1763-94269	18,163	-	18,163	18,163	1
Total Research & Development Cluster:				18,163	-	18,163	18,163	
Substance Abuse And Mental Health Services Administration, Department Of Health And Human Services (via Washington State Department of Social and Health Services, Substance Abuse Prevention DASA)	Block Grants for Prevention and Treatment of Substance Abuse	93.959	1563-42494	28,600	-	28,600	28,600	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, 2017

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 Washington State Department of Social and Health Services, Substance Abuse Prevention DASA)	Block Grants for Prevention and Treatment of Substance Abuse	93.959	North Sound BHO-Skagit Co- SABG-17-19	9,833	-	9,833	9,833	1
			Total CFDA 93.959:	38,433	-	38,433	38,433	
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	84,913	-	84,913	-	1, 4e
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, FFY18	28,686	-	28,686	-	1, 4e
			Total CFDA 93.994:	113,599	-	113,599	-	
Executive Office Of The President (via Educational Service District 105)	High Intensity Drug Trafficking Areas Program	95.001	9001600044, HIDTA	9,975	-	9,975	-	1
United States Coast Guard (uscg), Department Of Homeland Security (via Washington State Parks and Recreation Commission)	Boating Safety Financial Assistance	97.012	DHS-USCG- 2017-001	15,460	-	15,460	-	1
Federal Emergency Management Agency (fema), Department Of Homeland Security (via Washington State Military Department/Snohomish County)	Emergency Management Performance Grants	97.042	E17-183	69,156	-	69,156	-	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, 2017**

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 Emergency Management Agency (fema), Department Of Homeland Security	Port Security Grant Program	97.056	EMW-2016-PU- 00076-S01	-	60,000	60,000	-	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-Skagit	29,066	-	29,066	-	1, 2
Total Federal Awards Expended:				10,252,851	266,161	10,519,012	938,919	

SKAGIT COUNTY, WASHINGTON

NOTES TO THE SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS

For the year ended December 31, 2017

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

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) .56%, (b) .1.41%, (c) 5%, (d) 23.82%, (e) 25%, (f) 10%

Skagit County has not elected to use the 10-percent de minimis indirect cost rate allowed under Uniform Guidance.

NOTE 5 – 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 2017 and priced as prescribed by the Department of Agriculture.

NOTE 7 – PRIOR YEAR EXPENSE

Skagit County

SCHEDULE OF STATE FINANCIAL ASSISTANCE (unaudited)

For Fiscal Year ended December 31, 2017

Grantor	Program Title	Identificaton Number	Amount
State Grant from Criminal Justice Training Commission	Child Abuse Interviewing and Assessment Facilitation	507	400
	Registered Sex Offender Address and Residency Verification Program	RSO 16-17 Skagit	54,247
	Registered Sex Offender Address and Residency Verification Program	RSO 17-18 Skagit	54,370
	Sub-total: 109,017		
1/2 County Prosecutor's Salary	Elected Official Salary Match	RCW 36.17.020	83,488
Sub-total: 83,488			
State Grant from Other Judicial Agencies	Becca Programs and Sources	IAA17436	153,007
	Becca Programs and Sources	IAA18133	163,506
	Court Interpreter Services	IAA17551	2,705
	Court Interpreter Services	IAA17552	1,315
	Court Interpreter Services	IAA18683	4,568
	Court Interpreter Services	IAA18684	5,006
	Parent's Representation Program	CSV17143	64,101

Grantor	Program Title	Identificaton Number	Amount
	Parent's Representation Program	CSV18164	64,749
	Public Defense Services Quality Improvement	ICA17402	139,211
	Support of CASA Programs	IAA18095	26,354
		Sub-total:	624,522
State Grant from Department of Agriculture			
	Fairgrounds Building F Re-Roofting	C20160129	15,392
	Knotweed Control - Grandy Creek and Samish River	K1750	3,994
	Knotweed Control - Grandy Creek and Samish River	K2273	11,599
	Spartina Eradication	K1710	18,812
	Spartina Eradication	K2234	36,945
		Sub-total:	86,743
State Grant from Recreation and Conservation Office			
	North Fork Skagit Acquisition and Feasibility	RCO#13-1059C	7,338
		Sub-total:	7,338
State Grant from Department of Ecology			
	Community Litter Cleanup Program	W2RCLCP-1517-SkCoPW-00040	14,620
	Local Source Control Partnership	IAA C1600030	60,987
	Local Source Control Partnership	IAA C1800032	32,430

Grantor	Program Title	Identificaton Number	Amount
	Local Toxins Control Coordinated Prevention Grant	W2RCPG-1517-SkCoHD-00028	11,289
	Northwest Straits Project: Skagit MRC Operations and Projects	SEANWS-2017-SkCoPW-00002	10,333
	On Site Septic Grant with Loan	WQC-2015-SkCoPD-00130	112,899
	On Site Septic Grant with Loan	WQC-2016-SkCoPD-00181	63,515
	Remedial Action Grants Waste 2 Resources	TCPRA-2014-SkCoPW-00058	1,822
	Samish River Natural Resource Stewardship Program	G1400401	80,118
	Toxics Cleanup Remedial Action Grant	TCPRA-2015-SkCoCA-00049	68,349
	Toxics Cleanup Remedial Action Grant	TCPRA-2016-SkCoHD-00016	13,515
	Trumpeter Creek Riparian and Channel Restoration	WQC-2015-SkCoPW-00034	223,732
	Voluntary Stewardship Program	K1632	170,485
	Voluntary Stewardship Program	K1824	24,324
	Waste 2 Resources Coordinated Prevention Grant Program	W2RCLCP-1719-SkCoPW-00012	17,598
	Water Quality Stormwater Capacity 1719 Agreement	WQSWCAP-1719-SKCoPW-00062	50,000
Sub-total:			956,018
State Grant from Conservation Commission			
	Otto Walberg Field Renovation	15-1359D	34,947

Grantor	Program Title	Identificaton Number	Amount
	Regional Conservation Partnership Program	K1708	1,940
		Sub-total:	36,887
State Grant from Traffic Safety Commission			
	Enforcing Underage Drinking Laws - Party Intervention Patrols	C20160444	3,045
		Sub-total:	3,045
Rural Arterial Program (RAP)			
	Frances Road Reconstruction (Sec 1)	2915-01	38,636
		Sub-total:	38,636
County Arterial Preservation Program (CAPP)			
	County Roads - Arterial Preservation	WAC 136-70-010 2017	452,657
		Sub-total:	452,657
State Grant from Department of Social and Health Services			
	10B Housing Funds	North Sound BHO-Skagit County-Admin-17	10,184
	Child Support Enforcement	0863-31629/75-1501-0-1 -609	177,612
	Court Commissioner's Services	1663-67776	4,922
	Drop In/Peer Support	North Sound BHO-Skagit County-Admin-17	75,000
	Jail Transition Services	North Sound BHO-Skagit Co-Jail Services-16-18	36,584

Grantor	Program Title	Identificaton Number	Amount
	NSBHO HARPS	North Sound BHO-Skagit County-Admin-17	10,974
	Prevention Services/CPWI	1763-94269	6,093
	Senior Farmers Market Nutrition Program	201018-NUTR	5,929
	Senior Farmers Market Nutrition Program	201018-NUTR	12,215
	Substance Abuse and Mental Health Services Administration	1563-42494	19,389
Sub-total:			358,903
State Grant from Department of Health			
	Puget Sound OSS LMP Implementation	C17124	38,807
	Rec Shellfish/Biotoxin (PSAA)	C17124	4,862
	SFY17 Managed Care Org P-TCPI	C17124	20,024
	Tobacco Prevention	SHD Tobacco	1,735
	Wastewater Management-GFS	C17124	26,621
	YMPEP Youth Marijuana Prevention and Education Program	201711021	3,023
Sub-total:			95,072
Grand total:			2,852,324

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