

Skagit County Washington

Comprehensive Annual Financial Report



Roozengarde Spring 2019



Fiscal Year Ending December 31, 2018

SKAGIT COUNTY WASHINGTON

COMPREHENSIVE ANNUAL FINANCIAL REPORT

FISCAL YEAR ENDED DECEMBER 31, 2018

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SKAGIT COUNTY WASHINGTON COMPREHENSIVE ANNUAL FINANCIAL REPORT

Year Ended December 31, 2018

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About Skagit County

(pronounced "skäjet")

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



Sandra Perkins, CFE
Auditor

David Cunningham
Chief Deputy & Elections Supervisor

Laura Franklin, CPA
Chief Accountant

June 28, 2019

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, 2018 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, 2018, 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 unmodified opinion that Skagit County's financial statements for the fiscal year ended December 31, 2018 are fairly presented in conformity with GAAP. The independent auditor's report is presented as the first component of the financial section of this report.

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

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

Profile of Skagit County

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

As required by GAAP, the financial statements present Skagit County, the primary government and its discretely presented component unit, Central Valley Ambulance Authority (CVAA). GASB Statement 14 establishes the standards for defining and reporting on the financial reporting entity and applies to the primary government as well as to separately issued financial statements of governmental component units. CVAA ceased operations on December 31, 2018. Please refer to Note I in the Notes to the Financial Statements section for more specific information regarding the County's component unit.

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 and Daffodil Festivals, Festival of Family Farms, Skagit Eagle Festival, and the Anacortes Arts and Crafts Festival drawing tourists from near and far. Other local rural and urban festivals and tours also enjoy the success of returning participants and tourists.

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

The county is home to approximately 100,000 acres of the most productive and valuable farmland in the world. Agriculture remains the number one industry producing upwards of 90 crops, having a global impact and a supported future. Our Nation, State of Washington, citizens of Skagit County and Washington State University have invested in a world class, state of the art research station in Mount Vernon providing new, improved and sustainable sources of food and natural resources production. Skagit County is a major producer of cabbage, table beet, and spinach seed, with seven vegetable seed companies marketing worldwide. More tulip, daffodil, and iris bulbs are produced in Skagit County than in any county in the United States. Skagit County ranks fifth in dairy production and produces 95% of the red potatoes in Washington State. Organic acreage in Skagit County is on the increase. More than 6,710 acres of certified organic land is in production with a value of \$14.2 million - the highest in Western Washington.

Thousands of trumpeter and whistling swans, snow geese and thousands of mallard and other ducks utilize Skagit farmland for food and habitat. Skagit County also hosts one of the highest concentrations of bald eagles 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 second Monday 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, health coverage, 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.

Economic Condition

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

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

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

In 2013, the County entered into an interlocal agreement with the major cities and other partners in the County to share the costs of a new jail facility. A sales tax initiative was passed by the voters to help fund the facility.

In 2014, the County created a new enterprise fund called the Jail Fund. This fund issued bonds for the planning and constructing a 400 bed regional jail facility. The County purchased the land in 2014 and the facility was completed the spring of 2017.

In 2014, the County merged with the County's EMS component unit, dissolving the EMS commission and absorbing the activities of the legally separate entity.

In 2018 completion of the Burlington railway overpass replaced the former wooden structure on Old Highway 99 at a cost of over \$15 million funded by local, state and federal grants.

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, 2017. 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.

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,



Sandra Perkins, CFE
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, 2017

Christopher P. Morrill

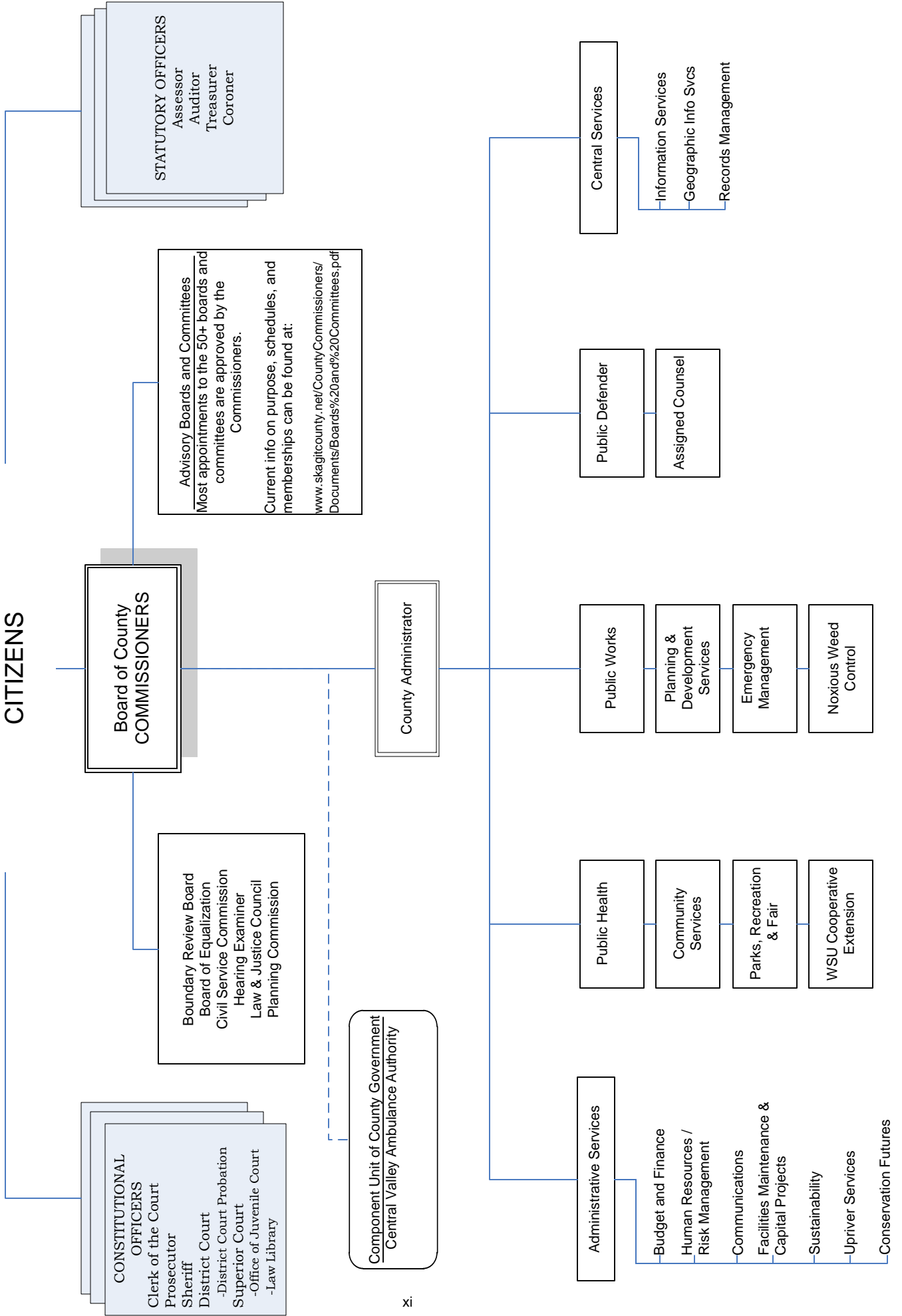
Executive Director/CEO

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 2022
SUPERIOR COURT JUDGES	
BRIAN STILES	DECEMBER 2020
MICHAEL RICKERT	DECEMBER 2020
DAVID SVAREN	DECEMBER 2020
DAVE NEEDED	DECEMBER 2020
DISTRICT COURT JUDGES	
WARREN GILBERT	DECEMBER 2022
DIANNE E GODDARD	DECEMBER 2022
THOMAS L VERGE	DECEMBER 2022
ASSESSOR	DAVE THOMAS..... DECEMBER 2022
AUDITOR	SANDY PERKINS DECEMBER 2022
CLERK	MELISSA BEATON DECEMBER 2022
CORONER	HAYLEY THOMPSON DECEMBER 2022
PROSECUTING ATTORNEY	RICHARD WEYRICH..... DECEMBER 2022
SHERIFF	DON MCDERMOTT DECEMBER 2022
TREASURER	JACKIE BRUNSON DECEMBER 2022

SKAGIT COUNTY

CITIZENS



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

INDEPENDENT AUDITOR'S REPORT ON FINANCIAL STATEMENTS

June 27, 2019

Board of Commissioners
Skagit County
Mount Vernon, Washington

REPORT ON THE FINANCIAL STATEMENTS

We have audited the accompanying financial statements of basic, 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 and for the year ended December 31, 2018, 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 basic, 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, 2018, and the respective changes in financial position and cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Matters of Emphasis

As discussed in Note 1 to the financial statements, in 2018, the County adopted new accounting guidance, Governmental Accounting Standards Board Statement No. 75, *Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions*. Our opinion is not modified with respect to this matter.

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

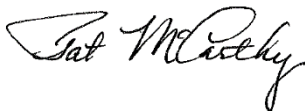
Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the County's basic financial statements. The individual and combining financial statements and schedules and information regarding nonmajor enterprise, internal service and agency funds 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 the Schedule of State and Local Financial Assistance within the Compliance Section 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 27, 2019, 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, 2018

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, 2018. 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

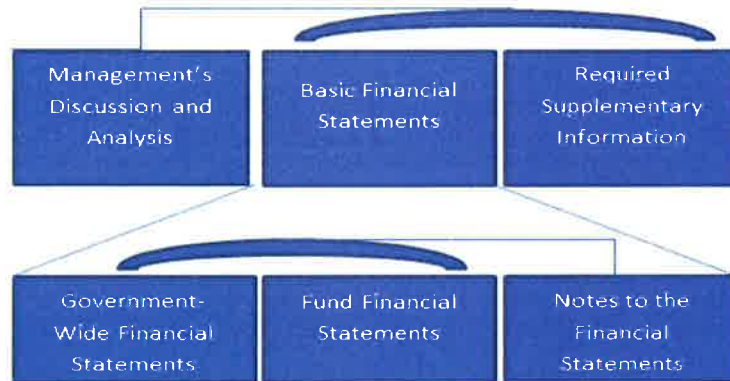
- As of December 31, 2018, total assets of the County exceeded total liabilities by \$360.1 million. Net investment in capital assets account for 76.1% of this amount, at \$274.7 million. Of the remaining net position, \$56.3 million was restricted for specific purposes and \$29.8 million was unrestricted. Fund balance increased \$17.6 million from operating activities.
- As of December 31, 2018 ending deferred outflows totaled \$4.2 million an increase of \$300 thousand while the ending balance of \$8.5 million in deferred inflows resulted in an increase of \$300 thousand, both due to an increase in pension estimates.
- Ending unassigned fund balance for the general fund was \$17 million; assigned fund balance in the general fund was \$3 million. The General Fund ended the year with an unassigned fund balance of 33% 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 \$12.1 million, an increase of \$2.7 million over the previous year. This was mainly because of an increase in intergovernmental revenues.
- Ending fund balance for the mental health fund was \$8.9 million, an increase of \$.6 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 \$102.4 million at December 31, 2018. This is a decrease of \$13.6 million, mainly attributable to calculated net pension liability decreases and a decrease in LT bond liabilities.

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, 2018



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	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				
	2018	2017	2018	2017	2018	2017	% Change
ASSETS							
Current and Other Assets	\$ 122,993,317	\$ 119,617,321	\$ 14,513,517	\$ 14,698,087	\$ 137,506,834	\$ 134,315,408	2.38%
Capital Assets and							
Construction in Progress (Net of Depreciation)	261,262,928	256,451,725	80,295,320	80,925,579	341,558,248	337,377,304	1.24%
Net Pension Asset	3,165,832	2,295,925	227,161	125,759	3,392,993	2,421,684	
Total Assets	387,422,077	378,364,971	95,035,998	95,749,425	482,458,075	474,114,396	1.76%
DEFERRED OUTFLOW OF RESOURCES	3,735,933	3,525,451	449,034	353,559	4,184,967	3,879,010	100.00%
LIABILITIES							
Long-Term Liabilities	37,748,352	45,597,203	65,757,107	69,783,330	103,505,459	115,380,533	-10.29%
Other Liabilities	14,153,842	10,940,480	3,409,939	1,350,629	17,563,781	12,291,109	42.90%
Total Liabilities	51,902,194	56,537,683	69,167,046	71,133,959	121,069,240	127,671,642	-5.17%
DEFERRED INFLOW OF RESOURCES	6,587,435	7,786,510	913,871	504,228	7,501,306	8,290,738	100.00%
NET POSITION							
Net Investment in Capital Assets	254,580,624	245,952,404	20,186,095	18,958,513	274,766,719	264,910,917	3.72%
Restricted	58,184,424	53,776,272	227,161	-	58,411,585	53,776,272	8.62%
Unrestricted	19,903,333	17,837,553	4,990,859	5,506,284	24,894,192	23,343,837	6.64%
Total Net Position	\$ 332,668,381	\$ 317,566,229	\$ 25,404,115	\$ 24,464,797	\$ 358,072,496	\$ 342,031,026	4.69%

Of the \$137.0 million in current and other assets at December 31, 2018, \$110.8 million is cash, cash equivalents and investments. A very small portion of this amount, \$2.1 million, is restricted for specific purposes. Accounts receivable, Notes receivable and amounts due from other governments total \$18.8 million.

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Inventories/prepayments total \$5.3 million. Cash, cash equivalents and investments represented 81% (compared to 82% in 2017), while accounts receivable, notes receivable and amounts due from other governments accounted for 13.7% (compared to 13.2% from 2017).

At December 31, 2018, the County had outstanding long-term liabilities of \$102.4 million, as compared to \$116 million in 2017. This is primarily the result of a decrease in net pension liability and the reduction of long term bond debt. Of this total, \$3.0 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 \$14.3 million. These represent primarily accounts payable and accrued liabilities due as a result of ordinary operations.

The largest portion of the County's Net Position (76%) 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 \$29.8 million.

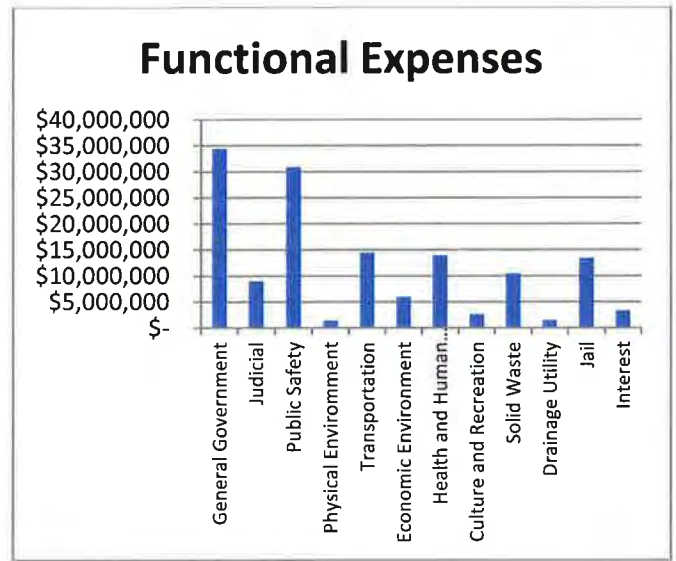
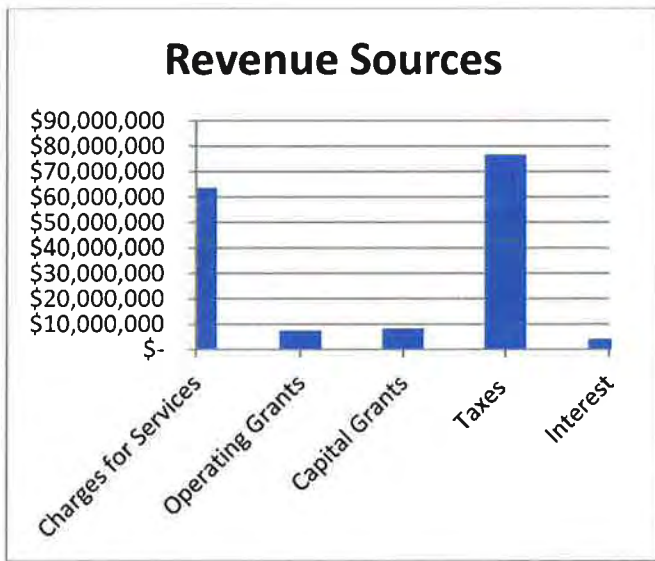
Statement of Changes in Net Position

The County's total Net Position increased by \$18.7 million in 2018. Governmental activities reflected an increase of \$17.6 million while the Net Position of business-type activities increased \$1.1 million. The increase in governmental activities was primarily due to general government.

	Changes in Net Assets					
	Governmental Activities		Business-Type Activities		Total Primary Government	
	2018	2017	2018	2017	2018	2017
REVENUES						
Program Revenues						
Charges for Services	\$ 37,492,208	\$ 31,853,919	\$ 27,975,054	\$25,457,915	\$ 65,467,262	\$ 57,311,834
Operating Grants and Contributions	7,138,726	6,049,133	260,393	742,982	7,399,119	6,792,115
Capital Grants and Contributions	7,333,886	7,490,767	1,003,983	-	8,337,869	7,490,767
General Revenues						
Taxes	76,611,843	72,155,182	-	-	76,611,843	72,155,182
Interest Earnings on Investments	4,146,928	2,554,231	-	-	4,146,928	2,554,231
Total Revenues	132,723,591	120,103,232	29,239,430	26,200,897	161,963,021	146,304,129
PROGRAM EXPENSES						
General Government	34,438,559	34,868,544	-	-	34,438,559	34,868,544
Judicial	9,007,779	5,875,661	-	-	9,007,779	5,875,661
Public Safety	30,838,340	23,235,804	-	-	30,838,340	23,235,804
Physical Environment	1,384,804	2,420,083	-	-	1,384,804	2,420,083
Transportation	14,522,089	30,425,842	-	-	14,522,089	30,425,842
Economic Environment	5,945,636	6,063,851	-	-	5,945,636	6,063,851
Health and Human Services	14,334,069	11,133,584	-	-	14,334,069	11,133,584
Culture and Recreation	2,649,791	2,321,809	-	-	2,649,791	2,321,809
Solid Waste	-	-	10,479,366	8,939,419	10,479,366	8,939,419
Drainage Utility	-	-	1,456,542	1,806,801	1,456,542	1,806,801
Jail Fund	-	-	13,364,087	10,788,388	13,364,087	10,788,388
Interest on Long Term Debt	1,021,375	1,089,760	2,318,135	1,662,621	3,339,510	2,752,381
Total Expenses	114,142,442	117,434,738	27,618,130	23,197,229	141,760,572	140,631,967
Excess (Deficiency) of Revenues Over (Under) Expenses before transfers	18,581,149	2,668,494	1,621,300	3,003,668	20,202,449	5,672,162
Gain on Sale of Capital Assets	36,865	696,538	-	(16,767)	36,865	679,771
Transfers	21,943	5,000	(21,943)	(5,000)	-	-
Change in Net Position	18,639,957	3,370,032	1,599,357	2,981,901	20,239,314	6,351,933
Net Position, January 1	317,566,229	314,196,197	24,464,793	23,036,748	342,031,022	337,232,945
Restatement to implement new accounting policy	(3,704,473)	-	(660,035)	-	(4,364,508)	-
Prior Period Adjustment	166,668	-	-	(1,553,852)	166,668	(1,553,852)
Net Position, January 1 - Restated	314,028,424	314,196,197	23,804,758	21,482,896	337,833,182	335,679,093

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Total revenues were \$160 million in 2018, an increase of \$14 million from 2017. The main reason for the increase is the increases in charges for services, and taxes. Governmental activities provided \$131 million (82%), while business-type activities added \$28.3 million. Within governmental activities, tax revenue accounted for 58% of total revenue sources, with grants and contributions accounting for 11.0% (down from 11.3% in 2017). Charges for services accounted for 95.5% 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 \$141.4 million, an increase of \$96 thousand from 2017. Governmental activities accounted for \$113.8 million (80.4%), with the largest program expenses in the areas of general government, public safety and transportation. These three programs accounted for 70.2% of total governmental expenses. Of the \$27.7 million in business-type expenses, 48.5% is associated with the Jail fund, an increase of 3.4% from 2017.



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 2018. Together these funds account for 56.2% of total government fund assets and 53.7% of total government fund balances.

As of December 31, 2018, the County's governmental funds reported combined fund balances of \$76.3 million, an increase from \$70.8 million in 2017. Of this amount, \$48.1 million (63%) is Restricted, \$8.1 million (10.6%) is reported as Committed, \$3 million (1.3%) is assigned, and \$16 million (24.9%) is unassigned and available for spending within the designated funds. Nonspendable, Restricted, Committed, and Assigned fund balance of \$59.3 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 \$19.0 million at December 31, 2018, from \$15.9 million at December 31, 2017. \$3 million of the general fund fund balance is assigned for various capital and IT projects. Total assets of the General Fund were \$28.3 million at December 31, 2018, accounting for 30% of total governmental fund assets. This represents an increase of \$2.5 million from 2017.

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Governmental Funds Revenue/Expenditure Analysis

Total revenues for governmental funds were \$129.9 million in 2018; this represents an increase of \$12.0 million from 2017. The main reasons for the increase were an increase in intergovernmental revenues and in tax revenues. During the same period, total expenditures increased to \$124.2 million, up from \$114.5 million in 2017. The main increases were in Judicial, Public Safety and Health and Human Services. The General Fund, Mental Health Fund, and County Road fund account for 72.7% of all governmental fund revenue (slightly down from 74.5% in 2017) and 66.4% of all expenditures, down from 68.6% in 2017.

The net change in fund balance for the General Fund in 2018 was a positive \$3.1 million. The main reason was an increase in tax revenues and conservative spending practices. The increase in fund balance for the County Road fund was \$2.8 million. The main reason for the increase in the County Road fund was an increase in charges for services. The net change in the Mental Health Fund was \$.6 million. The non-major governmental funds had an overall negative change in fund balances of \$1.2 million for 2018.

Enterprise Funds Net Position Analysis

All enterprise funds of Skagit County are considered major funds for 2018. 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	
	2018	2017	2018	2017	2018	2017	2018	2017
ASSETS								
Current Assets								
Cash and Cash Equivalents	\$3,518,185	\$3,227,349	\$951,018	\$870,906	\$7,865,477	\$8,605,527	\$12,334,680	\$12,703,782
Other Current Assets	1,078,527	1,178,756	374,053	142,018	1,295,001	1,193,421	2,747,581	2,514,195
Total Current Assets	<u>4,596,712</u>	<u>\$4,406,105</u>	<u>1,325,071</u>	<u>\$1,012,924</u>	<u>9,160,478</u>	<u>\$9,798,948</u>	<u>15,082,261</u>	<u>15,217,977</u>
Non-Current Assets								
Construction in Progress	-	-	1,647,748	312,661	-	-	1,647,748	312,661
Capital Assets	13,406,591	13,406,591	9,875,400	9,869,114	65,345,708	65,125,272	88,627,699	88,400,977
Less Accumulated Depreciati Unamortized Debt Issue Costs	(4,264,421)	(3,923,502)	(3,383,970)	(3,006,617)	(2,331,735)	(857,939)	(9,980,126)	(7,788,058)
Net Pension Asset	-	-	-	-	227,161	125,759	227,161	125,759
Total Non-Current Assets	<u>9,142,170</u>	<u>9,483,089</u>	<u>8,139,178</u>	<u>7,175,158</u>	<u>63,241,134</u>	<u>64,393,092</u>	<u>80,522,482</u>	<u>81,051,339</u>
Total Assets	<u>13,738,882</u>	<u>13,889,194</u>	<u>9,464,249</u>	<u>8,188,082</u>	<u>72,401,612</u>	<u>74,192,040</u>	<u>95,604,743</u>	<u>96,269,316</u>
Deferred Outflow s of Resource	127,231	123,505	27,698	27,639	294,105	202,415	449,034	353,559
LIABILITIES								
Current Liabilities								
Accounts/Vouchers Payable	675,856	610,521	63,218	53,475	671,788	269,861	1,410,862	933,857
Other Current Liabilities	841,981	883,830	46,696	61,633	1,679,144	1,891,353	2,567,821	2,836,816
Total Current Liabilities	<u>1,517,837</u>	<u>1,494,351</u>	<u>109,914</u>	<u>115,108</u>	<u>2,350,932</u>	<u>2,161,214</u>	<u>3,978,683</u>	<u>3,770,673</u>
Non-Current Liabilities								
Bonds Payable	6,682,518	7,205,195			51,656,708	53,046,870	58,339,226	60,252,065
Other Non-Current Liabilities	6,434,975	6,699,049	238,584	210,646	744,326	721,420	7,417,885	7,631,115
Total Non-Current Liabilities	<u>13,117,493</u>	<u>13,904,244</u>	<u>238,584</u>	<u>210,646</u>	<u>52,401,034</u>	<u>53,768,290</u>	<u>65,757,110</u>	<u>67,883,180</u>
Total Liabilities	<u>14,635,330</u>	<u>15,398,595</u>	<u>348,498</u>	<u>325,754</u>	<u>54,751,966</u>	<u>55,929,504</u>	<u>69,735,793</u>	<u>71,653,853</u>
Deferred Inflow s of Resources	277,954	158,684	24,957	23,067	610,960	322,477	913,871	504,228
NET POSITION								
Net Investment in Capital Assets	1,934,652	1,757,893	8,139,178	7,175,158	10,112,265	8,875,462	20,186,095	17,808,513
Restricted	-	-	-	-	227,161	-	227,161	-
Unrestricted	<u>(2,981,823)</u>	<u>(3,302,474)</u>	<u>979,314</u>	<u>691,742</u>	<u>6,993,365</u>	<u>9,267,012</u>	<u>4,990,856</u>	<u>6,656,280</u>

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As of December 31, 2018, the enterprise funds reported combined Net Position of \$25.4 million (compared to \$24.5 million in 2017). This is the total of a \$.9 million deficit in the Solid Waste Fund (down from \$1.5 million in 2017) and a positive \$9.2 million in the Drainage Utility Fund (up from \$7.9 million from 2017). The Jail fund net position is \$17.3 million, (down from \$18.1 million in 2017).

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	
	2018	2017	2018	2017	2018	2017	2018	2017
REVENUES								
Charges for Services	\$11,100,916	\$10,488,212	\$1,735,544	\$1,736,028	\$9,138,058	\$8,580,194	\$21,974,518	\$20,804,434
Other Operating Revenue	-	-	10,666	24,564	5,600,090	4,628,917	5,610,756	4,653,481
Intergovernmental	356,300	191,505	1,026,738	244,809	216,008	122,827	1,599,046	559,141
Interest Revenue	22,835	4,393	-	-	91,600	104,253	114,435	108,646
Miscellaneous Revenue	700	17,853	-	-	54,410	57,342	55,110	75,195
Total Revenues	11,480,751	10,701,963	2,772,948	2,005,401	15,100,166	13,493,533	29,353,865	26,200,897
EXPENSES								
Personnel Services	1,812,786	1,689,820	525,165	764,224	7,696,820	7,391,870	10,034,771	9,845,914
Contractual Services	6,847,079	6,330,571	-	-	-	-	6,847,079	6,330,571
Other Supplies and Expenses	1,478,582	579,444	554,024	667,440	4,193,471	2,538,579	6,226,077	3,785,463
Depreciation	340,919	339,587	377,353	375,137	1,473,796	857,939	2,192,068	1,572,663
Loss on Disposition of Capital Assets	-	-	-	-	-	-	-	-
Interest Expense	361,826	376,447	-	-	2,070,744	1,286,174	2,432,570	1,662,621
Total Expenses	10,841,192	9,315,869	1,456,542	1,806,801	15,434,831	12,074,562	27,732,565	23,197,232
Income (Loss) Before Transfers	639,559	1,386,094	1,316,406	198,600	(334,665)	1,418,971	1,621,300	3,003,665
Capital Contributions	-	-	-	(16,767)	-	-	-	(16,767)
Interfund Transfers	-	-	(21,943)	(5,000)	-	-	(21,943)	(5,000)
Change in Net Position	639,559	1,386,094	1,294,463	176,833	(334,665)	1,418,971	1,599,357	2,981,898
Net Position, January 1	(1,544,581)	(2,930,675)	7,866,900	7,690,067	18,142,474	18,277,356	24,464,793	23,036,748
Restatement to implement new accounting principle	(142,149)	-	(42,871)	-	(475,018)	-	(660,038)	-
Prior Period Adjustment	-	-	-	-	-	(1,553,852)	-	(1,553,852)
Net Position, January 1 - Restated	(1,686,730)	(2,930,675)	7,824,029	7,690,067	17,667,456	16,723,504	23,804,755	21,482,896
Net Position, December 31	\$ (1,047,171)	\$ (1,544,581)	\$ 9,118,492	\$ 7,866,900	\$ 17,332,791	\$ 18,142,474	\$ 25,404,111	\$ 24,464,793

Revenues from the Solid Waste Fund represent 40.0% of the total revenues for enterprise funds in 2018, a decrease from 40.8% in 2017. Total expenses for the Solid Waste Fund were 39% of the total enterprise funds.

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The Jail Fund revenues consisted of 49.9% of total enterprise revenues, down from 51.5% in 2017. This is the result of increased depreciation and interest expense in 2018.

GENERAL FUND BUDGETARY HIGHLIGHTS

The change in the final budget amounts available for appropriates is due to changes in grant revenue for Public Safety. The change to the final budget for appropriation for transfers in is due to the correction of an error in the originally adopted budget. Increases in General Government Services were a result of settling bargaining agreements with salary/benefit increases. The increases in Judicial were due to increasing staff for Indigent Defense due to caseload standards; increased contracted services for Indigent Defense; and settling bargaining agreements with salary/benefit increases. The increase in Public Safety was mainly due to settling of bargaining agreements with salary/benefit increases. The increase in Economic Environment was mainly due to a code enforcement issue involving animals.

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, 2018			
	Final		Changes
	Budget	Actual	Favorable
			(Unfavorable)
FUND BALANCE, JANUARY 1	\$6,364,045	\$ 16,864,864	\$10,500,819
RESOURCES (IN-FLOWS)			
Taxes	36,745,051	38,822,462	2,077,411
Licenses & Permits	327,500	331,634	4,134
Intergovernmental Revenue	6,892,077	8,763,374	1,871,297
Charges for Goods and Services	3,447,317	3,360,014	(87,303)
Fines and Forfeits	1,545,900	2,038,099	492,199
Interest Revenue	1,974,770	3,652,787	1,678,017
Miscellaneous Revenues	146,753	388,248	241,496
Non-Revenues	2,000	2,169	170
Transfers In	180,135	68,919	(111,216)
Total Resources (in-flow s)	51,261,503	57,427,706	6,166,205
Amounts Available for Appropriation	57,625,548	74,292,570	16,667,024
CHARGES TO APPROPRIATIONS (OUT-FLOWS)			
General Government Services	16,185,748	13,764,879	2,420,869
Judicial	11,220,793	10,800,393	420,400
Public Safety	23,636,286	23,254,987	381,299
Physical Environment	12,168	7,470	4,698
Economic Environment	461,870	421,799	40,071
Health and Human Services	410,014	396,472	13,542
Culture and Recreation	488,684	488,684	-
Capitalized Expenditures	91,273	6,580	84,693
Debt Service	10,000	10,000	-
Transfers Out	5,108,712	5,179,967	(71,255)
Amount Charged to Appropriations (out-flow s)	57,625,548	54,331,231	3,294,317
FUND BALANCE, DECEMBER 31	\$0	\$19,961,339	\$19,961,340

SKAGIT COUNTY, WASHINGTON
Management's Discussion and Analysis
December 31, 2018

The largest dollar variances for revenues are fairly even amongst intergovernmental revenue, taxes, 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 5.8% less than budgeted. This is represented primarily by decreases in General Government Services. This variance is the result of the overall reduction of expenses due to the reduction of cost allocations. 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.

CAPITAL ASSETS AND LONG TERM DEBT

Capital Assets

The County's net capital assets were \$341.5 million at December 31, 2018. Of this total, Construction in progress was \$3.4 million. Capital assets include land, development rights, buildings, improvements, furniture and equipment, and infrastructure. Details of 2018 capital asset transactions are presented in Note IV.D of the notes to the financial statements.

During 2018 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 Burlington Northern overpass project in late 2018.

Long-Term Debt

At December 31, 2018, general obligation bonds payable as reported by governmental activities was \$12.5 million, a decrease of \$3.6 million. Business type activities reported general obligation bonds payable of \$56.8 million, a decrease of \$1.7 million from 2017.

The County's remaining legal capacity for non-voted debt at December 31, 2018 was approximately \$251 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

SKAGIT COUNTY, WASHINGTON
Management's Discussion and Analysis
December 31, 2018

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.

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.

SKAGIT COUNTY, WASHINGTON
Management's Discussion and Analysis
December 31, 2018

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 had been reported in the General Fund.
- In September 2014, the Board of County Commissioners passed several ordinances dissolving the EMS Commission and transferring the Commission's authority, responsibility, and assets to the Skagit County Department of Emergency Medical Services. The County's EMS Component Unit has been eliminated, and those activities now reside within the County.
- 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.
- In 2018, the 2007 bonds in the amount of \$2,645,000 were paid off with current resources. The retirement of the debt lowered the total bond debt to \$69.3 million.
- During 2018, the Board of County Commissioners passed several ordinances dissolving CVAA (a discreet component unit of the County) transferring the Commissioner's authority, responsibility, and assets to Skagit County Department of Emergency Medical services. CVAA ceased operations on December 31, 2018. CVAA has been eliminated as a County component unit and those activities now reside within the County.

SKAGIT COUNTY, WASHINGTON
Management's Discussion and Analysis
December 31, 2018

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:

Trisha Logue, 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
360-416-1700

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, 2018

	Primary Government			Component Unit CVA
	Governmental Activities	Business-Type Activities	Total	
ASSETS				
Cash and Cash Equivalents	\$ 78,670,088	\$ 12,334,680	\$ 91,004,768	\$ 1,007,568
Investments	16,145,075	-	16,145,075	-
Accounts Receivables, Net	4,266,464	1,156,267	5,422,731	581,192
Due from Other Governments	7,002,592	1,591,314	8,593,906	-
Internal Balances	568,744	(568,744)	-	-
Inventories and Prepayments	5,345,670	-	5,345,670	-
Notes Receivable	5,265,000	-	5,265,000	-
Restricted Assets:				
Restricted for Debt Service:				
Cash/Cash Equivalents	4,815,389	-	4,815,389	-
Investments	914,295	-	914,295	-
Net Pension Asset	3,165,832	227,161	3,392,993	1,827,074
Non Depreciated Capital Assets	175,914,670	7,214,815	183,129,485	-
Capital Assets, Net	83,616,984	71,432,757	155,049,741	-
Construction in Progress	1,731,274	1,647,748	3,379,022	-
Total Assets	387,422,077	95,035,998	482,458,075	3,415,834
DEFERRED OUTFLOWS of RESOURCES	3,735,933	449,034	4,184,967	249,834
LIABILITIES				
<u>Liabilities</u>				
Accounts Payable	5,461,537	985,989	6,447,526	933,112
Other Liabilities	7,203,048	653,950	7,856,998	-
OPEB Liability-Short Term	105,792	-	105,792	-
Due to Other Governments	14,467	-	14,467	-
Long Term Liabilities:				
Due within One Year	1,264,979	1,770,000	3,034,979	-
Due in More Than One Year	16,864,217	64,157,844	81,022,061	-
OPEB Liability-Long Term	3,696,167	660,035	4,356,202	-
Net Pension Liability	17,437,807	939,228	18,377,035	57,281
Total Liabilities	52,048,014	69,167,046	121,215,060	990,393
DEFERRED INFLOWS OF RESOURCES				
Total Deferred Inflows of Resources	6,441,614	913,871	7,355,485	1,530,631
<u>Net Position</u>				
Net Investment in Capital Assets	254,580,624	20,186,095	274,766,719	-
Restricted for:				
General Government	9,316,906	-	9,316,906	-
Public Safety	9,243,429	227,161	9,470,590	-
Physical Environment	5,383,858	-	5,383,858	-
Transportation	9,670,665	-	9,670,665	-
Economic Environment	8,721,083	-	8,721,083	-
Health & Human Services	11,072,487	-	11,072,487	-
Culture and Recreation	2,670,619	-	2,670,619	-
Debt Service	2,105,377	-	2,105,377	-
Unrestricted	19,903,334	4,990,859	24,894,193	1,144,644
Total Net Position	\$ 332,668,382	\$ 25,404,115	\$ 358,072,497	\$ 1,144,644

SKAGIT COUNTY, WASHINGTON
Statement of Activities
For the Year Ended December 31, 2018

Functions/Programs Primary Government:	Program Revenues				Net (Expenses) Revenues and Changes in Net Position				Component Unit
	Expenses	Charges for Services	Operating		Governmental Activities	Business-Type Activities	Total	CVA	
			Grants and Contributions	Capital Grants and Contributions					
Governmental Activities:									
General Government	\$ 34,438,559	\$ 11,481,752	\$ 995,627	\$ -	\$ (21,961,180)	\$ -	\$ (21,961,180)	\$ -	
Judicial	9,007,779	4,545,306	340,691	-	(4,121,782)	-	(4,121,782)	-	
Public Safety	30,838,340	2,225,234	761,003	518,298	(27,333,805)	-	(27,333,805)	-	
Physical Environment	1,384,804	79,649	628,579	227,878	(448,698)	-	(448,698)	-	
Transportation	14,522,089	10,354,457	-	6,562,738	2,395,106	-	2,395,106	-	
Economic Environment	5,945,636	1,808,411	89,233	-	(4,047,992)	-	(4,047,992)	-	
Health and Human Services	14,334,069	6,412,778	4,125,178	-	(3,796,113)	-	(3,796,113)	-	
Culture and Recreation	2,649,791	1,030,970	198,415	24,972	(1,395,434)	-	(1,395,434)	-	
Interest and Redemption on Long Term Debt	1,021,375	-	-	-	(1,021,375)	-	(1,021,375)	-	
Total Governmental Activities	114,142,442	37,938,557	7,138,726	7,333,886	(61,731,273)	-	(61,731,273)	-	
Business-Type Activities									
Solid Waste	10,479,366	11,253,549	204,367	-	-	978,550	978,550	-	
Drainage Utility	1,456,542	1,746,207	22,758	1,003,983	-	1,316,406	1,316,406	-	
Jail Fund	13,364,087	14,975,298	33,268	-	-	1,644,479	1,644,479	-	
Total Business-Type Activities	25,299,995	27,975,054	260,393	1,003,983	-	3,939,435	3,939,435	-	
Total Primary Government	139,442,437	65,913,611	7,399,119	8,337,869	(61,731,273)	3,939,435	(57,791,838)	-	
Component Unit									
Central Valley Ambulance Authority	6,549,963	3,773,100	2,523,832	-	-	-	-	(253,031)	
Total Component Unit	6,549,963	3,773,100	2,523,832	-	-	-	-	(253,031)	
General Revenues									
Property Taxes					48,662,370		48,662,370		
Sales/Use Taxes					23,314,364		23,314,364		
Other Taxes					4,188,761		4,188,761		
Interest and Investment Earnings					4,146,928	(2,318,135)	1,828,793		
Gain on Sale of Capital Assets					36,865		36,865		
Total General Revenues					80,349,288	(2,318,135)	78,031,153		
Transfers						(21,943)			
Total General Revenues and Transfers					80,371,231	(2,340,078)	78,031,153		
Change in Net Position					18,639,958	1,599,357	20,239,315	(253,031)	
Net Position, January 1					317,566,229	24,464,793	342,031,022	1,397,675	
Restatement to implement new accounting principle					(3,704,473)	(660,035)	(4,364,508)	-	
Prior period adjustment					166,668	-	166,668	-	
Net Position, January 1, as Restated					314,028,424	23,804,758	337,866,514	1,397,675	
Net Position, December 31					\$ 332,668,382	\$ 25,404,115	\$ 357,905,829	\$ 1,144,644	

SKAGIT COUNTY, WASHINGTON

Balance Sheet Government Funds

December 31, 2018

	Major Funds				Total
	General Fund	Mental Health Fund	County Road Fund	Other Governmental Funds	
ASSETS and OUTFLOWS of RESOURCES					
Cash and Cash Equivalents	\$ 20,882,208	\$ 2,258,000	\$ 12,555,162	\$ 28,197,973	\$ 63,893,343
Investments	-	6,679,529	850,000	9,529,840	17,059,369
Taxes Receivable	566,892	7,545	369,871	215,996	1,160,304
Accounts Receivable, Net	6,939	153,222	182,317	147,808	490,286
Accounts Receivable Other	2,187,480	-	-	-	2,187,480
Interest Receivable	360,830	-	-	-	360,830
Due from Other Funds	1,900,209	-	5,757	27,725	1,933,691
Due from Other Governments	2,383,579	527,844	1,127,127	2,963,442	7,001,992
Interfund Loans Receivable	-	-	-	94,533	94,533
Inventories and Prepayments	4,098	-	-	150,000	154,098
Total Assets	28,292,235	9,626,140	15,090,234	41,327,317	94,335,926
Deferred Outflows of Resources	-	-	-	-	-
Total Assets and Deferred Outflows of Resources	28,292,235	9,626,140	15,090,234	41,327,317	94,335,926
LIABILITIES, DEFERRED INFLOWS of RESOURCES and FUND BALANCES					
<u>Liabilities</u>					
Accounts and Vouchers Payable	493,067	560,772	382,722	1,564,088	3,000,649
Due to Other Funds	2,002,056	92,152	1,961,786	621,622	4,677,616
Due to Other Governmental Units	7,628	4,612	-	2,227	14,467
Accrued Wages Payable	875,320	39,272	228,516	311,692	1,454,800
Accrued Employee Benefits	187,564	7,890	56,551	135,577	387,582
Custodial Accounts	2,010,224	-	-	56,643	2,066,867
Unearned Revenue	6,640	62	23,765	2,946,204	2,976,671
Interfund Loans Payable	-	-	-	94,533	94,533
Total Liabilities	5,582,499	704,760	2,653,340	5,732,586	14,673,185
Deferred Inflows of Resources	2,748,397	7,483	376,099	264,556	3,396,535
<u>Fund Balance</u>					
Nonspendable	4,098	-	-	150,000	154,098
Restricted	-	8,913,897	12,060,795	27,102,228	48,076,920
Committed	-	-	-	8,077,947	8,077,947
Assigned	3,000,000	-	-	-	3,000,000
Unassigned	16,957,241	-	-	-	16,957,241
Total Fund Balances	19,961,339	8,913,897	12,060,795	35,330,175	76,266,206
Total Liabilities, Deferred Inflows of Resources and Fund Balances	\$ 28,292,235	\$ 9,626,140	\$ 15,090,234	\$ 41,327,317	\$ 94,335,926

See accompanying notes to the financial statements

SKAGIT COUNTY, WASHINGTON
Reconciliation of the Government Funds Balance Sheet
To the Statement of Net Position
December 31, 2018

Total fund balances as shown on the Governmental Fund Balance Sheet	\$ 76,266,206
Net capital assets of governmental funds as of December 31, 2018	250,280,843
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.	4,351,706
Net Position of the internal service funds	34,699,908
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, 2018	(32,930,281)
Liabilities not due and payable in the current period are not reported in the governmental funds.	
Total Net Position as reported on the Statement of Net Position	<u><u>\$ 332,668,382</u></u>

SKAGIT COUNTY, WASHINGTON
Statement of Revenues, Expenditures and Changes in Fund Balance
Government Funds
For the Year Ended December 31, 2018

	Major Funds				Total
	General Fund	Mental Health Fund	County Road Fund	Other Governmental Funds	
Revenues					
Property Taxes	\$ 26,338,977	\$ 355,557	\$ 13,783,239	\$ 7,180,676	\$ 47,658,449
Sales and Use Taxes	11,664,427	3,401,949	-	8,247,988	23,314,364
Other Taxes	819,058	10,651	717,609	2,641,443	4,188,761
Licenses and Permits	331,634	-	83,501	1,308,679	1,723,814
Intergovernmental Revenues	8,763,374	2,466,863	12,761,123	7,877,179	31,868,539
Charges for Services	3,360,014	152,459	3,169,772	4,370,843	11,053,088
Fines and Forfeits	2,038,099	-	-	109,585	2,147,684
Interest Earnings	3,652,787	63,432	1,838	257,529	3,975,586
Donations	179,189	-	-	533,971	713,160
Other Revenues	201,981	9,949	187,748	2,903,871	3,303,549
Total Revenues	<u>57,349,540</u>	<u>6,460,860</u>	<u>30,704,830</u>	<u>35,431,764</u>	<u>129,946,994</u>
Expenditures					
Current:					
General Government	13,764,879	-	2,206,222	1,304,521	17,275,622
Judicial	10,800,393	-	-	-	10,800,393
Public Safety	23,254,987	-	-	13,375,549	36,630,536
Physical Environment	7,470	-	-	2,648,604	2,656,074
Transportation	-	-	19,296,981	182,490	19,479,471
Economic Environment	421,799	-	-	5,913,975	6,335,774
Health and Human Services	396,472	5,821,087	-	9,768,335	15,985,894
Culture and Recreation	488,684	-	-	2,533,976	3,022,660
Debt Service:					
Principal	10,000	-	-	3,846,663	3,856,663
Interest	-	-	-	457,446	457,446
Capital Outlay	6,580	-	6,416,526	1,697,450	8,120,556
Total Expenditures	<u>49,151,264</u>	<u>5,821,087</u>	<u>27,919,729</u>	<u>41,729,009</u>	<u>124,621,089</u>
Excess (Deficit) Revenues Over Expenditures	<u>8,198,276</u>	<u>639,773</u>	<u>2,785,101</u>	<u>(6,297,245)</u>	<u>5,325,905</u>
Other Financing Sources (Uses)					
Proceeds from Sale of Capital Assets	9,247	-	15,308	-	24,555
Transfers In	68,919	-	-	9,537,201	9,606,120
Transfers Out	(5,179,967)	(16,919)	(31,611)	(4,436,602)	(9,665,099)
Total Other Financing Source (Uses)	<u>(5,101,801)</u>	<u>(16,919)</u>	<u>(16,303)</u>	<u>5,100,599</u>	<u>(34,424)</u>
Net Change in Fund Balance	3,096,475	622,854	2,768,798	(1,196,646)	5,291,481
Fund Balance, January 1	16,864,864	8,291,043	9,291,997	36,360,153	70,808,057
Prior Period Adjustment	-	-	-	166,668	166,668
Fund Balance, January 1, as restated	<u>16,864,864</u>	<u>8,291,043</u>	<u>9,291,997</u>	<u>36,526,821</u>	<u>70,974,725</u>
Fund Balance, December 31	<u>\$ 19,961,339</u>	<u>\$ 8,913,897</u>	<u>\$ 12,060,795</u>	<u>\$ 35,330,175</u>	<u>\$ 76,266,206</u>

See accompanying notes to the financial statements

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, 2018

Net change in fund balances as shown on the Governmental Funds Statement of Revenues, Expenditures and Changes in Fund Balance	\$ 5,291,481
Net Capital Asset Activity	4,004,237
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.	
Net Internal Service Fund Activity	1,366,439
Internal service funds are included in governmental activities on the statement of Net Position	
Net Long-Term Debt Activity	7,002,151
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.	
Net change in revenues not reportable on the modified accrual basis.	975,650
Revenues are reported on the modified accrual basis for the governmental funds statements and on the full accrual basis for the statement of activities.	
Change in Net Position as reflected in the Statement of Activities	\$ 18,639,958

SKAGIT COUNTY, WASHINGTON

Statement of Net Position

Proprietary Funds

December 31, 2018

	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	\$ 3,518,185	\$ 951,018	\$ 7,865,477	\$ 12,334,680	\$ 15,979,662
Restricted Cash	-	-	-	-	3,612,473
Accounts Receivable	1,067,615	79,808	8,844	1,156,267	67,564
Due From Other Funds	-	-	-	-	3,447,417
Due from Other Governments	10,912	294,245	1,286,157	1,591,314	600
Inventories/Prepayments	-	-	-	-	5,191,572
Total Current Assets	4,596,713	1,325,071	9,160,478	15,082,261	28,299,288
<u>Non-Current Assets</u>					
<u>Capital Assets</u>					
Land	618,875	211,137	6,384,803	7,214,815	-
Buildings	9,899,874	-	58,914,256	68,814,130	180,888
Improvements	1,387,854	9,546,052	-	10,933,906	-
Machinery and Equipment	1,499,987	118,211	46,649	1,664,847	22,318,036
Less Accumulated Depreciation	(4,264,421)	(3,383,970)	(2,331,735)	(9,980,126)	(11,516,839)
Construction In Progress	-	1,647,748	-	1,647,748	-
Net Pension Asset	-	-	227,161	227,161	-
Total Non-Current Assets	9,142,169	8,139,178	63,241,134	80,522,481	10,982,085
Total Assets	13,738,882	9,464,249	72,401,612	95,604,742	39,281,373
Deferred Outflows of Resources	127,231	27,698	294,105	449,034	126,696
LIABILITIES AND FUND EQUITY					
<u>Current Liabilities</u>					
Accounts/Vouchers Payable	577,264	49,259	359,466	985,989	2,460,894
Due to Other Funds	139,981	46,696	382,067	568,744	134,748
Interest Payable	30,060	-	-	30,060	-
Interfund Loans Payable	-	-	-	-	-
Accrued Wages Payable	53,907	11,211	249,927	315,045	250,302
Accrued Employee Benefits	14,625	2,748	62,396	79,769	33,519
Accrued Taxes Payable	-	-	-	-	-
Other Accrued Liabilities	177,000	-	52,076	229,076	27
Bonds Payable	525,000	-	1,245,000	1,770,000	-
Total Current Liabilities	1,517,837	109,914	2,350,932	3,978,683	2,879,490
<u>Non-Current Liabilities</u>					
Compensated Absences	65,540	3,803	206,501	275,843	288,435
Post Closure Landfill Costs	2,341,399	-	-	2,341,399	-
Environmental Liability	3,201,376	-	-	3,201,376	-
Bonds Payable	6,682,518	-	51,656,708	58,339,226	-
OPEB Liability	142,149	42,871	475,018	660,038	314,736
Net Pension Liability	684,511	191,910	62,807	939,228	493,365
Total Non-Current Liabilities	13,117,493	238,584	52,401,034	65,757,110	1,096,536
Total Liabilities	14,635,330	348,498	54,751,966	69,735,793	3,976,026
Deferred Inflows of Resources	277,954	24,957	610,960	913,871	732,135
<u>Net Position</u>					
Net Investment in Capital Assets	1,934,652	8,139,178	10,112,265	20,186,095	10,982,086
Restricted Net Position	-	-	227,161	227,161	3,612,473
Unrestricted	(2,981,823)	979,314	6,993,365	4,990,856	20,105,349
Total Net Position	\$ (1,047,171)	\$ 9,118,492	\$ 17,332,791	\$ 25,404,112	\$ 34,699,908

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, 2018

	Business - Type Activities Enterprise Funds				Governmental Activities
	Solid Waste	Drainage Utility	County Jail	Total	*Internal Service Funds
<u>Operating Revenues</u>					
Charges for Services	\$ 11,100,916	\$ 1,735,544	\$ 9,138,058	\$ 21,974,518	\$ 16,786,223
Other Operating Revenue	-	10,666	5,600,090	5,610,756	13,234,635
Total Operating Revenues	<u>11,100,916</u>	<u>1,746,210</u>	<u>14,738,148</u>	<u>27,585,274</u>	<u>30,020,858</u>
<u>Operating Expenses</u>					
Personnel Services	1,812,786	525,165	7,696,820	10,034,771	5,051,611
Contractual Services	6,847,079	-	-	6,847,079	2,974,319
Supplies and Expenses	1,478,582	554,024	4,193,471	6,226,077	7,298,234
Depreciation	340,919	377,353	1,473,796	2,192,068	1,604,517
Payment to Claimants	-	-	-	-	11,992,512
Total Operating Expenses	<u>10,479,366</u>	<u>1,456,542</u>	<u>13,364,087</u>	<u>25,299,995</u>	<u>28,921,193</u>
Operating Income (Loss)	<u>621,550</u>	<u>289,668</u>	<u>1,374,061</u>	<u>2,285,279</u>	<u>1,099,665</u>
<u>Non-Operating Revenue (Expenses)</u>					
Intergovernmental Revenue	356,300	1,026,738	216,008	1,599,046	-
Interest Revenue	22,835	-	91,600	114,435	171,342
Miscellaneous Revenue	700	-	54,410	55,110	2,180
Gain (Loss) on Disposition of Capital Assets	-	-	-	-	12,330
Interest Expense	(361,826)	-	(2,070,744)	(2,432,570)	-
Total Non-Operating Revenue (Expenses)	<u>18,009</u>	<u>1,026,738</u>	<u>(1,708,726)</u>	<u>(663,979)</u>	<u>185,852</u>
Income (Loss) before Transfers	639,559	1,316,406	(334,665)	1,621,300	1,285,517
Transfers In	-	-	-	-	106,874
Transfers Out	-	(21,943)	-	(21,943)	(25,952)
Change in Net Position	<u>639,559</u>	<u>1,294,463</u>	<u>(334,665)</u>	<u>1,599,357</u>	<u>1,366,439</u>
Net Position, January 1	(1,544,581)	7,866,900	18,142,474	24,464,793	33,648,205
Restatement to impliment a new accounting principle	(142,149)	(42,871)	(475,018)	(660,038)	(314,736)
Net Position, January 1, as Restated	<u>(1,686,730)</u>	<u>7,824,029</u>	<u>17,667,456</u>	<u>23,804,755</u>	<u>33,333,469</u>
Net Position, December 31	<u>\$ (1,047,171)</u>	<u>\$ 9,118,492</u>	<u>\$ 17,332,791</u>	<u>\$ 25,404,112</u>	<u>\$ 34,699,908</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, 2018

	Business - Type Activities Enterprise Funds			Total	Governmental Activities
	Solid Waste	Drainage Utility	Jail Fund		*Internal Service Funds
Cash Flows from Operating Activities:					
Receipts from Customers	\$ 11,201,885	\$ 1,735,684	\$ 13,833,023	\$ 26,770,592	\$ 586,869
Receipts from Interfund Services Provided	-	10,666	413,966	424,632	31,071,921
Payments to Employees	(1,959,686)	(541,503)	(8,026,917)	(10,528,106)	(5,554,660)
Payments to Suppliers	(7,850,622)	(475,493)	(4,103,866)	(12,429,981)	(8,867,737)
Payments to Claimants	-	-	-	-	(12,025,026)
Payments for Interfund Services Used	(599,120)	(80,487)	-	(679,607)	(2,715,024)
Miscellaneous Receipts	-	-	146,010	146,010	(35,059)
Miscellaneous Payments	700	-	-	700	-
Net Cash Provided (Used)	<u>793,157</u>	<u>648,867</u>	<u>2,262,216</u>	<u>3,704,237</u>	<u>2,461,284</u>
Cash Flows From Non-Capital Financing Activities:					
Operating Grants Received	355,560	794,561	605,587	1,755,708	-
Transfers to Other Funds	-	(21,943)	-	(21,943)	(25,952)
Transfers from Other Funds	-	-	23,490	23,490	106,874
Net Cash Provided (Used)	<u>355,560</u>	<u>772,618</u>	<u>629,077</u>	<u>1,757,255</u>	<u>80,922</u>
Cash Flows from Capital and Related Financing Activities:					
Purchases of Capital Assets	-	(1,341,373)	(220,436)	(1,561,809)	(2,558,104)
Proceeds from Sale of Capital Assets	-	-	-	-	158,950
Principal Paid on Capital Debt	(520,000)	-	(1,340,163)	(1,860,163)	-
Interest Paid on Capital Debt	(360,715)	-	(2,070,744)	(2,431,459)	-
Net Cash Provided (Used)	<u>(880,715)</u>	<u>(1,341,373)</u>	<u>(3,631,343)</u>	<u>(5,853,431)</u>	<u>(2,399,154)</u>
Cash Flows from Investing Activities:					
Interest Earnings	22,834	-	-	22,834	173,475
Net Cash Provided	<u>22,834</u>	<u>-</u>	<u>-</u>	<u>22,834</u>	<u>173,475</u>
Net Change in Cash and Cash Equivalents	290,836	80,112	(740,050)	(369,105)	316,527
Balance, January 1	3,227,350	870,906	8,605,527	12,703,783	19,275,608
Balance, December 31	<u>\$ 3,518,186</u>	<u>\$ 951,018</u>	<u>\$ 7,865,477</u>	<u>\$ 12,334,678</u>	<u>\$ 19,592,135</u>

See accompanying notes to the financial statements

*See Internal Service Funds section

SKAGIT COUNTY, WASHINGTON

Statement of Cash Flows

Proprietary Funds

For the Year Ended December 31, 2018

	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)	\$ 621,550	\$ 289,668	\$1,374,061	\$ 2,285,279	\$ 1,099,665
Adjustments to Reconcile Operating Income to Net Cash Provided (Used) by Operating Activities:					
Depreciation Expense	340,919	377,353	1,473,796	2,192,068	1,604,518
Miscellaneous Receipts	700	-	146,010	146,710	(133,880)
Changes in Assets and Liabilities:					
Receivables, Net	100,969	141	(491,159)	(390,049)	1,717,614
Inventories	-	-	-	-	175,341
Accounts and Other Payables	(270,981)	(18,295)	(240,492)	(529,768)	(2,001,974)
Net Cash Provided (Used) by Operating Activities	<u>\$ 793,157</u>	<u>\$ 648,867</u>	<u>\$2,262,216</u>	<u>\$ 3,704,235</u>	<u>\$ 2,461,284</u>

See accompanying notes to the financial statements

*See Internal Service Fund section

SKAGIT COUNTY, WASHINGTON
Statement of Fiduciary Net Position
Fiduciary Funds
December 31, 2018

	Agency Funds	Investment Trust Funds
ASSETS		
Cash	\$ 70,434,279	\$ -
Investments	-	453,458,490
Taxes Receivable	3,493,971	-
Total Assets	<u>\$ 73,928,250</u>	<u>\$ 453,458,490</u>
LIABILITIES		
Warrants Payable	\$ 35,221,674	\$ -
Custodial Accounts	38,706,576	-
NET POSITION	-	453,458,490
Total Liabilities and Net Position	<u>\$ 73,928,250</u>	<u>\$ 453,458,490</u>

See accompanying notes to the financial statements

SKAGIT COUNTY, WASHINGTON
Statement of Changes to Fiduciary Net Position
Fiduciary Funds
For the year ended
December 31, 2018

	Investment Trust Funds
Additions	
Contributions	\$ 1,061,588,098
Investment Earnings:	
Interest	7,740,850
Total Additions	1,069,328,948
Deductions	
Distributions	1,119,700,993
Total Deductions	1,119,700,993
Change in Net Position	(50,372,045)
Net Position - Beginning	503,830,535
Net Position - Ending	\$ 453,458,490

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 ceased operations on December 31, 2018.

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*.

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

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, 2018

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 (major special revenue 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 (major special revenue 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, Washington
Notes to the Financial Statements
December 31, 2018

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.
- The County Jail Fund accounts for all revenues and expenditures related to the 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.
- Investment Trust Funds hold the investments of the Agency Funds, while the changes in net position only record the receipt and distribution of funds held for the benefit of others in an agency capacity.

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.

Skagit County, Washington
Notes to the Financial Statements
December 31, 2018

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 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 \$5,265,000 are expected to be paid within one year. See Note VIII for further information on the PFD receivable.

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

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

Inventories

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

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.

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 acquisition value on the date received.

Skagit County, Washington
Notes to the Financial Statements
December 31, 2018

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.

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

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

Skagit County, Washington
Notes to the Financial Statements
December 31, 2018

recognized when due and payable in accordance with the benefit terms. Investments are reported at fair value.

Other Postemployment Benefits

The County implemented GASB Statement No. 75 *Accounting and Financial Reporting for Postemployment Benefits other than Pension* during the year ended December 31, 2018. Implementation of the new accounting principle resulted in the full estimated liability related to possible future benefits recorded as a restatement due to implementation of a new accounting principle in the amount of \$4,197,844 to account for the estimated liability at the beginning of 2018 and a recorded ending liability at December 31, 2018 of \$4,461,998 that is included in long term liabilities. See Note IX.

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	1,160,304	X	
Court Receivables	2,187,480	X	
Grants Received in Advance	48,751	X	X
Deferred Gain on Refunding	145,822		X
Deferred Inflows Related to Pension	6,247,041		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 Outflows Related to Pension	3,735,933		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.

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Fund Equity

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

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

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 \$3,000,000 of the General Fund balance for various capital and IT projects.

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The following shows the composition of the fund balance of the government funds for the fiscal year ended December 31, 2018:

Fund Balances:	General Fund	Mental Health Fund	County Road Fund	Capital Projects Funds	Debt Service Funds	Other Government funds	Total
Nonspendable:							
Inventory	4,098					150,000	154,098
Loan Receivable							-
Restricted For:							
General Govt Services				5,143,996	2,105,377	1,425,921	8,675,296
Public Safety						1,535,743	1,535,743
Utilities						5,008,800	5,008,800
Transportation			12,060,795			378,668	12,439,463
Natural & Economic Env				6,842,912		1,516,661	8,359,573
Social Services		8,913,897				2,250,672	11,164,569
Cultural & Recreation				240,184		653,294	893,478
Committed to:							
General Govt Services						641,612	641,612
Judicial Activities						4,541,854	4,541,854
Public Safety						375,058	375,058
Utilities						-	-
Social Services						892,282	892,282
Cultural & Recreation						1,627,141	1,627,141
Assigned to:	3,000,000						3,000,000
Unassigned	16,957,241						16,957,241
Total Fund Balance	19,961,339	8,913,897	12,060,795	12,227,092	2,105,377	20,997,706	76,266,206

II. RECONCILIATION OF GOVERNMENT-WIDE AND FUND FINANCIAL STATEMENTS

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

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

Net Capital Assets Activity

Net Capital Expenditures Subject to Capitalization	\$ 8,120,556
Depreciation Expense	(4,116,319)
Net Capital Assets	\$ 4,004,237

Net Long-Term Debt Activity

Principal Payments	3,210,000
Amortization of Bond Discounts/Premiums	71,248
Change in NPL	3,506,938
Change in Compensated Absences Liability	129,649
Change in OPEB Liability	84,316
Net Long-Term Debt Activity	\$ 7,002,151

Skagit County, Washington
Notes to the Financial Statements
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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		\$ 607,083,250
Less Accumulated Depreciation		(358,533,681)
Construction in Progress		1,731,274
	Net Capital Assets	<u>\$ 250,280,843</u>
<u>Long-Term Liabilities</u>		
Bonds Payable		\$ 12,495,000
Notes Receivable		\$ (5,265,000)
Unamortized Bond Discounts/Premiums		545,254
Loans Payable		2,229,569
Compensated Absences Liability		2,249,448
Deferred Gain on Refunding		145,821
Net Deferred Inflows and Outflows		3,055,412
OPEB Liability		3,662,860
Net Pension Asset		(3,165,832)
Net Pension Liability		16,944,442
Accrued Interest Payable on Long-Term Liabilities		33,307
	Long Term Liabilities	<u>\$ 32,930,281</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.

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 sixty 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:

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

Amending the Budget

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

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

Deficit Fund Equity

The following fund had deficit fund balance/net position as of December 31, 2018;

- The Solid Waste fund deficit was \$1,047,171. This results primarily from the recording of liabilities for landfill post closure care costs and environmental remediation costs as well as Net Pension and OPEB Liability.

IV. DETAIL INFORMATION BY TRANSACTION TYPE

A. Deposits and Investments

Deposits

The Skagit County Treasurer is empowered by the State to act as the treasurer not only for the County but also for special purpose districts located in the County. It is the County's policy to deposit and invest all temporary cash surpluses. At the end of the year, the total amount held in certificates of deposit and money market accounts was \$40,866,432 and the treasurer's bank balance was \$15,484,524, 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.

Skagit County, Washington
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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. U.S. 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, 2018, the County held the following investments (with their corresponding hierarchy valuation):

Investment Type	Fair Value	Less Than 1			3 years	Hierarchy Level
		Year Maturity	1 Year	2 Years		
Certificates of Deposit	\$ 1,051,057	\$ -	\$ 1,051,057	\$ -	\$ -	1
Money Market	39,815,375	39,815,375	-	-	-	1
Registered Warrants	214,135	214,135	-	-	-	2
Commercial Paper	-	-	-	-	-	1
Bankers Acceptances	-	-	-	-	-	1
Treasury Bills	64,365,208	55,472,898	8,892,310	-	-	1
Treasury Notes	988,160	-	988,160	-	-	1
Municipal Bonds	40,698,119	21,630,966	19,067,153	-	-	1
U.S. Agencies	130,158,552	102,226,680	24,935,472	2,996,400	-	1
State Treasurer Pool	342,331,132	342,331,132	-	-	-	n/a
	\$ 619,621,738	\$ 561,691,186	\$ 54,934,152	\$ 2,996,400	\$ -	

Total fair value of investments represents \$166,163,248 for Skagit County and \$453,458,490 for the Junior Taxing districts. Amounts considered cash and cash equivalents in investments listed above amounts to \$149,103,878.

Skagit County, Washington
Notes to the Financial Statements
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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, 2018.

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 2018.

Credit Risk

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

As of December 31, 2018, the County's investments in U.S. Agencies in the amount of \$103,575,941 (fair value) was rated AA+ by Standard & Poor's, with an amount of \$1,948,114 (fair value) rated AAA by Moody's and an additional amount of \$24,634,497 not rated.

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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
ALEXANDRIA LA TXBL	AA-/NA	458,201	ENERGY NW	AA-/AA1	1,865,418	PORT OF MORROW OR	A/NA	398,372
ARKANSAS TXBL	AA/N/A	723,224	FRANKLIN CNTY WA PL	A/A1	124,105	PORT OF SEATTLE WA	AA-/AA2	5,069,250
ATLANTIC CITY NJ TXBL	NA/M1G1	552,172	FREDERICK CNTY MD	AAA/AAA	198,572	PORT OF SEATTLE WA	A+/A1	274,266
BALTIMORE CNTY MD TXB	AAA/AAA	198,812	GEORGIA ST TXBLE	AAA/AAA	999,470	PORT OF TACOMA WA	AA/AA2	189,557
BAYONNE NJ TXBL	AA/A3	255,342	GRAND CHUTE WI	NA/AA2	261,474	RAVENNA MI PUBLIC SC	AA/NA	239,318
BIRMINGHAM AL TXBL	NA/AA2	479,723	GRANITE UT SD	NA/AAA	196,088	SAINT LOUIS CNTY MO	AA/NA	250,495
BLOOMFIELD TWP MI	AAA/AAA	239,830	KANE COOK & DU CNTY	AA-/NA	770,000	SAINT LOUIS CNTY MO	AA+/NA	299,412
BROWNSVILLE TX TXBL	AA/AA3	149,890	KEYSTONE PA SD	AA/NA	304,957	SALINAS KS ARPT	AA-/AA3	252,560
CALIFORNIA ST DTD	AA-/AA3	768,787	LOUISIANA ST TXBLE	AA-/NA	993,550	SEATTLE WA	AAA/AAA	1,000,000
CALIFORNIA ST TXBL	AA-/AA3	1,256,800	MENOMONEE FALLS W	NA/AA2	994,690	SNOHOMISH CNTY WA	AA+/AA2	149,353
CALIFORNIA ST TXBL	AA-/AA3	747,885	MEQUON WI	NA/A1	354,245	SPOKANE CNTY WA	A/NR	863,243
CHELAN CNTY WA PUD	AA	504,125	MICHIGAN ST	AA/AA1	403,800	SPRINGBORO OH CMNT	NA/AAA	383,391
CINCINNATI OH TXBL	AA/AA2	253,600	MINNETRISTA MN	AA+/NA	174,825	TEXAS ST	AAA/AAA	992,780
CLEAR CREEK CO SD	AA/NA	500,400	MOUNT DIABLO CA	AA/AA2	257,247	TEXAS ST	AAA/AAA	995,270
COLUMBUS OH SD	AA/AA2	1,992,940	NEW BRITAIN CT TXBL	AA/A2	299,892	VANCOUVER WA HSG	AA/NR	396,336
CONNECTICUT ST	A/A1	1,103,762	NEW YORK NY	AA/AA2	869,330	WASHINGTON ST BIOM	AA+/AA1	1,162,535
CONNECTICUT ST	A/A1	325,750	NEW YORK NY	AA/AA2	199,800	WASHINGTON ST	AA+/AA1	779,387
DALLAS TX SD	AAA/AAA	1,001,720	NEW YORK NY	AA/AA2	498,970	WATERLOO IA	AA+/AA1	248,475
DELAWARE ST TXBL	AAA/AAA	574,787	NEWTON IA TXBL	NA/A1	378,792	WELD CNTY SD	NA/AA2	1,241,694
DIST OF COLUMBIA	AA+/AAA	504,590	NORTH DAVIS CNTY UT	AA+/NA	148,452	TOTAL		40,698,119
DOVER NJ TXBL	SP-/NA	749,655	ONEIDA CNTY NY	AA-/A1	434,339			
EL PASO CNTY TX	NA/AA2	449,545	OREGON ST	AA+/AA1	298,296			
ELK MOUND WI SD	AA/NA	251,540	PATCHOGUE-MEDFORD	NA/AA3	443,033			

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

Property Taxes

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

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

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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.

2018 Tax levy information is as follows:

2018	Levy in Dollars Assessed Per Thousand	Total Value	Levy
County	1.4398	\$ 17,747,214,025	\$ 25,553,927
Medic 1 Services	0.3388	17,728,409,787	6,007,437
Roads	1.7535	8,595,846,321	15,073,104
Conservation Futures	0.0508	17,747,214,025	902,572

The County tax rate includes a levy for general governmental services and special revenue assessments. Medic 1 services is for the provisions of emergency medical services. 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, 2018 is as follows:

	Unavailable	Unearned	Total
Property Taxes Receivable (General Fund)	\$ 566,894		\$ 566,894
Property Taxes Receivable (Road Fund)	369,871		\$ 369,871
Property Taxes Receivable (Mental Health Fund)	7,545		\$ 7,545
Property Taxes Receivable (Other Government Funds)	215,996		\$ 215,996
Revenue Earned but Not yet Available	2,236,229		\$ 2,236,229
Revenue Received Prior to Meeting Eligibility Requirements		2,976,671	\$ 2,976,671
Total Deferred Inflow of Resources - Government Funds	\$ 3,396,535	\$ 2,976,671	\$ 6,373,206

Skagit County, Washington
Notes to the Financial Statements
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C. Interfund Receivables, Payables and Transfers

Details of interfund payable/receivable balances of December 31, 2018 are as follows:

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			-			\$ 2,002,056	\$ 2,002,056
Non-Major Govt Funds	568,692	-	-			52,930	621,622
Mental Health	92,152	-	-	-	-	-	92,152
County Road Fund	860,284		-		27,725	1,073,777	1,961,786
Internal Service Funds	116,295		-	5,757		12,696	134,748
Solid Waste	115,236		-			24,745	139,981
Drainage Utility	33,112		-			13,584	46,696
Jail Fund	114,438		-			267,629	382,067
Total	\$ 1,900,209	\$ -	\$ -	\$ 5,757	\$ 27,725	\$ 3,447,417	\$ 5,381,108

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 1/1/2018	New Loans	Repayment	Balance 12/31/2018
Water Improvement 210	Water Improvement 215	2,600			2,600
Water Improvement 215	Water Improvement 218	37,072		-	37,072
Water Improvement 216	Edison Clean Water	1,000	4,500		5,500
Water Improvement 215	Water Improvement 224	49,361		-	49,361
Total		\$ 90,033	\$ 4,500	\$ -	\$ 94,533

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.

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Notes to the Financial Statements
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Details of 2018 transfers are as follows:

Transferring Fund	Transfers In			Balance 12/31/2018
	General Fund	Internal Service	Non-Major Governmental	
General Fund	\$ -	\$ -	\$ 5,179,967	\$ 5,179,967
Mental Health	16,919	-	-	16,919
County Roads	-	-	31,611	31,611
Internal Service	-	-	-	-
Internal Service	-	25,953	-	25,953
Proprietary Funds	-	-	21,943	21,943
Non-Major	52,000	80,921	4,303,680	4,436,602
Total	\$ 68,919	\$ 106,874	\$ 9,537,201	\$ 9,712,995

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	\$ 157,134,037	\$ 193,387		\$ 157,327,424
Development Rights	18,511,471	75,776		18,587,246
Construction in Progress	10,854,355	7,035,866	16,158,947	1,731,274
	<u>186,499,863</u>	<u>7,305,029</u>	<u>16,158,947</u>	<u>177,645,944</u>
Depreciable Capital Assets				
Buildings	69,843,988	624,096	-	70,468,084
Improvements	5,530,749	59,488		5,590,237
Machinery and Equipment	26,823,569	2,941,345	1,162,444	28,602,470
Infrastructure	333,100,480	15,906,234		349,006,714
	<u>435,298,786</u>	<u>19,531,163</u>	<u>1,162,444</u>	<u>453,667,505</u>
Less Accumulated Depreciation				
Buildings	(32,072,476)	(1,657,666)	-	(33,730,142)
Improvements	(3,802,503)	(119,385)		(3,921,888)
Machinery and Equipment	(16,331,095)	(1,833,313)	1,017,244	(17,147,164)
Infrastructure	(313,140,854)	(2,110,473)	-	(315,251,327)
	<u>(365,346,928)</u>	<u>(5,720,837)</u>	<u>1,017,244</u>	<u>(370,050,521)</u>
Total Net Depreciable Capital Assets	<u>69,951,858</u>	<u>13,810,326</u>	<u>(145,200)</u>	<u>83,616,984</u>
Total Net Capital Assets	<u>\$ 256,451,721</u>	<u>\$ 21,115,355</u>	<u>\$ 16,304,147</u>	<u>\$ 261,262,928</u>

Depreciation expense by function for governmental activities is as follows:

General Governmental Services	\$ 2,975,648
Judicial	3,168
Public Safety	105,217
Physical Environment	-
Transportation	2,461,081
Natural & Economic Environment	-
Health and Human Services	52,680
Culture and Recreation	123,043
Total governmental activities depreciation expense	<u>\$ 5,720,837</u>

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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	\$ 7,214,815	\$ -	\$ -	\$ 7,214,815
Construction in Progress	312,661	1,335,087	-	1,647,748
	<u>7,527,476</u>	<u>1,335,087</u>	<u>-</u>	<u>8,862,563</u>
Depreciable Capital Assets				
Buildings	68,593,695	220,437	-	68,814,132
Improvements	10,927,620	6,286	-	10,933,906
Machinery and Equipment	1,664,846	-	-	1,664,846
	<u>81,186,160</u>	<u>226,723</u>	<u>-</u>	<u>81,412,884</u>
Less Accumulated Depreciation				
Buildings	(2,862,549)	(1,711,228)	-	(4,573,777)
Improvements	(4,289,779)	(381,655)	-	(4,671,434)
Machinery and Equipment	(635,731)	(99,185)	-	(734,916)
	<u>(7,788,059)</u>	<u>(2,192,068)</u>	<u>-</u>	<u>(9,980,127)</u>
Total Net Depreciable Capital Assets	73,398,103	(1,965,345)	-	71,432,757
Total Net Capital Assets	80,925,578	(630,258)	-	80,295,320

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

Solid Waste	\$ 340,919
Drainage Utility	377,353
County Jail	1,473,796
Total business type activities depreciation expense	\$ 2,192,068

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.

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Details of general obligation bonds outstanding as of December 31, 2018 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. Final payment in the amount of \$2,645,000 plus interest in the amount \$24,589 was made in 2018.	\$ -
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 \$470,000 and interest payments of \$168,719 were made in 2018.	5,265,000
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 and principal payments in the amount of \$30,000 were made in 2018.	750,000
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 \$535,000 and interest payments of \$160,450 were made in 2018.	6,480,000
Total bonds payable at December 31, 2018 for government activities:	\$ 12,495,000
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 \$520,000 and interest payment of \$360,715 were made in 2018.	\$ 7,235,000
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 \$1,195,000, and Interest of \$2,215,906 were made in 2018.	49,575,000
Total bonds payable at December 31, 2018 for business-type activities:	\$ 56,810,000

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
2019	\$ 1,090,000	\$ 339,131	\$ 1,770,000	\$ 2,511,661
2020	1,140,000	311,581	1,835,000	2,441,648
2021	1,180,000	282,281	1,910,000	2,355,298
2022	1,250,000	246,031	1,990,000	2,262,548
2023-2027	5,820,000	681,638	11,310,000	9,771,836
2028-2032	1,125,000	226,537	12,600,000	6,712,786
2033-2037	890,000	62,351	13,010,000	4,059,277
2038-2041	0	0	12,385,000	1,262,800
Totals	\$12,495,000	\$ 2,149,550	\$56,810,000	\$31,377,852

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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 2018 financial statements. As of December 31, 2018 the balance of the defeased bonds outstanding is \$0.

Loans Payable

Details of loans payable as of December 31, 2018 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 2018.	\$ 8,884
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 2018.	14,738
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 \$101,422 and interest payments of \$36,263 were made in 2018.	1,427,190
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 \$37,447 and interest payments of \$21,235 were made in 2018.	758,323
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. Principal payments in the amount of \$6,558 and interest payments of \$10,746 were made in 2018.	252,545
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 2018.	27,000
Total loans payable at December 31, 2018 for governmental activities	<u>\$ 2,488,680</u>

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

<u>Year Ending December 31</u>	<u>Principal</u>	<u>Interest</u>
2019	\$ 174,952	\$ 60,550
2020	169,918	56,701
2021	170,865	52,754
2022	167,911	48,707
2023-2027	892,122	179,179
2028-2032	726,392	66,593
2033-2038	186,520	8,710
Totals	<u>2,488,680</u>	<u>473,194</u>

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, 2018, the County's remaining capacity for non-voted debt was \$251,088,022. Additional debt capacity with an authorizing vote is \$195,802,431.

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Changes in Long-Term Liabilities

Details of changes in long term liabilities for the year ended December 31, 2018 is as follows:

	Beginning Balance	New Issue	Retirements	Ending Balance	Due Within One year
Governmental Activities:					
Bonds Payable					
General Obligation Bonds	\$ 16,175,000		\$ 4,624,179	\$ 11,550,821	\$ 1,090,000
Add: Net Unamortized Discounts/Premiums	792,136	6,727	78,022	720,841	-
Total Bonds Payable	16,967,136	6,727	4,702,201	12,271,662	1,090,000
Loans Payable	2,405,720		351,075	2,054,645	174,952
Compensated Absences	2,403,272	141,238	6,600	2,537,910	-
OPEB Liability	82,979	3,696,167	82,979	3,696,167	105,792
Net Pension Liability	23,697,702		6,259,895	17,437,807	-
Environmental Liabilities	40,369	-	40,369	-	-
Total Long-Term Liabilities	\$ 45,597,178	\$ 3,844,132	\$ 11,443,119	\$ 37,998,191	\$ 1,370,744
Business-Type Activities					
Bonds Payable					
General Obligation Bonds	\$ 56,700,001		\$ 1,660,000	\$ 55,040,001	\$ 1,770,000
Discounts/Premiums	3,442,065	22,185	165,026	3,299,224	-
Total Bonds Payable	60,142,066	22,185	1,825,026	58,339,225	1,770,000
Compensated Absences	278,790	15,494	18,440	275,844	-
OPEB Liability	-	660,035	-	660,035	-
Post Closure Landfill Costs	2,616,293	387,000	661,894	2,341,399	170,000
Environmental Liabilities	3,217,406	12,000	28,030	3,201,376	7,000
Net Pension Liabilities	1,670,624		731,396	939,228	-
Total Long-Term Liabilities	\$ 67,925,179	\$ 1,096,714	\$ 3,264,786	\$ 65,757,107	\$ 1,947,000

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

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 2018:

Aggregate Pension Amounts – All Plans	
Pension Liabilities	18,377,035
Pension Assets	3,384,669
Deferred Outflows of Resources	3,621,034
Deferred Inflows of Resources	8,370,657
Pension Expense/Expenditures	(768,941)

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

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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 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 2018 were as follows:

PERS Plan 1		
January-August		
Actual Contribution Rates:	Employer	Employee
PERS Plan 1	7.49%	6.00%
PERS Plan 1 UAAL	5.03%	
Administrative Fee	0.18%	
Total	12.70%	6.00%
September-December		
PERS Plan 1	7.52%	6.00%
PERS Plan 1 UAAL	5.13%	
Administrative Fee	.18%	
Total	12.83%	6.00%

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

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Skagit County's actual PERS contributions to the PERS1 plan were \$2,079,436 for the year ended December 31, 2018.

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 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.

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The PERS Plan 2/3 required contribution rates (expressed as a percentage of covered payroll) for 2018 were as follows:

PERS Plan 2/3		
Actual Contribution Rates:	Employer 2/3	Employee 2*
January-August		
PERS Plan 2/3	7.49%	7.38%
PERS Plan 1 UAAL	5.03%	
Administration Fee	0.18%	
Employee PERS Plan 3		varies
Total	12.70%	7.38%
September-December		
PERS Plan 2/3	7.52%	7.41%
PERS Plan 1 UAAL	5.13%	
Administration Fee	.18%	
Employee PERS Plan 3		Varies
Total	12.83%	7.41%

*For employees participating in JBM, the contribution rate was 15.20%

Skagit County's actual PERSs plan contributions were \$2,545,282 to PERS Plan 2/3 for the year ended December 31, 2018.

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.

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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 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 2018 were as follows:

PSERS Plan 2		
January-August		
Actual Contribution Rates:	Employer	Employee
PSERS Plan 2	6.74%	7.27%
PERS Plan 1 UAAL	5.03%	
Administrative Fee	0.18%	
Total	11.95%	7.27%
September -December		
PSERS Plan 2	7.07%	7.07%
PERS Plan 1 UAAL	5.13%	
Administrative Fee	.18%	
Total	12.38%	7.07%

Skagit County's actual plan contributions were \$247,384 to PSERS 2 for the year ended December 31, 2018.

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 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 2018. 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.

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The LEOFF Plan 2 required contributions rates (expressed as a percentage of covered payroll) for 2018 were as follows:

LEOFF Plan 2		
Actual Contribution Rates:	Employer	Employee
State and Local Government	5.25%	8.75%
Administrative Fee	0.18%	
Total	5.43%	8.75%
Port and Universities	8.75%	8.75%
Administrative Fee	0.18%	
Total	8.93%	8.41%

Skagit County’s actual contributions to the plan were \$247,384 for the year ended December 31, 2018.

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, 2018, the state contributed \$68,152,000 to the LEOFF Plan 2. The amount recognized by the County as its proportionate share of this amount is \$250,560.

Actuarial Assumption

The total pension liability (TPL) for each of the DRS plans was determined using the most recent actuarial valuation completed in 2018 with a valuation date of June 30, 2017. The actuarial assumptions used in the valuation were based on the results of the Office of State Actuary’s (OSA) *2007-2012 Experience Study*.

Additional assumptions for subsequent events and law changes are current as of the 2017 actuarial valuation report. The TPL was calculated as of the valuation date and rolled forward to the measurement date of June 30, 2018. Plan liabilities were rolled forward from the June 30, 2017 to June 30, 2018 reflecting each plan’s normal cost (using the entry-age cost method), assumed interest and actual benefit payments.

- **Inflation:** 2.75% total economic inflation; 3.50% salary inflation
- **Salary increases:** In addition to the base 3.50% salary inflation assumption, salaries are also expected to grow by promotions and longevity.
- **Investment rate of return:** 7.40%

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.

- Lowered the valuation interest rate from 7.70% to 7.50% for all systems except LEOFF 2. For LEOFF 2 the valuation rate was lowered from 7.50% to 7.40%.
- Lowered the assumed general salary growth from 3.75% to 3.50% for all systems.
- Lowered assumed inflation from 3.00% to 2.75% for all systems.
- Modified how the valuation software calculates benefits paid to remarried duty-related death survivors of LEOFF 2 members.
- Updated the trend that the valuation software uses to project medical inflation for LEOFF 2 survivors of a duty-related death, and

Discount Rate

The discount rate used to measure total pension liability was 7.40% 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 7.50% long-term discount rate to determine funding liabilities for calculating future contribution rate requirements. (All plans use 7.50% except LEOFF Plan 2, which has assumed 7.40%).

Consistent with the long-term expected rate of return, a 7.40% 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 7.40% was used to determine the total liability.

Long-Term Expected Rate of Return

OSA selected a 7.40% 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 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

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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, 2018. 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	7.00%	4.90%
Real Estate	18.00%	5.80%
Global Equity	32.00%	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 7.4%, as well as what 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 (6.4%) or 1 percentage point higher (8.4%) than the current rate.

	1% Decrease (6.5%)	Current Discount Rate (7.5%)	1% Increase (8.5%)
PERS 1	\$ 15,919,273	\$ 12,953,686	\$ 10,384,891
PERS 2/3	\$ 24,743,593	\$ 5,409,590	\$ (10,432,629)
PSERS 2	\$ 1,431,009	\$ 13,774	\$ (1,098,290)
LEOFF 1	\$ (358,943)	\$ (451,206)	\$ (530,640)
LEOFF 2	\$ (391,202)	\$ (2,941,785)	\$ (5,022,083)

Pension Plan Fiduciary Net Position

Detailed information about the State's pension plans' fiduciary net position is available in the separately issued DRS financial report.

Pension Liabilities (Assets), Pension Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions

At June 30, 2018, Skagit County reported a total pension liability of \$18,377,035 and a total net pension asset of (\$3,392,993) for its proportionate share of the net pension liabilities as follows:

	Liability (or Asset)
PERS 1	\$12,953,671
PERS 2/3	\$5,409,590
PSERS 2	\$13,774
LEOFF 1	\$(451,207)
LEOFF 2	\$(2,941,786)

Skagit County, Washington
Notes to the Financial Statements
December 31, 2018

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	\$451,207	\$2,933,462
State's proportionate share of the net pension asset associated with the employer	3,051,951	1,899,361
TOTAL	\$3,503,158	\$4,832,823

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

	Proportionate Share 6/30/17	Proportionate Share 6/30/18	Change in Proportion
PERS 1	0.2913910%	0.2900490%	-0.0013420%
PERS 2/3	0.3268420%	0.3168300%	-0.0100120%
PSERS 2	0.9462460%	1.1117310%	0.1654850%
LEOFF 1	0.0246230%	0.0248530%	0.0002300%
LEOFF 2	0.1475920%	0.1444900%	-0.0031020%

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 2018, the state of Washington contributed 87.12% of LEOFF 1 employer contributions and all other employers contributed the remaining 12.88% of employer contributions. LEOFF 1 is fully funded and no further employer contributions have been required since June 2000. If the plan becomes underfunded, funding of the remaining liability will require new legislation. The allocation method the plan chose reflects the projected long-term contribution effort based on historical data.

In fiscal year 2018, the state of Washington contributed 39.30 percent of LEOFF 2 employer contributions pursuant to RCW 41.27.726 and all other employers contributed the remaining 60.70 percent of employer contributions.

The collective net pension liability (asset) was measured as of June 30, 2018, and the actuarial valuation data on which the total pension liability (asset) is based was as of June 30, 2017, with update procedures used to roll forward the total pension liability to the measurement date.

Skagit County, Washington
Notes to the Financial Statements
December 31, 2018

Pension Expense

For the year ended December 31, 2018, the County recognized pension expense as follows:

	Pension Expense
PERS 1	\$(887,496)
PERS 2/3	\$(2,942,224)
PSERS 2	\$(123,215)
LEOFF 1	\$(75,705)
LEOFF 2	\$(371,650)

Deferred Outflows of Resources and Deferred Inflows of Resources

At December 31, 2018, 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		\$(514,772)
Changes in assumptions		
Changes in proportion and differences between contributions and proportionate share of contributions		
Contributions subsequent to the measurement date	\$943,031	
Total	\$ 943,031	\$(514,772)

PERS 2/3	Deferred Outflows of Resources	Deferred Inflows of Resources
Differenced between expected and actual experience	\$ 663,072	\$ (947,117)
Net difference between projected and actual investment earnings on pension plan investments		(3,319,565)
Changes in assumptions	63,283	(1,539,521)
Changes in proportion and differences between contributions and proportionate share of contributions	(297,523)	(1,050,285)
Contributions subsequent to the measurement date	1,206,968	
Total	\$ 1,635,799	\$ (6,856,487)

PSERS 2	Deferred Outflows of Resources	Deferred Inflows of Resources
Differenced between expected and actual experience	\$102,159	\$(14,132)
Net difference between projected and actual investment earnings on pension plan investments		(185,729)
Changes in assumptions	1,474	(85,240)
Changes in proportion	55,161	
Contributions subsequent to the measurement date	212,302	
Total	\$ 371,096	\$ (285,101)

Skagit County, Washington
Notes to the Financial Statements
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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		(36,631)
Changes in assumptions		
Changes in proportion and differences between contributions and proportionate share of contributions		
Contributions subsequent to the measurement date		
Total		\$ (36,631)

LEOFF 2	Deferred Outflows of Resources	Deferred Inflows of Resources
Differenced between expected and actual experience	\$ 157,586	\$ (68,309)
Net difference between projected and actual investment earnings on pension plan investments		(514,852)
Changes in assumptions	1,665	(422,199)
Changes in proportion	89,049	(71,928)
Contributions subsequent to the measurement date	126,044	
Total	\$ 374,343	\$ (1,077,288)

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:	PERS 1
2018	\$22,521
2019	\$(112,532)
2020	\$(337,677)
2021	\$(87,084)
2022	\$0
Thereafter	\$0

Year ended December 31:	PSERS 2
2018	\$1,831
2019	\$(18,035)
2020	\$(57,513)
2021	\$(27,079)
2022	\$(3,683)
Thereafter	\$(21,821)

Skagit County, Washington
Notes to the Financial Statements
December 31, 2018

Year ended December 31:	PERS Plan 2/3
2018	\$(797,256)
2019	\$(1,335,966)
2020	\$(2,251,441)
2021	\$(971,982)
2022	\$(498,059)
Thereafter	\$(572,951)

Year ended December 31:	LEOFF 1
2018	\$35
2019	\$(8,264)
2020	\$(22,507)
2021	\$(5,896)
2022	\$0
Thereafter	\$0

Year ended December 31:	LEOFF 2
2018	\$(74,422)
2019	\$(152,374)
2020	\$(317,518)
2021	\$(105,726)
2022	\$(32,735)
Thereafter	\$(146,213)

D. Other Post Employment Benefit Plans (OPEB)

Plan Description

The following table represents the aggregate OPEB amounts for all plans subject to the requirements of GASB Statement 75 for the year ended December 31, 2018.

Aggregate OPEB Amounts - All Plans	
OPEB liabilities	\$ 4,461,994
OPEB assets	\$ -
Deferred outflows of resources	\$ 10,027
Deferred inflows of resources	\$ -
OPEB expenses/expenditures	\$ 125,337

Skagit County, Washington
Notes to the Financial Statements
December 31, 2018

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, 2018, there were 24 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

The following employees were covered by the benefit terms at December 31, 2018:

Inactive employees or beneficiaries currently receiving benefits	24
Inactive employees entitled to but not yet receiving benefits	0
Active Employees	677
Total	677

Skagit County, Washington
Notes to the Financial Statements
December 31, 2018

Funding Policy

The funding policy is based upon the pay-as-you-go financing requirements and there are no assets accumulated in a qualifying trust. The plan is administered through a trust that does not meet the requirements of a qualifying trust under paragraph 4 of GASB 75.. 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

Effective beginning with the County's 2018 reporting year, GASB Statement No. 75 *Accounting and Financial Reporting 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.

Annual OPEB costs of \$222,823 less expenses of \$125,337 resulted in an additional OPEB obligation of \$97,486. ***Note that in adopting GASB Statement No. 75, the County realized the estimated full liability of \$4,461,998 and recorded a prior period adjustment for prior year's liability in the amount of \$4,364,512.

Skagit County, Washington
Notes to the Financial Statements
December 31, 2018

The following presents the total OPEB liability of Skagit County calculated using the stated health care cost trend assumption, as well as what the OPEB liability would be if it were calculated using a healthcare cost trend rate that is 1 percentage point lower or 1 percentage point higher than the assumed trend rate.

	1% Decrease (7% decreasing to 4%)	Current Healthcare Cost Trend Rate (8% decreasing to 5%)	1% Increase (9% decreasing to 6%)
Total OPEB Liability	\$ 3,860,554	\$ 4,461,998	\$ 5,226,000

The following represents the net OPEB liability calculated using the stated discount rate, as well as what the net OPEB liability would be if it were calculated using a discount rate that is 1 percentage point lower or 1 percentage point higher than the current rate:

	1% Decrease (2.10%)	Current Discount Rate (3.10%)	1% Increase (4.1%)
Total OPEB Liability	\$ 5,180,209	\$ 4,461,998	\$ 3,890,074

Changes in the Total OPEB Liability

As of January 1, 2018, the most recent actuarial valuation date, the plan was zero percent funded. See RSI section for the Schedule of Funding Progress.

Total OPEB liability at 1/1/2017	\$ 4,364,512
Service Cost	88,660
Interest	134,163
Changes of benefit terms	-
Differences between expected and actual experience	-
Changes of assumptions	-
Benefit payments	(125,337)
Other changes	-
Total OPEB Liability at 12/31/2018	\$ 4,461,998

The measurement date of the total OPEB liability is December 31, 2017 with a reporting date of December 31, 2018. The actuarial valuation results are based on the January 1, 2018 actuarial valuation date. There were no changes between the measurement date of the total OPEB liability and the date of the reporting date of these financials that would have a significant effect on the total OPEB liability and the amount of the expected change in the total liability.

Skagit County, Washington
Notes to the Financial Statements
December 31, 2018

At December 31, 2018 the County reported deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ -	\$ -
Changes of assumptions	\$ -	\$ -
Payments subsequent to the measurement date	\$ 10,027	\$ -
TOTAL	\$ 10,027	\$ -

Deferred outflows of resources of \$10,027 resulting from payments subsequent to the measurement date will be recognized as a reduction of the total OPEB liability in the year ended December 31, 2019.

Other amounts reported as deferred outflows and deferred inflows of resources related to OPEB will be recognized in OPEB expense as follows:

Year ended December 31:	
2019	\$ -
2020	\$ -
2021	\$ -
2022	\$ -
2023	\$ -
Thereafter	\$ -

The County as a result of implementing GASB Statement No. 75, recorded an additional liability in the amount of \$4,364,512 in order to reflect new adopted accounting principle for OPEB. See Note IX.

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, 2018, 26 counties participate in the WCRP.

Skagit County, Washington
Notes to the Financial Statements
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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 2018, Skagit County selects a per-occurrence deductible of \$100,000.

Members make an annual contribution to fund the Pool. The Pool acquires reinsurance for further protection from larger losses, direct protection for the Pool and indirect for the member counties due to the contingent liabilities they would otherwise incur from risk-sharing those losses. The reinsurance agreements are written with self-insured retentions ("SIRs") equal to the greater of the deductible for the member with the claim or \$100,000. More recent years' reinsurance programs have included "corridor deductibles" with aggregated stop losses which have the effect of increasing the Pool's SIR. For 2017-18, this "corridor" increased the SIR to \$2 million, but with an aggregated stop loss of \$4.35 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 2017-18, 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.

Skagit County, Washington
Notes to the Financial Statements
December 31, 2018

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

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

During 2017-18, the WCRP's assets slightly increased to \$51.5 million while its liabilities increased slightly to \$31 million. The Pool's net position increased slightly from \$18.1 million to \$19.8 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, 2018 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	
2018	\$ 322,198	197,521	\$ 47,650	\$ 472,069
2017	470,739	(25,865)	122,676	322,198
2016	784,945	(61,429)	252,777	470,739

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, 1.0809 in 2016, and .9941 in 2017 and .9869 in 2018.

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

Skagit County, Washington
Notes to the Financial Statements
December 31, 2018

on estimates of future claims, and pays the claims when they are billed. The Unemployment Compensation Fund had Net Position of \$850,727 at December 31, 2018.

The County is self-insured for dental insurance claims. Washington Dental Services serve s as the third party administrator and bills the County for claims paid. Administrative fees and charges paid to Washington Dental Service totaled \$88,778 for 2018. Dental claims activity for 2018 and the preceding two years are as follows:

Fiscal Year	Beginning Balance	Current Year		Year End Balance
		Claims & Changes in Estimate	Claim Payments	
2018	\$ 19,209	\$ 678,441	\$ 677,514	\$ 20,136
2017	\$ 103,393	\$ 670,491	\$ 754,675	\$ 19,209
2016	\$ 108,055	\$ 667,394	\$ 672,056	\$ 103,393

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 \$477,520 for 2018. Medical claims activity for 2018 and the preceding two years are as follows:

Fiscal Year	Beginning Balance	Current Year		Year End Balance
		Claims & Changes in Estimate	Claim Payments	
2018	\$ 1,589,574	10,920,383	\$ 10,846,198	\$ 1,663,759
2017	1,759,000	10,187,034	10,356,460	1,589,574
2016	1,781,199	9,836,226	9,858,425	1,759,000

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

Skagit County, Washington
Notes to the Financial Statements
December 31, 2018

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.

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, 2018 are as follows:

Year	Rental Payments Due
2019	147,399
2020	110,205
2021	99,051
2022	100,437
2023	16,427
Total	473,519

2018 rent expense for all operating leases, except those with terms of a month or less were all renewed.

Construction

At December 31, 2018, the County had pending construction project contracts in progress. The commitments related to the remaining contract balances are summarized as follows:

	Total Contracts	Expended to 12/31/2018	Balance Unexpended
Governmental Activities			
Clean Water Fund	\$ 1,857,089	\$ 885,001	\$ 972,088
Non-Major Government Funds	\$ 1,599,032	\$ 717,348	\$ 881,684
Road Fund	\$ 36,563,954	\$ 27,040,394	\$ 9,523,560

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 \$2,341,399, of which \$170,000 is the current portion, is reported in the Solid Waste Fund at December 31, 2018.

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 \$2,691,974, of which \$5,000 is the current portion, for the closed Whitmarsh Landfill site. In 2007, Skagit County received notice from the Department of Ecology that it was being named a Potentially Liable Party (PLP) under Washington's Model Toxics Control Act (MTCA), as a former operator of the landfill, for releases of leachate from the landfill to the environment. Skagit County implemented a preliminary investigation of the site in 2008 and entered into an Agreed Order with the Department of Ecology along with 3 other named parties. As of December 31, 2018, 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 \$516,400, of which \$2,000 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, 2018, the County is in the remedial action stage, with long-term monitoring and maintenance to be determined.

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, 2018, 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, 2018, 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

Other Governmental Funds – A prior period adjustment of \$166,668 was the result of an accounts receivable that was reversed without an actual accrual.

X. RESTATEMENT TO IMPLIMENT NEW ACCOUNTING PRINCIPLE

Statement of Activities – A restatement to implement a new accounting principle of \$4,364,512 was the result of the implementation of GASB Statement No. 75 and the recording of the estimated total OPEB liability.

XI. SUBSEQUENT EVENTS

CVAA (component unit) ceased operations midnight December 31, 2018 and was dissolved February 21, 2019 as voted by the Skagit County Board of Commissioners.

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Required Supplementary Information



SKAGIT COUNTY, WASHINGTON

General Fund

Schedule of Revenues

Budget and Actual

For the Year Ended December 31, 2018

	Budgeted Amounts		Actual	Variance with Final Budget
	Original Budget	Final Budget		
General Property Taxes	26,262,135	26,262,135	26,338,977	76,842
Timber Harvest Taxes	-	-	-	-
Retail Sales and Use Taxes	10,112,916	10,112,916	11,664,427	1,551,511
Business Taxes	-	-	-	-
Excise Taxes	370,000	370,000	819,058	449,058
Penalties and Interest on Delinquent Taxes	-	-	-	-
Total Taxes	36,745,051	36,745,051	38,822,462	2,077,411
Licenses and Permits	327,500	327,500	331,634	4,134
Total Licenses and Permits	327,500	327,500	331,634	4,134
Indirect Federal Grants	1,833,963	1,885,063	2,165,337	280,274
State Grants	1,286,594	1,313,494	1,247,922	(65,572)
State Shared Revenue	687,910	687,910	2,244,398	1,556,488
In Lieu and State Entitlement Revenue	2,224,729	2,224,729	2,471,487	246,758
Intergovernmental Revenue	752,680	780,881	634,230	(146,651)
Total Intergovernmental Revenue	6,785,876	6,892,077	8,763,374	1,871,297
General Government	3,016,917	3,016,917	2,921,357	(95,560)
Public Safety	283,900	283,900	313,501	29,601
Health and Human Services	53,500	53,500	55,372	1,872
Economic Environment	15,000	15,000	13,214	(1,786)
Culture and Recreation	-	-	-	-
Interfund Charges for Services	78,000	78,000	56,570	(21,430)
Total Charges for Goods and Services	3,447,317	3,447,317	3,360,014	(87,303)
Superior Court Felony/Misdemeanor Penalties	74,000	74,000	45,586	(28,414)
Civil Penalties	32,500	32,500	28,699	(3,801)
Civil Infraction Penalties	1,207,500	1,207,500	1,217,265	9,765
Civil Parking Infraction	2,000	2,000	1,375	(625)
Criminal Traffic Misdemeanor	174,000	174,000	201,324	27,324
Criminal Non-Traffic Fines	34,500	34,500	34,803	303
Criminal Costs	1,400	1,400	28,082	26,682
Non-Court Fines, Forfeitures	20,000	20,000	480,965	460,965
Total Fines and Forfeits	1,545,900	1,545,900	2,038,099	492,199
Interest Earnings	1,974,770	1,974,770	3,652,787	1,678,017
Rents, Leases, Concessions	80,537	80,537	79,564	(973)
Interfund/Interdepartment Miscellaneous	-	-	-	-
Contributions/Donations	36,066	36,066	179,189	143,123
Other Miscellaneous Revenue	30,150	30,150	120,248	90,098
Total Miscellaneous Revenues	2,121,523	2,121,523	4,031,788	1,910,265
Agency Type Deposits	2,000	2,000	2,169	169
Total Non-Revenues	2,000	2,000	2,169	169
Total Revenues	50,975,167	51,081,368	57,349,540	6,268,172

SKAGIT COUNTY, WASHINGTON
Schedule of Expenditures Budget
For the Year Ending December 31, 2018

		<u>Budgeted Amounts</u>		
		<u>Original</u>		<u>Variance with</u>
		<u>Budget</u>	<u>Final Budget</u>	<u>Final Budget</u>
<u>General Government</u>				
<u>Assessor</u>				
	Salaries and Wages	1,176,753	1,194,753	1,187,453 (7,300)
	Personnel Benefits	672,713	684,713	664,067 (20,646)
	Supplies	6,000	6,000	5,218 (782)
	Other Services and Charges	52,387	52,387	53,956 1,569
	Interfund Payments for Services	-	-	-
	Total Assessor	1,907,853	1,937,853	1,910,694 (27,159)
<u>Auditor</u>				
	Salaries and Wages	858,916	887,691	859,575 (28,116)
	Personnel Benefits	438,942	431,118	433,512 2,394
	Supplies	16,200	16,200	10,415 (5,785)
	Other Services and Charges	21,000	21,000	16,057 (4,943)
	Total Auditor	1,335,058	1,356,009	1,319,558 (36,450)
<u>Board of Equalization</u>				
	Salaries and Wages	27,512	27,512	26,724 (788)
	Personnel Benefits	8,787	8,787	7,506 (1,281)
	Supplies	100	600	487 (113)
	Other Services and Charges	474	474	- (474)
	Total Board of Equalization	36,873	37,373	34,717 (2,656)
<u>Commissioners</u>				
	Salaries and Wages	480,525	480,525	462,383 (18,142)
	Personnel Benefits	190,437	190,437	183,957 (6,480)
	Supplies	2,500	2,500	623 (1,877)
	Other Services and Charges	33,800	33,800	23,326 (10,474)
	Total Commissioners	707,262	707,262	670,289 (36,973)
<u>Administrative Services</u>				
	Salaries and Wages	718,435	718,435	694,815 (23,620)
	Personnel Benefits	311,616	311,616	297,862 (13,754)
	Supplies	7,350	7,350	6,019 (1,331)
	Other Services and Charges	190,960	190,960	110,030 (80,930)
	Total Administrative Services	1,228,361	1,228,361	1,108,726 (119,635)
<u>General Maintenance</u>				
	Salaries and Wages	752,535	768,285	762,168 (6,117)
	Personnel Benefits	468,717	480,717	452,349 (28,368)
	Supplies	220,000	220,000	167,391 (52,609)
	Other Services and Charges	1,257,820	1,257,820	1,084,912 (172,908)
	Total General Maintenance	2,699,072	2,726,822	2,466,820 (260,002)

SKAGIT COUNTY, WASHINGTON
Schedule of Expenditures Budget
For the Year Ending December 31, 2018

	<u>Budgeted Amounts</u>			
	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	
<u>Prosecuting Attorney</u>				
Salaries and Wages	2,870,625	3,016,067	2,942,080	(73,987)
Personnel Benefits	1,358,809	1,393,899	1,361,830	(32,069)
Supplies	30,000	30,000	22,344	(7,656)
Other Services and Charges	292,025	329,817	188,160	(141,657)
Interfund Payments for Services	-	-	-	-
Total Prosecuting Attorney	4,551,459	4,769,783	4,514,414	(255,369)
<u>Treasurer</u>				
Salaries and Wages	644,061	644,061	630,560	(13,501)
Personnel Benefits	321,799	321,799	310,283	(11,516)
Supplies	17,000	17,000	7,071	(9,929)
Other Services and Charges	163,100	163,100	123,784	(39,316)
Total Treasurer	1,145,960	1,145,960	1,071,698	(74,262)
<u>Non Departmental Expenditures</u>				
Salaries and Wages	-	-	-	-
Personnel Benefits	64,390	69,390	65,563	(3,827)
Supplies	-	-	-	-
Other Services and Charges	8,744,686	8,619,558	7,291,363	(1,328,195)
Interfund Payments for Services	(1,410,912)	(1,303,912)	(1,577,914)	(274,002)
Total Non Departmental Expenditures	7,398,164	7,385,036	5,779,012	(1,606,024)
Total General Government	\$ 21,010,062	\$ 21,294,459	\$ 18,875,928	\$ (2,418,530)
Budgeted transfers	(5,111,049)	(5,111,049)	(5,111,049)	-
Net General Government	\$ 15,899,013	\$ 16,183,410	\$ 13,764,879	\$ (2,418,530)
 Judicial				
<u>County Clerk</u>				
Salaries and Wages	1,021,973	1,076,973	1,059,878	(17,095)
Personnel Benefits	573,551	605,226	595,293	(9,933)
Supplies	26,000	26,000	16,560	(9,440)
Other Services and Charges	31,390	31,390	17,752	(13,638)
Total County Clerk	1,652,914	1,739,589	1,689,483	(50,106)
<u>District Court</u>				
Salaries and Wages	1,543,605	1,601,605	1,560,232	(41,373)
Personnel Benefits	724,553	761,553	733,949	(27,604)
Supplies	16,000	16,000	18,650	2,650
Other Services and Charges	92,930	92,930	97,730	4,800
Interfund Payments for Services	-	-	-	-
Total District Court	2,377,088	2,472,088	2,410,561	(61,527)

SKAGIT COUNTY, WASHINGTON
Schedule of Expenditures Budget
For the Year Ending December 31, 2018

	<u>Budgeted Amounts</u>			
	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	
<u>Public Defender</u>				-
Salaries and Wages	1,979,808	2,184,808	2,157,334	(27,474)
Personnel Benefits	945,350	1,003,350	998,770	(4,580)
Supplies	17,600	36,600	46,816	10,216
Other Services and Charges	488,926	578,426	551,737	(26,689)
Total Public Defender	3,431,684	3,803,184	3,754,657	(48,527)
<u>Superior Courts</u>				-
Salaries and Wages	1,162,677	1,162,677	1,145,892	(16,785)
Personnel Benefits	401,812	401,812	399,249	(2,563)
Supplies	16,970	16,970	9,488	(7,482)
Other Services and Charges	555,425	555,425	362,980	(192,445)
Total Superior Courts	2,136,884	2,136,884	1,917,609	(219,275)
<u>Assigned Counsel</u>				-
Salaries and Wages	171,818	180,318	177,425	(2,893)
Personnel Benefits	92,220	92,220	93,179	959
Supplies	1,200	2,200	1,704	(496)
Other Services and Charges	550,000	715,000	682,800	(32,200)
Total Assigned Counsel	815,238	989,738	955,108	(34,630)
<u>Mediation Services</u>				-
Other Services and Charges	79,310	79,310	72,975	(6,335)
Total Mediation Services	79,310	79,310	72,975	(6,335)
 Total Judicial	 \$ 10,493,118	 \$ 11,220,793	 \$ 10,800,393	 \$ (420,400)
 Public Safety				
<u>District Court Probation</u>				-
Salaries and Wages	382,357	382,357	402,737	20,380
Personnel Benefits	177,119	177,119	199,213	22,094
Supplies	2,500	2,500	2,484	(16)
Other Services and Charges	6,300	8,447	5,704	(2,743)
Total District Court Probation	568,276	570,423	610,138	39,715
<u>Non-Departmental - County Jail Costs</u>				-
Interfund Payments for Services	10,515,322	10,517,822	10,517,822	-
Total Non-Departmental - County Jail Costs	10,515,322	10,517,822	10,517,822	-
 <u>Office of Juvenile Court</u>				-
Salaries and Wages	1,896,670	1,896,670	1,796,569	(100,101)
Personnel Benefits	990,180	990,180	935,572	(54,608)
Supplies	47,850	47,850	32,964	(14,886)
Other Services and Charges	138,159	161,709	121,736	(39,973)
Interfund Payments for Services	-	-	-	-
Total Office of Juvenile Court	3,072,859	3,096,409	2,886,841	(209,568)

SKAGIT COUNTY, WASHINGTON
Schedule of Expenditures Budget
For the Year Ending December 31, 2018

	<u>Budgeted Amounts</u>			Variance with Final Budget
	Original Budget	Final Budget	Actual	
<u>Civil Service Commission</u>				-
Salaries and Wages	30,144	30,144	18,059	(12,085)
Personnel Benefits	6,900	6,900	4,888	(2,012)
Supplies	-	-	267	267
Other Services and Charges	1,000	1,000	-	(1,000)
Total Civil Service Commission	<u>38,044</u>	<u>38,044</u>	<u>23,214</u>	<u>(14,830)</u>
 <u>Sheriff</u>				-
Salaries and Wages	5,504,952	5,447,266	5,266,505	(180,761)
Personnel Benefits	2,248,918	2,218,265	2,195,100	(23,165)
Supplies	88,475	240,052	249,121	9,069
Other Services and Charges	1,013,405	1,121,405	999,728	(121,677)
Interfund Payments for Services	384,000	386,600	506,518	119,918
Total Sheriff	<u>9,239,750</u>	<u>9,413,588</u>	<u>9,216,972</u>	<u>(196,616)</u>
 Total Public Safety	\$ 23,434,251	\$ 23,636,286	\$ 23,254,987	\$ (381,299)
 Physical Environment				
<u>Sustainability</u>				-
Salaries and Wages	4,367	4,517	4,432	(85)
Personnel Benefits	1,851	1,951	1,869	(82)
Supplies	5,000	5,000	-	(5,000)
Other Services and Charges	700	700	1,169	469
Interfund Payments for Services	-	-	-	-
Total Sustainability	<u>11,918</u>	<u>12,168</u>	<u>7,470</u>	<u>(4,698)</u>
 Total Physical Environment	\$ 11,918	\$ 12,168	\$ 7,470	\$ (4,698)

SKAGIT COUNTY, WASHINGTON
Schedule of Expenditures Budget
For the Year Ending December 31, 2018

	<u>Budgeted Amounts</u>			Variance with Final Budget
	Original Budget	Final Budget	Actual	
<i>Economic Environment</i>				
<u>Boundary Review Board</u>				
Salaries and Wages	1,434	1,934	1,696	(238)
Personnel Benefits	864	864	758	(106)
Supplies	-	-	-	-
Other Services and Charges	-	10,000	8,769	(1,231)
Total Boundary Review Board	2,298	12,798	11,223	(1,575)
<u>Hearing Examiner</u>				
Salaries and Wages	10,519	12,844	13,177	333
Personnel Benefits	6,330	6,330	5,630	(700)
Supplies	150	150	43	(107)
Other Services and Charges	65,000	65,000	60,030	(4,970)
Total Hearing Examiner	81,999	84,324	78,880	(5,444)
<u>Animal Control</u>				
Salaries and Wages	52,770	57,270	60,573	3,303
Personnel Benefits	30,452	33,891	34,963	1,072
Supplies	3,000	6,447	4,537	(1,910)
Other Services and Charges	47,393	84,214	69,098	(15,116)
Interfund Payments for Service	-	-	-	-
Total Animal Control	133,615	181,822	169,171	(12,651)
<u>Noxious Weed Control</u>				
Salaries and Wages	83,841	103,841	98,157	(5,684)
Personnel Benefits	37,090	37,090	40,547	3,457
Supplies	13,625	13,625	4,678	(8,947)
Other Services and Charges	21,265	21,265	15,706	(5,559)
Interfund Payments for Service	3,250	3,250	-	(3,250)
Total Noxious Weed Control	159,071	179,071	159,088	(19,983)
<u>AG Advisory Board</u>				
Salaries and Wages	2,412	2,412	2,125	(287)
Personnel Benefits	1,443	1,443	1,289	(154)
Other Services and Charges	-	-	23	23
Total AG Advisory Board	3,855	3,855	3,437	(418)
Total Economic Environment	\$ 380,838	\$ 461,870	\$ 421,799	\$ (40,071)

SKAGIT COUNTY, WASHINGTON
Schedule of Expenditures Budget (GAAP Basis) and Actual
For the Year Ending December 31, 2018

	<u>Budgeted Amounts</u>			Variance with Final Budget
	Original Budget	Final Budget	Actual	
<i>Health and Human Services</i>				
<u>Coroner</u>				
Salaries and Wages	173,134	188,134	188,312	178
Personnel Benefits	77,418	77,418	76,199	(1,219)
Supplies	11,000	11,000	11,414	414
Other Services and Charges	133,462	133,462	120,547	(12,915)
Interfund Payment for Services	-	-	-	-
Total Coroner Extension	<u>395,014</u>	<u>410,014</u>	<u>396,472</u>	<u>(13,542)</u>
Total Health and Human Services	\$ 395,014	\$ 410,014	\$ 396,472	\$ (13,542)
<i>Culture and Recreation</i>				
<u>Cooperative Extension</u>				
Salaries and Wages	-	-	-	-
Personnel Benefits	-	-	-	-
Supplies	-	-	-	-
Other Services and Charges	334,184	334,184	334,184	-
Total Cooperative Extension	<u>334,184</u>	<u>334,184</u>	<u>334,184</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	\$ 488,684	\$ 488,684	\$ 488,684	\$ -
<u>Debt Service</u>				
Debt Service	10,000	10,000	10,000	-
Total Debt Service	<u>10,000</u>	<u>10,000</u>	<u>10,000</u>	<u>-</u>
<u>Capital Outlay</u>				
Capital Outlay	20,000	91,273	6,580	(84,693)
Total Capital Outlay	<u>20,000</u>	<u>91,273</u>	<u>6,580</u>	<u>(84,693)</u>
TOTAL EXPENDITURES	<u>\$ 56,243,885</u>	<u>\$ 57,625,547</u>	<u>\$ 54,262,313</u>	<u>\$ (3,363,233)</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, 2018

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance</u>
	<u>Original</u>	<u>Final</u>		
Budgeted Fund Balance, January 1	\$ 983,156	\$ 582,573	\$ 8,291,043	
Resources (in-flows)				
General Property Taxes	325,000	325,000	355,557	30,557
Timber Harvest Taxes	9,916	9,916	10,651	735
Excise Taxes	3,024,269	3,024,269	3,401,949	377,680
Licenses and Permits				-
Intergovernmental Revenues	2,649,087	3,128,667	2,466,863	(661,804)
Charges for Services	3,500,000	3,740,000	152,459	(3,587,541)
Interest Earnings	17,800	17,800	63,432	45,632
Other Revenue	8,791	8,791	9,949	1,158
Total Resources (in-flows)	<u>9,534,863</u>	<u>10,254,443</u>	<u>6,460,860</u>	<u>(3,793,583)</u>
Amounts Available for Appropriation	10,518,019	10,837,016	14,751,903	
Charges to Appropriations (out-flows)				
Health and Human Services	9,933,787	10,252,784	5,821,087	(4,431,697)
Transfers Out	584,232	584,232	16,919	(567,313)
Amount Charged to Appropriations (out-flows)	<u>10,518,019</u>	<u>10,837,016</u>	<u>5,838,006</u>	<u>(4,999,010)</u>
Budgeted Fund Balance, December 31	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 8,913,897</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, 2018

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance</u>
	<u>Original</u>	<u>Final</u>		
Budgeted Fund Balance, January 1	\$ 846,733	\$ 1,166,733	\$ 9,291,997	
Resources (in-flows)				
General Property Taxes	13,467,082	13,467,082	13,783,239	316,157
Timber Harvest Taxes	-	-	-	-
Excise Taxes	350,000	350,000	717,609	367,609
Licenses and Permits	104,000	104,000	83,501	(20,499)
Intergovernmental Revenues	18,715,090	18,715,090	12,761,123	(5,953,967)
Charges for Services	1,988,000	1,988,000	3,169,772	1,181,772
Interest Earnings	1,000	1,000	1,838	838
Other Revenue	76,000	76,000	203,056	127,056
Total Resources (in-flows)	<u>34,701,172</u>	<u>34,701,172</u>	<u>30,720,138</u>	<u>(3,981,034)</u>
Amounts Available for Appropriation	35,547,905	35,867,905	40,012,135	
Charges to Appropriations (out-flows)				
General Government	94,350	94,350	2,206,222	2,111,872
Transportation	22,671,010	22,991,010	19,296,981	(3,694,029)
Capital Expenditures	12,782,545	12,782,545	6,416,526	(6,366,019)
Transfers Out	-	-	31,611	31,611
Amount Charged to Appropriations (out-flows)	<u>35,547,905</u>	<u>35,867,905</u>	<u>27,951,340</u>	<u>(7,916,565)</u>
Budgeted Fund Balance, December 31	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 12,060,795</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, 2018

	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%	0.29004900%						
Employer's proportionate share of the net pension liability	\$ 15,731,133	\$ 15,859,484	\$ 13,826,730	\$ 12,953,687						
Total	15,731,133	15,859,484	13,826,730	12,953,687	-	-	-	-	-	-
Covered payroll	\$ 797,955	\$ 34,498,770	\$ 35,990,870	\$ 37,792,556						
Employer's proportionate share of the net pension liability as a percentage of covered employee payroll	1971.4307%	45.9712%	38.4173%	34.2758%						
Plan fiduciary net position as a percentage of the total pension liability	59.10%	57.03%	61.24%	63.22%						

PERS Plan 2/3
As of June 30, 2018

	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024
Employer's proportion of the net pension liability (asset)	0.342725%	0.333619%	0.32745220%	0.31683000%						
Employer's proportionate share of the net pension liability	\$ 12,245,760	\$ 16,797,453	\$ 11,356,197	\$ 5,409,590						
Total	12,245,760	16,797,453	11,356,197	5,409,590	-	-	-	-	-	-
Covered payroll	\$ 30,413,995	\$ 31,186,047	\$ 32,054,586	\$ 37,224,164						
Employer's proportionate share of the net pension liability as a percentage of covered employee payroll	40.263568%	53.862078%	35.427683%	14.532469%						
Plan fiduciary net position as a percentage of the total pension liability	89.20%	85.82%	90.97%	95.77%						

* The schedule above is intended to show information for 10 years and additional years' information will be displayed as it becomes available.

Required Supplementary Information
Schedule of Proportionate Share of the Net Pension Liability*
PSERS 2
As of June 30, 2018

	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024
Employer's proportion of the net pension liability (asset)	0.773485%	0.841384%	0.946246%	1.11173100%						
Employer's proportionate share of the net pension liability	\$ 141,176	\$ 357,571	\$ 185,398	\$ 13,774						
Total	141,176	357,571	185,398	13,774	-	-	-	-	-	-
Covered payroll	\$ 2,264,702	\$ 2,727,837	\$ 3,350,233	\$ 4,360,703						
Employer's proportionate share of the net pension liability as a percentage of covered employee payroll	6.2337762%	13.1082269%	5.5338838%	0.3158665%						
Plan fiduciary net position as a percentage of the total pension liability	95.08%	90.41%	96.26%	99.79%						

LEOFF 1
As of June 30, 2018

	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024
Employer's proportion of the net pension liability	0.024877%	0.02478%	0.02462300%	0.02485300%						
Employer's proportionate share of the net pension liability (asset)	\$ (299,823)	\$ (255,325)	\$ (373,585)	\$ (451,207)						
Total	(299,823)	(255,325)	(373,585)	(451,207)	-	-	-	-	-	-
Covered 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%	144.42%						

* The schedule above is intended to show information for 10 years and additional years' information will be displayed as it becomes available.

Required Supplementary Information
Schedule of Proportionate Share of the Net Pension Liability*
LEOFF 2
As of June 30, 2018

	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%	0.14490000%						
State's proportionate share of the net pension liability (asset) associated with the employer	39.80258%	39.464647%	39.34546%	39.30128%						
Employer's proportionate share of the net pension liability	\$ (1,504,761)	\$ (905,964)	\$ (2,048,099)	\$ (2,941,786)						
Total	(1,504,760)	(905,964)	(2,048,099)	(2,941,786)	-	-	-	-	-	-
Covered payroll	\$ 4,249,285	\$ 4,718,706	\$ 4,616,954	\$ 4,782,683						
Employer's proportionate share of the net pension liability as a percentage of covered employee payroll	-35.412099%	-19.199416%	-44.360394%	-61.509115%						
Plan fiduciary net position as a percentage of the total pension liability	111.67%	106.04%	113.36%	118.50%						

* The schedule above is intended to show information for 10 years and additional years' information will be displayed as it becomes available.

**Required Supplementary Information
Schedule of Employer Contributions
PERS Plan 1
As of December 31, 2018
Last 10 Fiscal Years***

	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024
Contractually required contributions	1,382,161	1,646,845	1,752,794	1,719,829						
Contributions in relation to the contractually required contributions	1,382,161	1,646,845	1,752,794	1,719,829						
Contribution deficiency (excess)	-	-	-	-						
Covered Employer Payroll	\$ 797,955	\$ 32,315,060	\$ 35,990,870	\$ 39,044,175						
Contributions as a percentage of covered employee payroll	173.2129%	5.0962%	4.8701%	4.4048%						

* The schedule above is intended to show information for 10 years and additional years' information will be displayed as it becomes available.

**PERS Plan 2/3
As of December 31, 2018
Last 10 Fiscal Years***

	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024
Contractually required contributions	1,526,676	1,890,136	1,996,317	2,444,698						
Contributions in relation to the contractually required contributions	1,526,676	1,890,136	1,996,317	2,444,698						
Contribution deficiency (excess)	-	-	-	-						
Covered payroll	30,413,995	30,353,338	32,054,586	38,498,434						
Contributions as a percentage of covered employee payroll	5.0196497%	6.2271107%	6.2278681%	6.3501232%						

* The schedule above is intended to show information for 10 years and additional years' information will be displayed as it becomes available.

**Required Supplementary Information
Schedule of Employer Contributions
PSERS 2
As of December 31, 2018
Last 10 Fiscal Years***

	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024
Contractually required contributions	144,140	186,909	220,781	293,598						
Contributions in relation to the contractually required contributions	144,140	186,909	220,781	293,598						
Contribution deficiency (excess)	-	-								
Covered payroll	\$ 2,264,702	\$ 2,836,671	3,350,233	4,610,178						
Contributions as a percentage of covered employee payroll	6.364611%	6.589011%	6.590027%	6.368474%						

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

**LEOFF 2
As of December 31, 2018
Last 10 Fiscal Years***

	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024
Contractually required contributions	\$ 214,589	\$ 228,832	\$ 233,156	\$ 250,560						
Contributions in relation to the contractually required contributions	214,589	228,832	233,156	250,560						
Contribution deficiency (excess)	-	-								
Covered payroll	4,249,285	4,531,335	4,616,954	4,742,103						
Contributions as a percentage of covered employee payroll	5.0500058%	5.0499972%	5.0499944%	5.2837317%						

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

Skagit County
Schedule of Changes in Total OPEB Liability and Related Ratios
OPEB Plan
For the year ended December 31, 2018 (plan's measurement date)
Last 10 Fiscal Years*

	2018	2019	2020	2021	2022	2023	2024	2025	2026	2027
Total OPEB liability - beginning	\$ 4,364,512									
Service cost	88,660									
Interest	134,163									
Changes in benefit terms	0									
Differences between expected and actual experience	0									
Changes of assumptions	0									
Benefit payments	(125,337)									
Other changes										
Total OPEB liability - ending	<u>4,461,998</u>									
Covered-employee payroll	40,877,939									
Total OPEB liability as a % of covered payroll	10.92%									

Notes to Schedule:

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

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Individual and Combining Statements and Schedules



SKAGIT COUNTY, WASHINGTON
COMBINING BALANCE SHEET
NONMAJOR GOVERNMENTAL FUNDS
AS OF DECEMBER 31, 2018

	Non Major Funds			Total
	Special	Debt	Capital	
	Revenue	Service	Project	
ASSETS and OUTFLOWS of RESOURCES				
Cash/Cash Equivalents	\$ 16,353,235	\$ 1,196,582	\$ 10,648,156	\$ 28,197,973
Investments	5,074,715	914,295	3,540,830	9,529,840
Taxes Receivable	215,996	-	-	215,996
Accounts Receivable	147,808	-	-	147,808
Due From Other Funds	27,725	-	-	27,725
Due From Other Governmental Units	2,367,032	-	596,410	2,963,442
Interfund Loan Receivable	5,500	89,033	-	94,533
Inventory/Prepayments	150,000	-	-	150,000
Total Assets	24,342,011	2,199,910	14,785,396	41,327,317
Deferred Outflows of Resources	-	-	-	-
Total Assets and Deferred Outflows of Resources	24,342,011	2,199,910	14,785,396	41,327,317
LIABILITIES, DEFERRED INFLOWS of RESOURCES and FUND BALANCES				
<u>Liabilities</u>				
Accounts/Vouchers Payable	1,144,371	-	419,717	1,564,088
Due To Other Funds	610,668	-	10,954	621,622
Due To Other Governmental Units	2,227	-	-	2,227
Accrued Wages Payable	311,692	-	-	311,692
Accrued Employee Benefits	135,577	-	-	135,577
Custodial Accounts	56,643	-	-	56,643
Deferred Revenue	818,571	-	2,127,633	2,946,204
Long-Term Interfund Loans Payable	-	94,533	-	94,533
Total Liabilities	3,079,749	94,533	2,558,304	5,732,586
Deferred Inflows of Resources	264,556	-	-	264,556
<u>Fund Balance</u>				
Nonspendable	150,000	-	-	150,000
Restricted	12,769,759	2,105,377	12,227,092	27,102,228
Committed	8,077,947	-	-	8,077,947
Assigned	-	-	-	-
Unassigned	-	-	-	-
Total Fund Balances	20,997,706	2,105,377	12,227,092	35,330,175
Total Liabilities, Deferred Inflows of Resources and Fund Balances	\$ 24,342,011	\$ 2,199,910	\$ 14,785,396	\$ 41,327,317

SKAGIT COUNTY, WASHINGTON
COMBINING STATEMENT OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCE
NONMAJOR GOVERNMENTAL FUNDS
FOR THE YEAR ENDED DECEMBER 31, 2018

	Non Major Funds			
	Special Revenue	Debt Service	Capital Project	Total
Revenues				
Property Taxes	\$ 7,180,676	\$ -	\$ -	\$ 7,180,676
Sales and Use Taxes	5,164,489	-	3,083,499	8,247,988
Other Taxes	399,962	-	2,241,481	2,641,443
Licenses and Permits	1,308,679	-	-	1,308,679
Intergovernmental	7,818,657	-	58,522	7,877,179
Charges for Services	3,907,105	-	463,738	4,370,843
Fines and Forfeits	109,585	-	-	109,585
Interest Earnings	92,417	77,278	87,834	257,529
Donations	533,971	-	-	533,971
Other Revenues	1,848,724	1,055,147	-	2,903,871
Total Revenues	28,364,265	1,132,425	5,935,074	35,431,764
Expenditures				
Current:				
General Governmental Services	1,304,521	-	-	1,304,521
Public Safety	13,375,549	-	-	13,375,549
Physical Environment	2,648,604	-	-	2,648,604
Transportation	182,490	-	-	182,490
Economic Environment	3,645,813	-	2,268,162	5,913,975
Health and Human Services	9,768,335	-	-	9,768,335
Culture and Recreation	2,217,598	-	316,378	2,533,976
Debt Service:				
Principal	-	3,846,663	-	3,846,663
Interest	-	457,446	-	457,446
Capital Outlay	361,238	-	1,336,212	1,697,450
Total Expenditures	33,504,148	4,304,109	3,920,752	41,729,009
Excess (Deficit) Revenues Over Expenditures	(5,139,883)	(3,171,684)	2,014,322	(6,297,245)
Other Financing Sources (Uses)				
Interfund Loan receivable				
Transfers In	5,114,698	3,431,001	991,502	9,537,201
Transfers Out	(121,100)	-	(4,315,502)	(4,436,602)
Total Other Financing Source (Uses)	4,993,598	3,431,001	(3,324,000)	5,100,599
Net Change in Fund Balance	(146,285)	259,317	(1,309,678)	(1,196,646)
Fund Balance-January 1	20,977,323	1,846,060	13,536,770	36,360,153
Prior Period Adjustment	166,668	-	-	166,668
Restated Fund Balance January q	21,143,991	1,846,060	13,536,770	36,526,821
Fund Balance-December 31	\$ 20,997,706	\$ 2,105,377	\$ 12,227,092	\$ 35,330,175

SKAGIT COUNTY, WASHINGTON
NONMAJOR SPECIAL REVENUE FUNDS
AS OF DECEMBER 31, 2018

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, 2018

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.

Housing Revolving Loan - A fund established as a revolving loan/grant fund receiving federal funds for the benefit of low-to-moderate income households in Skagit County.

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, 2018

ASSETS and OUTFLOWS of RESOURCES	Public Health	Special Paths	Emergency Mgmt	County Fair
Cash and Cash Equivalents	\$1,404,393	\$338,505	\$215,827	\$820,528
Investments	103,003	59,868	-	-
Taxes Receivable	-	-	-	-
Accounts Receivable	12,155	-	-	-
Due from Other Funds	27,725	-	-	-
Due from Other Governments	231,757	-	3,947	-
Interfund Loans Receivable	-	-	-	-
Inventories	-	-	-	-
Prepaid Items	-	-	-	-
Total Assets	<u>1,779,033</u>	<u>398,373</u>	<u>219,774</u>	<u>820,528</u>
Deferred Outflows of Resources	-	-	-	-
Total Assets and Deferred Outflows of Resources	<u>1,779,033</u>	<u>398,373</u>	<u>219,774</u>	<u>820,528</u>
LIABILITIES, DEFERRED INFLOWS of REOURCES and FUND BALANCES				
<u>Liabilities</u>				
Accounts and Vouchers Payable	16,222	11,815	3,318	2,699
Due to Other Funds	254,731	3,489	26,251	10,831
Due to Other Governments	690	-	-	-
Accrued Wages Payable	78,363	3,554	10,828	3,266
Accrued Employee Benefits	19,095	847	2,412	863
Custodial Accounts	-	-	-	-
Unearned Revenue	175,400	-	-	-
Interfund Loans Payable	-	-	-	-
Total Liabilities	<u>544,501</u>	<u>19,705</u>	<u>42,809</u>	<u>17,659</u>
Deferred Inflows of Resources	50,843	-	-	-
<u>Fund Balance</u>				
Nonspendable	-	-	-	-
Restricted	659,404	378,668	-	-
Committed	524,285	-	176,965	802,869
Assigned	-	-	-	-
Unassigned	-	-	-	-
Total Fund Balances	<u>1,183,689</u>	<u>378,668</u>	<u>176,965</u>	<u>802,869</u>
Total Liabilities, Deferred Inflows of Resources and Fund Balances	<u>\$ 1,779,033</u>	<u>\$ 398,373</u>	<u>\$ 219,774</u>	<u>\$ 820,528</u>

SKAGIT COUNTY, WASHINGTON
COMBINING BALANCE SHEET
NONMAJOR SPECIAL REVENUE FUNDS
AS OF DECEMBER 31, 2018

ASSETS and OUTFLOWS of RESOURCES	Veterans' Relief	Law Library	River Imp	Treasurer O&M
Cash and Cash Equivalents	\$766,546	\$59,568	\$77,471	\$57,033
Investments	-	-	-	228,035
Taxes Receivable	5,401	-	-	-
Accounts Receivable	-	-	-	-
Due from Other Funds	-	-	-	-
Due from Other Governments	-	-	9,679	-
Interfund Loans Receivable	-	-	-	-
Inventories	-	-	-	-
Prepaid Items	-	-	-	-
Total Assets	771,947	59,568	87,150	285,068
Deferred Outflows of Resources	-	-	-	-
Total Assets and Deferred Outflows of Resources	771,947	59,568	87,150	285,068
LIABILITIES, DEFERRED INFLOWS of REOURCES and FUND BALANCES				
<u>Liabilities</u>				
Accounts and Vouchers Payable	31,928	4,224	13,196	-
Due to Other Funds	3,993	-	60,000	-
Due to Other Governments	-	-	-	-
Accrued Wages Payable	112	2,431	1,090	1,521
Accrued Employee Benefits	25	514	287	340
Custodial Accounts	-	-	-	-
Unearned Revenue	370	-	-	-
Interfund Loans Payable	-	-	-	-
Total Liabilities	36,428	7,169	74,573	1,861
Deferred Inflows of Resources	5,031	-	-	-
<u>Fund Balance</u>				
Nonspendable	-	-	-	-
Restricted	730,488	52,399	12,577	283,207
Committed	-	-	-	-
Assigned	-	-	-	-
Unassigned	-	-	-	-
Total Fund Balances	730,488	52,399	12,577	283,207
Total Liabilities, Deferred Inflows of Resources and Fund Balances	\$ 771,947	\$ 59,568	\$ 87,150	\$ 285,068

SKAGIT COUNTY, WASHINGTON
COMBINING BALANCE SHEET
NONMAJOR SPECIAL REVENUE FUNDS
AS OF DECEMBER 31, 2018

ASSETS and OUTFLOWS of RESOURCES	Document			Substance
	Preserv	Election	Parks & Rec	Abuse
Cash and Cash Equivalents	\$345,026	\$651,796	\$619,015	\$411,355
Investments	335,375	-	406,634	-
Taxes Receivable	-	-	-	-
Accounts Receivable	-	-	-	4,365
Due from Other Funds	-	-	-	-
Due from Other Governments	-	-	-	237,544
Interfund Loans Receivable	-	-	-	-
Inventories	-	-	-	-
Prepaid Items	-	-	150,000	-
Total Assets	680,401	651,796	1,175,649	653,264
Deferred Outflows of Resources	-	-	-	-
Total Assets and Deferred Outflows of Resources	680,401	651,796	1,175,649	653,264
LIABILITIES, DEFERRED INFLOWS of RESOURCES and FUND BALANCES				
<u>Liabilities</u>				
Accounts and Vouchers Payable	712	-	13,632	127,294
Due to Other Funds	-	-	-	8,906
Due to Other Governments	-	-	-	-
Accrued Wages Payable	25,326	8,382	21,452	-
Accrued Employee Benefits	6,439	1,802	5,052	4,371
Custodial Accounts	-	-	4,593	961
Unearned Revenue	-	-	156,648	-
Interfund Loans Payable	-	-	-	-
Total Liabilities	32,477	10,184	201,377	141,532
Deferred Inflows of Resources	-	-	-	-
<u>Fund Balance</u>				
Nonspendable	-	-	150,000	-
Restricted	647,924	-	-	511,732
Committed	-	641,612	824,272	-
Assigned	-	-	-	-
Unassigned	-	-	-	-
Total Fund Balances	647,924	641,612	974,272	511,732
Total Liabilities, Deferred Inflows of Resources and Fund Balances	\$ 680,401	\$ 651,796	\$ 1,175,649	\$ 653,264

SKAGIT COUNTY, WASHINGTON
COMBINING BALANCE SHEET
NONMAJOR SPECIAL REVENUE FUNDS
AS OF DECEMBER 31, 2018

ASSETS and OUTFLOWS of RESOURCES	Community Services	Conv. Center	Clean Water	Conserv. Futures
Cash and Cash Equivalents	\$72,591	\$500,468	\$314,211	\$3,475,704
Investments	-	134,109	-	557,129
Taxes Receivable	-	-	62,848	19,181
Accounts Receivable	416	-	-	-
Due from Other Funds	-	-	-	-
Due from Other Governments	433,099	65,051	135,410	-
Interfund Loans Receivable	-	-	-	-
Inventories	-	-	-	-
Prepaid Items	-	-	-	-
Total Assets	506,106	699,628	512,469	4,052,014
Deferred Outflows of Resources	-	-	-	-
Total Assets and Deferred Outflows of Resources	506,106	699,628	512,469	4,052,014
 LIABILITIES, DEFERRED INFLOWS of REOURCES and FUND BALANCES				
<u>Liabilities</u>				
Accounts and Vouchers Payable	111,916	46,334	107,199	13
Due to Other Funds	-	-	74,171	11,949
Due to Other Governments	-	-	-	-
Accrued Wages Payable	31,776	-	19,159	883
Accrued Employee Benefits	6,879	-	4,809	196
Custodial Accounts	-	-	-	-
Unearned Revenue	-	-	1,438	170
Interfund Loans Payable	-	-	-	-
Total Liabilities	150,571	46,334	206,776	13,211
Deferred Inflows of Resources	-	-	61,410	19,011
<u>Fund Balance</u>				
Nonspendable	-	-	-	-
Restricted	(12,462)	653,294	244,283	4,019,792
Committed	367,997	-	-	-
Assigned	-	-	-	-
Unassigned	-	-	-	-
Total Fund Balances	355,535	653,294	244,283	4,019,792
Total Liabilities, Deferred Inflows of Resources and Fund Balances	\$ 506,106	\$ 699,628	\$ 512,469	\$ 4,052,014

SKAGIT COUNTY, WASHINGTON
COMBINING BALANCE SHEET
NONMAJOR SPECIAL REVENUE FUNDS
AS OF DECEMBER 31, 2018

ASSETS and OUTFLOWS of RESOURCES	Medic 1	Crime Victim	Comm. System	Water Quality
Cash and Cash Equivalents	\$2,380,281	\$20,528	\$391,716	\$305,814
Investments	2,471,467	122,456	-	127,885
Taxes Receivable	127,250	-	-	-
Accounts Receivable	1,227	-	-	-
Due from Other Funds	-	-	-	-
Due from Other Governments	-	-	807,922	80,926
Interfund Loans Receivable	-	-	-	-
Inventories	-	-	-	-
Prepaid Items	-	-	-	-
Total Assets	<u>4,980,225</u>	<u>142,984</u>	<u>1,199,638</u>	<u>514,625</u>
Deferred Outflows of Resources	-	-	-	-
Total Assets and Deferred Outflows of Resources	<u>4,980,225</u>	<u>142,984</u>	<u>1,199,638</u>	<u>514,625</u>
LIABILITIES, DEFERRED INFLOWS of REOURCES and FUND BALANCES				
<u>Liabilities</u>				
Accounts and Vouchers Payable	254,778	-	13,558	5,122
Due to Other Funds	130,888	-	-	-
Due to Other Governments	1,537	-	-	-
Accrued Wages Payable	9,950	1,673	-	50
Accrued Employee Benefits	57,860	368	-	-
Custodial Accounts	25,074	-	-	-
Unearned Revenue	9,358	-	-	-
Interfund Loans Payable	-	-	-	-
Total Liabilities	<u>489,445</u>	<u>2,041</u>	<u>13,558</u>	<u>5,172</u>
Deferred Inflows of Resources	125,891	-	-	-
<u>Fund Balance</u>				
Nonspendable	-	-	-	-
Restricted	-	140,943	1,186,080	509,453
Committed	4,364,889	-	-	-
Assigned	-	-	-	-
Unassigned	-	-	-	-
Total Fund Balances	<u>4,364,889</u>	<u>140,943</u>	<u>1,186,080</u>	<u>509,453</u>
Total Liabilities, Deferred Inflows of Resources and Fund Balances	<u>\$ 4,980,225</u>	<u>\$ 142,984</u>	<u>\$ 1,199,638</u>	<u>\$ 514,625</u>

SKAGIT COUNTY, WASHINGTON
COMBINING BALANCE SHEET
NONMAJOR SPECIAL REVENUE FUNDS
AS OF DECEMBER 31, 2018

ASSETS and OUTFLOWS of RESOURCES	Planning & Development	Lake Mgmt Dist. 1	Lake Mgmt Dist. 2	Lake Mgmt Dist. 3
Cash and Cash Equivalents	\$1,594,100	\$108,794	\$57,743	\$32,786
Investments	-	-	-	-
Taxes Receivable	-	60	330	731
Accounts Receivable	-	-	-	-
Due from Other Funds	-	-	-	-
Due from Other Governments	38,657	1,740	-	-
Interfund Loans Receivable	-	-	-	-
Inventories	-	-	-	-
Prepaid Items	-	-	-	-
Total Assets	<u>1,632,757</u>	<u>110,594</u>	<u>58,073</u>	<u>33,517</u>
Deferred Outflows of Resources	-	-	-	-
Total Assets and Deferred Outflows of Resources	<u>1,632,757</u>	<u>110,594</u>	<u>58,073</u>	<u>33,517</u>
LIABILITIES, DEFERRED INFLOWS of REOURCES and FUND BALANCES				
<u>Liabilities</u>				
Accounts and Vouchers Payable	28,189	2,240	7,125	1,814
Due to Other Funds	-	-	-	-
Due to Other Governments	-	-	-	-
Accrued Wages Payable	86,957	40	821	40
Accrued Employee Benefits	23,418	-	-	-
Custodial Accounts	-	-	-	-
Unearned Revenue	11,333	-	150	341
Interfund Loans Payable	-	-	-	-
Total Liabilities	<u>149,897</u>	<u>2,280</u>	<u>8,096</u>	<u>2,195</u>
Deferred Inflows of Resources	-	1,800	180	390
<u>Fund Balance</u>				
Nonspendable	-	-	-	-
Restricted	1,482,860	106,514	49,797	30,932
Committed	-	-	-	-
Assigned	-	-	-	-
Unassigned	-	-	-	-
Total Fund Balances	<u>1,482,860</u>	<u>106,514</u>	<u>49,797</u>	<u>30,932</u>
Total Liabilities, Deferred Inflows of Resources and Fund Balances	<u>\$ 1,632,757</u>	<u>\$ 110,594</u>	<u>\$ 58,073</u>	<u>\$ 33,517</u>

SKAGIT COUNTY, WASHINGTON
COMBINING BALANCE SHEET
NONMAJOR SPECIAL REVENUE FUNDS
AS OF DECEMBER 31, 2018

ASSETS and OUTFLOWS of RESOURCES	Lake Mgmt Dist. 4	Edison Clean Wtr	Drug Enforce.	Boating Safety
Cash and Cash Equivalents	\$29,992	\$180,123	\$22,591	\$58,370
Investments	-	200,307	121,644	41,163
Taxes Receivable	195	-	-	-
Accounts Receivable	-	-	-	-
Due from Other Funds	-	-	-	-
Due from Other Governments	-	-	-	-
Interfund Loans Receivable	-	5,500	-	-
Inventories	-	-	-	-
Prepaid Items	-	-	-	-
Total Assets	30,187	385,930	144,235	99,533
Deferred Outflows of Resources	-	-	-	-
Total Assets and Deferred Outflows of Resources	30,187	385,930	144,235	99,533
LIABILITIES, DEFERRED INFLOWS of REOURCES and FUND BALANCES				
<u>Liabilities</u>				
Accounts and Vouchers Payable	-	5,372	-	186
Due to Other Funds	-	-	-	-
Due to Other Governments	-	-	-	-
Accrued Wages Payable	40	-	-	-
Accrued Employee Benefits	-	-	-	-
Custodial Accounts	-	-	-	-
Unearned Revenue	195	-	-	-
Interfund Loans Payable	-	-	-	-
Total Liabilities	235	5,372	-	186
Deferred Inflows of Resources	-	-	-	-
<u>Fund Balance</u>				
Nonspendable	-	-	-	-
Restricted	29,952	5,500	144,235	99,347
Committed	-	375,058	-	-
Assigned	-	-	-	-
Unassigned	-	-	-	-
Total Fund Balances	29,952	380,558	144,235	99,347
Total Liabilities, Deferred Inflows of Resources and Fund Balances	\$ 30,187	\$ 385,930	\$ 144,235	\$ 99,533

SKAGIT COUNTY, WASHINGTON
COMBINING BALANCE SHEET
NONMAJOR SPECIAL REVENUE FUNDS
AS OF DECEMBER 31, 2018

ASSETS and OUTFLOWS of RESOURCES	Low Inc. Housing	Title III Projects	Treasurer REET	Housing Assistance	Housing Revolving Loan
Cash and Cash Equivalents	\$134,671	\$35,037	\$231,317	\$221,080	\$333,624
Investments	-	-	70,131	29,812	-
Taxes Receivable	-	-	-	-	-
Accounts Receivable	-	-	-	-	129,544
Due from Other Funds	-	-	-	-	-
Due from Other Governments	50,401	-	-	270,899	-
Interfund Loans Receivable	-	-	-	-	-
Inventories	-	-	-	-	-
Prepaid Items	-	-	-	-	-
Total Assets	<u>185,072</u>	<u>35,037</u>	<u>301,448</u>	<u>521,791</u>	<u>463,168</u>
Deferred Outflows of Resources	-	-	-	-	-
Total Assets and Deferred Outflows of Resources	<u>185,072</u>	<u>35,037</u>	<u>301,448</u>	<u>521,791</u>	<u>463,168</u>
LIABILITIES, DEFERRED INFLOWS of REOURCES and FUND BALANCES					
<u>Liabilities</u>					
Accounts and Vouchers Payable	51,764	1,236	-	264,152	-
Due to Other Funds	4,282	-	-	21,177	-
Due to Other Governments	-	-	-	-	-
Accrued Wages Payable	-	-	-	3,978	-
Accrued Employee Benefits	-	-	-	-	-
Custodial Accounts	-	-	-	-	-
Unearned Revenue	-	-	-	-	463,168
Interfund Loans Payable	-	-	-	-	-
Total Liabilities	<u>56,046</u>	<u>1,236</u>	<u>-</u>	<u>289,307</u>	<u>463,168</u>
Deferred Inflows of Resources	-	-	-	-	-
<u>Fund Balance</u>					
Nonspendable	-	-	-	-	-
Restricted	129,026	33,801	301,448	232,484	-
Committed	-	-	-	-	-
Assigned	-	-	-	-	-
Unassigned	-	-	-	-	-
Total Fund Balances	<u>129,026</u>	<u>33,801</u>	<u>301,448</u>	<u>232,484</u>	<u>-</u>
Total Liabilities, Deferred Inflows of Resources and Fund Balances	<u>\$ 185,072</u>	<u>\$ 35,037</u>	<u>\$ 301,448</u>	<u>\$ 521,791</u>	<u>\$ 463,168</u>

SKAGIT COUNTY, WASHINGTON
COMBINING BALANCE SHEET
NONMAJOR SPECIAL REVENUE FUNDS
AS OF DECEMBER 31, 2018

ASSETS and OUTFLOWS of RESOURCES	Interlocal Invest.	TOTAL
Cash and Cash Equivalents	\$84,631	\$16,353,235
Investments	65,697	5,074,715
Taxes Receivable	-	215,996
Accounts Receivable	101	147,808
Due from Other Funds	-	27,725
Due from Other Governments	-	2,367,032
Interfund Loans Receivable	-	5,500
Inventories	-	-
Prepaid Items	-	150,000
Total Assets	150,429	24,342,011
 Deferred Outflows of Resources	 -	 -
 Total Assets and Deferred Outflows of Resources	 150,429	 24,342,011
LIABILITIES, DEFERRED INFLOWS of REOURCES and FUND BALANCES		
<u>Liabilities</u>		
Accounts and Vouchers Payable	18,333	1,144,371
Due to Other Funds	-	610,668
Due to Other Governments	-	2,227
Accrued Wages Payable	-	311,692
Accrued Employee Benefits	-	135,577
Custodial Accounts	26,015	56,643
Unearned Revenue	-	818,571
Interfund Loans Payable	-	-
Total Liabilities	44,348	3,079,749
 Deferred Inflows of Resources	 -	 264,556
 <u>Fund Balance</u>		
Nonspendable	-	150,000
Restricted	106,081	12,769,759
Committed	-	8,077,947
Assigned	-	-
Unassigned	-	-
Total Fund Balances	106,081	20,997,706
 Total Liabilities, Deferred Inflows of Resources and Fund Balances	 \$ 150,429	 \$ 24,342,011

SKAGIT COUNTY, WASHINGTON
COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND
CHANGES IN FUND BALANCE
NONMAJOR SPECIAL REVENUE FUNDS
FOR THE YEAR ENDED DECEMBER 31, 2018

REVENUES	Public Health	Special Paths	Emergency Mgmt	County Fair
Property Taxes	\$ -	\$ -	\$ -	\$ -
Sales and Use Taxes	-	-	-	-
Other Taxes	-	-	-	-
Licenses and Permits	441,584	-	-	-
Intergovernmental	1,623,513	174,800	262,993	160,418
Charges for Services	465,670	-	-	286,951
Fines and Forfeits	24,311	-	-	-
Interest Earnings	1,756	1,021	-	-
Donations	61,012	-	-	60,178
Other Revenue	-	-	-	59,577
Total Revenue	<u>2,617,846</u>	<u>175,821</u>	<u>262,993</u>	<u>567,124</u>
EXPENDITURES				
Current:				
General Governmental Services	-	-	-	-
Public Safety	-	-	457,648	-
Utilities and Environment	-	-	-	-
Transportation	-	182,490	-	-
Economic Environment	-	-	-	-
Health & Human Services	3,776,571	-	-	-
Culture and Recreation	-	-	-	413,543
Capital Outlay	-	-	29,811	-
Total Expenditures	<u>3,776,571</u>	<u>182,490</u>	<u>487,459</u>	<u>413,543</u>
Excess (Deficit) of Revenues Over Expenditures	<u>(1,158,725)</u>	<u>(6,669)</u>	<u>(224,466)</u>	<u>153,581</u>
Other Financing Sources (Uses)				
Proceeds from Long Term Debt	-	-	-	-
Proceeds from Sale of Capital Assets	-	-	-	-
Transfers In	889,452	-	265,322	15,000
Transfers Out	-	-	-	-
Total Other Financial Sources (Uses)	<u>889,452</u>	<u>-</u>	<u>265,322</u>	<u>15,000</u>
Net Change in Fund Balance	<u>(269,273)</u>	<u>(6,669)</u>	<u>40,856</u>	<u>168,581</u>
Fund Balance, January 1	1,452,962	385,337	136,109	634,288
Prior Period Adjustments	-	-	-	-
Fund Balance, January 1, restated	<u>1,452,962</u>	<u>385,337</u>	<u>136,109</u>	<u>634,288</u>
Fund Balance, December 31	<u>\$ 1,183,689</u>	<u>\$ 378,668</u>	<u>\$ 176,965</u>	<u>\$ 802,869</u>

SKAGIT COUNTY, WASHINGTON
COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND
CHANGES IN FUND BALANCE
NONMAJOR SPECIAL REVENUE FUNDS
FOR THE YEAR ENDED DECEMBER 31, 2018

REVENUES	Veterans' Relief	Law Library	River Imp	Treasurer O&M
Property Taxes	\$ 259,301	\$ -	\$ -	\$ -
Sales and Use Taxes	-	-	-	-
Other Taxes	7,778	-	-	-
Licenses and Permits	-	-	-	-
Intergovernmental	21,371	-	227,878	-
Charges for Services	-	45,259	-	27,315
Fines and Forfeits	-	-	-	-
Interest Earnings	78	-	19	4,235
Donations	-	-	-	-
Other Revenue	-	1,234	-	-
Total Revenue	<u>288,528</u>	<u>46,493</u>	<u>227,897</u>	<u>31,550</u>
EXPENDITURES				
Current:				
General Governmental Services	-	138,908	-	62,735
Public Safety	-	-	-	-
Utilities and Environment	-	-	282,821	-
Transportation	-	-	-	-
Economic Environment	-	-	-	-
Health & Human Services	235,111	-	-	-
Culture and Recreation	-	-	-	-
Capital Outlay	-	-	-	-
Total Expenditures	<u>235,111</u>	<u>138,908</u>	<u>282,821</u>	<u>62,735</u>
Excess (Deficit) of Revenues Over Expenditures	<u>53,417</u>	<u>(92,415)</u>	<u>(54,924)</u>	<u>(31,185)</u>
Other Financing Sources (Uses)				
Proceeds from Long Term Debt	-	-	-	-
Proceeds from Sale of Capital Assets	-	-	-	-
Transfers In	-	95,211	47,413	-
Transfers Out	-	-	-	-
Total Other Financial Sources (Uses)	<u>-</u>	<u>95,211</u>	<u>47,413</u>	<u>-</u>
Net Change in Fund Balance	<u>53,417</u>	<u>2,796</u>	<u>(7,511)</u>	<u>(31,185)</u>
Fund Balance, January 1	677,071	49,603	20,088	314,392
Prior Period Adjustments	-	-	-	-
Fund Balance, January 1, restated	<u>677,071</u>	<u>49,603</u>	<u>20,088</u>	<u>314,392</u>
Fund Balance, December 31	<u>\$ 730,488</u>	<u>\$ 52,399</u>	<u>\$ 12,577</u>	<u>\$ 283,207</u>

SKAGIT COUNTY, WASHINGTON
COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND
CHANGES IN FUND BALANCE
NONMAJOR SPECIAL REVENUE FUNDS
FOR THE YEAR ENDED DECEMBER 31, 2018

REVENUES	Document			Substance
	Preserv	Election	Parks & Rec	Abuse
Property Taxes	\$ -	\$ -	\$ -	\$ -
Sales and Use Taxes	-	-	-	-
Other Taxes	-	-	-	-
Licenses and Permits	-	-	-	-
Intergovernmental	69,490	-	-	699,673
Charges for Services	62,254	449,174	394,834	3,712
Fines and Forfeits	-	-	-	-
Interest Earnings	6,274	2,010	6,934	-
Donations	-	-	11,969	24,700
Other Revenue	-	32,631	245,218	-
Total Revenue	138,018	483,815	658,955	728,085
EXPENDITURES				
Current:				
General Governmental Services	212,976	783,017	-	-
Public Safety	-	-	-	-
Utilities and Environment	-	-	-	-
Transportation	-	-	-	-
Economic Environment	-	-	-	-
Health & Human Services	-	-	-	775,933
Culture and Recreation	-	-	1,590,873	-
Capital Outlay	-	-	6,305	-
Total Expenditures	212,976	783,017	1,597,178	775,933
Excess (Deficit) of Revenues Over Expenditures	(74,958)	(299,202)	(938,223)	(47,848)
Other Financing Sources (Uses)				
Proceeds from Long Term Debt	-	-	-	-
Proceeds from Sale of Capital Assets	-	-	-	-
Transfers In	-	284,053	949,583	-
Transfers Out	-	-	-	-
Total Other Financial Sources (Uses)	-	284,053	949,583	-
Net Change in Fund Balance	(74,958)	(15,149)	11,360	(47,848)
Fund Balance, January 1	722,882	656,761	962,912	392,912
Prior Period Adjustments	-	-	-	166,668
Fund Balance, January 1, restated	722,882	656,761	962,912	559,580
Fund Balance, December 31	\$ 647,924	\$ 641,612	\$ 974,272	\$ 511,732

SKAGIT COUNTY, WASHINGTON
COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND
CHANGES IN FUND BALANCE
NONMAJOR SPECIAL REVENUE FUNDS
FOR THE YEAR ENDED DECEMBER 31, 2018

	Community Services	Conv. Center	Clean Water	Conserv. Futures
REVENUES				
Property Taxes	\$ -	\$ -	\$ -	\$ 904,131
Sales and Use Taxes	-	478,150	-	27,087
Other Taxes	-	-	-	-
Licenses and Permits	-	-	-	-
Intergovernmental	1,077,406	-	342,379	74,406
Charges for Services	997	-	-	-
Fines and Forfeits	-	-	-	-
Interest Earnings	-	2,287	-	11,541
Donations	376,077	-	-	35
Other Revenue	11,205	-	1,486,946	271
Total Revenue	<u>1,465,685</u>	<u>480,437</u>	<u>1,829,325</u>	<u>1,017,471</u>
EXPENDITURES				
Current:				
General Governmental Services	-	-	-	-
Public Safety	-	-	-	-
Utilities and Environment	-	-	1,796,966	119,425
Transportation	-	-	-	-
Economic Environment	-	-	-	-
Health & Human Services	2,559,965	-	-	-
Culture and Recreation	-	213,182	-	-
Capital Outlay	15,733	-	-	105,566
Total Expenditures	<u>2,575,698</u>	<u>213,182</u>	<u>1,796,966</u>	<u>224,991</u>
Excess (Deficit) of Revenues Over Expenditures	<u>(1,110,013)</u>	<u>267,255</u>	<u>32,359</u>	<u>792,480</u>
Other Financing Sources (Uses)				
Proceeds from Long Term Debt	-	-	-	-
Proceeds from Sale of Capital Assets	-	-	-	-
Transfers In	1,094,928	-	-	-
Transfers Out	-	(121,100)	-	-
Total Other Financial Sources (Uses)	<u>1,094,928</u>	<u>(121,100)</u>	<u>-</u>	<u>-</u>
Net Change in Fund Balance	<u>(15,085)</u>	<u>146,155</u>	<u>32,359</u>	<u>792,480</u>
Fund Balance, January 1	370,620	507,139	211,924	3,227,312
Prior Period Adjustments	-	-	-	-
Fund Balance, January 1, restated	<u>370,620</u>	<u>507,139</u>	<u>211,924</u>	<u>3,227,312</u>
Fund Balance, December 31	<u>\$ 355,535</u>	<u>\$ 653,294</u>	<u>\$ 244,283</u>	<u>\$ 4,019,792</u>

SKAGIT COUNTY, WASHINGTON
COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND
CHANGES IN FUND BALANCE
NONMAJOR SPECIAL REVENUE FUNDS
FOR THE YEAR ENDED DECEMBER 31, 2018

REVENUES	Medic 1	Crime Victim	Comm. System	Water Quality
Property Taxes	\$ 6,017,244	\$ -	\$ -	\$ -
Sales and Use Taxes	-	-	4,659,252	-
Other Taxes	179,869	-	-	-
Licenses and Permits	-	-	-	-
Intergovernmental	495,798	-	543,177	278,722
Charges for Services	61,949	103,439	-	2,100
Fines and Forfeits	-	-	-	-
Interest Earnings	43,747	2,088	1,622	2,225
Donations	-	-	-	-
Other Revenue	1,806	-	-	-
Total Revenue	<u>6,800,413</u>	<u>105,527</u>	<u>5,204,051</u>	<u>283,047</u>
EXPENDITURES				
Current:				
General Governmental Services	-	103,261	-	-
Public Safety	7,545,442	-	5,133,665	-
Utilities and Environment	-	-	-	256,568
Transportation	-	-	-	-
Economic Environment	-	-	-	-
Health & Human Services	-	-	-	-
Culture and Recreation	-	-	-	-
Capital Outlay	192,823	-	-	-
Total Expenditures	<u>7,738,265</u>	<u>103,261</u>	<u>5,133,665</u>	<u>256,568</u>
Excess (Deficit) of Revenues Over Expenditures	<u>(937,852)</u>	<u>2,266</u>	<u>70,386</u>	<u>26,479</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>(937,852)</u>	<u>2,266</u>	<u>70,386</u>	<u>26,479</u>
Fund Balance, January 1	5,302,741	138,677	1,115,694	482,974
Prior Period Adjustments	-	-	-	-
Fund Balance, January 1, restated	<u>5,302,741</u>	<u>138,677</u>	<u>1,115,694</u>	<u>482,974</u>
Fund Balance, December 31	<u>\$ 4,364,889</u>	<u>\$ 140,943</u>	<u>\$ 1,186,080</u>	<u>\$ 509,453</u>

SKAGIT COUNTY, WASHINGTON
COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND
CHANGES IN FUND BALANCE
NONMAJOR SPECIAL REVENUE FUNDS
FOR THE YEAR ENDED DECEMBER 31, 2018

REVENUES	Planning & Development	Lake Mgmt Dist. 1	Lake Mgmt Dist. 2	Lake Mgmt Dist. 3
Property Taxes	\$ -	\$ -	\$ -	\$ -
Sales and Use Taxes	-	-	-	-
Other Taxes	-	61,000	14,520	28,519
Licenses and Permits	867,095	-	-	-
Intergovernmental	13,698	-	-	-
Charges for Services	912,777	-	-	-
Fines and Forfeits	1,627	-	-	-
Interest Earnings	-	-	-	-
Donations	-	-	-	-
Other Revenue	1,970	-	-	-
Total Revenue	<u>1,797,167</u>	<u>61,000</u>	<u>14,520</u>	<u>28,519</u>
EXPENDITURES				
Current:				
General Governmental Services	-	-	-	-
Public Safety	-	-	-	-
Utilities and Environment	-	48,325	20,445	38,658
Transportation	-	-	-	-
Economic Environment	3,298,079	-	-	-
Health & Human Services	-	-	-	-
Culture and Recreation	-	-	-	-
Capital Outlay	-	-	-	-
Total Expenditures	<u>3,298,079</u>	<u>48,325</u>	<u>20,445</u>	<u>38,658</u>
Excess (Deficit) of Revenues Over Expenditures	<u>(1,500,912)</u>	<u>12,675</u>	<u>(5,925)</u>	<u>(10,139)</u>
Other Financing Sources (Uses)				
Proceeds from Long Term Debt	-	-	-	-
Proceeds from Sale of Capital Assets	-	-	-	-
Transfers In	1,473,736	-	-	-
Transfers Out	-	-	-	-
Total Other Financial Sources (Uses)	<u>1,473,736</u>	<u>-</u>	<u>-</u>	<u>-</u>
Net Change in Fund Balance	<u>(27,176)</u>	<u>12,675</u>	<u>(5,925)</u>	<u>(10,139)</u>
Fund Balance, January 1	1,510,036	93,839	55,722	41,071
Prior Period Adjustments	-	-	-	-
Fund Balance, January 1, restated	<u>1,510,036</u>	<u>93,839</u>	<u>55,722</u>	<u>41,071</u>
Fund Balance, December 31	<u>\$ 1,482,860</u>	<u>\$ 106,514</u>	<u>\$ 49,797</u>	<u>\$ 30,932</u>

SKAGIT COUNTY, WASHINGTON
COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND
CHANGES IN FUND BALANCE
NONMAJOR SPECIAL REVENUE FUNDS
FOR THE YEAR ENDED DECEMBER 31, 2018

REVENUES	Lake Mgmt Dist. 4	Edison Clean Wtr	Drug Enforce.	Boating Safety
Property Taxes	\$ -	\$ -	\$ -	\$ -
Sales and Use Taxes	-	-	-	-
Other Taxes	20,670	87,606	-	-
Licenses and Permits	-	-	-	-
Intergovernmental	-	-	-	73,395
Charges for Services	-	-	-	-
Fines and Forfeits	-	-	-	-
Interest Earnings	-	-	2,726	689
Donations	-	-	-	-
Other Revenue	-	-	-	-
Total Revenue	<u>20,670</u>	<u>87,606</u>	<u>2,726</u>	<u>74,084</u>
EXPENDITURES				
Current:				
General Governmental Services	-	-	-	-
Public Safety	-	-	25,138	51,453
Utilities and Environment	18,625	66,771	-	-
Transportation	-	-	-	-
Economic Environment	-	-	-	-
Health & Human Services	-	-	-	-
Culture and Recreation	-	-	-	-
Capital Outlay	-	-	11,000	-
Total Expenditures	<u>18,625</u>	<u>66,771</u>	<u>36,138</u>	<u>51,453</u>
Excess (Deficit) of Revenues Over Expenditures	<u>2,045</u>	<u>20,835</u>	<u>(33,412)</u>	<u>22,631</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>2,045</u>	<u>20,835</u>	<u>(33,412)</u>	<u>22,631</u>
Fund Balance, January 1	27,907	359,723	177,647	76,716
Prior Period Adjustments	-	-	-	-
Fund Balance, January 1, restated	<u>27,907</u>	<u>359,723</u>	<u>177,647</u>	<u>76,716</u>
Fund Balance, December 31	<u>\$ 29,952</u>	<u>\$ 380,558</u>	<u>\$ 144,235</u>	<u>\$ 99,347</u>

SKAGIT COUNTY, WASHINGTON
COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND
CHANGES IN FUND BALANCE
NONMAJOR SPECIAL REVENUE FUNDS
FOR THE YEAR ENDED DECEMBER 31, 2018

REVENUES	Low Inc. Housing	Title III Projects	Treasurer REET	Housing Assistance	Housing Revolving Loan
Property Taxes	\$ -	\$ -	\$ -	\$ -	\$ -
Sales and Use Taxes	-	-	-	-	-
Other Taxes	-	-	-	-	-
Licenses and Permits	-	-	-	-	-
Intergovernmental	101,540	37,407	14,814	1,525,779	-
Charges for Services	162,367	-	14,167	914,140	-
Fines and Forfeits	-	-	-	-	-
Interest Earnings	-	-	1,196	508	-
Donations	-	-	-	-	-
Other Revenue	-	-	-	-	-
Total Revenue	<u>263,907</u>	<u>37,407</u>	<u>30,177</u>	<u>2,440,427</u>	<u>-</u>
EXPENDITURES					
Current:					
General Governmental Services	-	3,624	-	-	-
Public Safety	-	-	-	-	-
Utilities and Environment	-	-	-	-	-
Transportation	-	-	-	-	-
Economic Environment	347,734	-	-	-	-
Health & Human Services	-	-	-	2,420,755	-
Culture and Recreation	-	-	-	-	-
Capital Outlay	-	-	-	-	-
Total Expenditures	<u>347,734</u>	<u>3,624</u>	<u>-</u>	<u>2,420,755</u>	<u>-</u>
Excess (Deficit) of Revenues Over Expenditures	<u>(83,827)</u>	<u>33,783</u>	<u>30,177</u>	<u>19,672</u>	<u>-</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>	<u>-</u>
Net Change in Fund Balance	<u>(83,827)</u>	<u>33,783</u>	<u>30,177</u>	<u>19,672</u>	<u>-</u>
Fund Balance, January 1	212,853	18	271,271	212,812	-
Prior Period Adjustments	-	-	-	-	-
Fund Balance, January 1, restated	<u>212,853</u>	<u>18</u>	<u>271,271</u>	<u>212,812</u>	<u>-</u>
Fund Balance, December 31	<u>\$ 129,026</u>	<u>\$ 33,801</u>	<u>\$ 301,448</u>	<u>\$ 232,484</u>	<u>\$ -</u>

SKAGIT COUNTY, WASHINGTON
COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND
CHANGES IN FUND BALANCE
NONMAJOR SPECIAL REVENUE FUNDS
FOR THE YEAR ENDED DECEMBER 31, 2018

REVENUES	<u>Interlocal Invest.</u>	<u>TOTAL</u>
Property Taxes	\$ -	\$ 7,180,676
Sales and Use Taxes	-	5,164,489
Other Taxes	-	399,962
Licenses and Permits	-	1,308,679
Intergovernmental	-	7,818,657
Charges for Services	-	3,907,105
Fines and Forfeits	83,647	109,585
Interest Earnings	1,461	92,417
Donations	-	533,971
Other Revenue	7,866	1,848,724
Total Revenue	<u>92,974</u>	<u>28,364,265</u>
 EXPENDITURES		
Current:		
General Governmental Services	-	1,304,521
Public Safety	162,203	13,375,549
Utilities and Environment	-	2,648,604
Transportation	-	182,490
Economic Environment	-	3,645,813
Health & Human Services	-	9,768,335
Culture and Recreation	-	2,217,598
Capital Outlay	-	361,238
Total Expenditures	<u>162,203</u>	<u>33,504,148</u>
 Excess (Deficit) of Revenues Over Expenditures	 (69,229)	 (5,139,883)
 Other Financing Sources (Uses)		
Proceeds from Long Term Debt	-	-
Proceeds from Sale of Capital Assets	-	-
Transfers In	-	5,114,698
Transfers Out	-	(121,100)
Total Other Financial Sources (Uses)	<u>-</u>	<u>4,993,598</u>
 Net Change in Fund Balance	 (69,229)	 (146,285)
 Fund Balance, January 1	 175,310	 20,977,323
Prior Period Adjustments	-	166,668
Fund Balance, January 1, restated	<u>175,310</u>	<u>21,143,991</u>
 Fund Balance, December 31	 <u>\$ 106,081</u>	 <u>\$ 20,997,706</u>

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, 2018

	Budgeted Amounts			Variance with Final Budget
	Original Budget	Final Budget	Actual	
Budgeted Fund Balance, January 1	\$ 197,496	\$ 292,259	\$ 1,452,962	
Resources (in-flows)				
Licenses and Permits	496,624	496,624	441,584	(55,040)
Intergovernmental Revenue	1,399,098	1,638,748	1,623,513	(15,235)
Charges for Goods and Services	446,018	447,518	465,670	18,152
Fines and Forfeits	6,000	6,000	24,311	18,311
Interest Revenue	600	600	1,756	1,156
Donations	61,250	64,750	61,012	(3,738)
Transfers In	889,452	889,452	889,452	-
Miscellaneous Revenues	150	150	-	(150)
Total Resources (in-flows)	3,299,192	3,543,842	3,507,298	(36,544)
Amounts Available for Appropriation	3,496,688	3,836,101	4,960,260	
Charges to Appropriations (out-flows)				
Salaries and Wages	1,854,453	2,023,823	1,957,026	(66,797)
Personnel Benefits	923,272	985,168	988,605	3,437
Supplies	69,037	73,767	58,523	(15,244)
Services and Charges	419,926	523,343	494,036	(29,307)
Capital Outlays	230,000	230,000	-	(230,000)
Interfund Payments for Services	-	-	278,381	278,381
Transfers Out	-	-	-	-
Amount Charged to Appropriations (out-flows)	3,496,688	3,836,101	3,776,571	(59,530)
Budgeted Fund Balance, December 31	\$ -	\$ -	\$ 1,183,689	

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, 2018

	Budgeted Amounts		Actual	Variance with Final Budget
	Original Budget	Final Budget		
Budgeted Fund Balance, January 1	\$ 233,715	\$ 233,715	\$ 385,337	
Resources (in-flows)				
Intergovernmental Revenue	160,000	160,000	174,800	14,800
Miscellaneous Revenue	500	500	1,021	521
Total Resources (in-flows)	<u>160,500</u>	<u>160,500</u>	<u>175,821</u>	<u>15,321</u>
Amounts Available for Appropriation	394,215	394,215	561,158	
Charges to Appropriations (out-flows)				
Salaries and Wages	84,145	91,645	87,259	(4,386)
Personnel Benefits	45,323	48,023	45,868	(2,155)
Supplies	13,500	13,500	4,456	(9,044)
Services and Charges	249,247	239,047	41,419	(197,628)
Capital Outlays	2,000	2,000	-	(2,000)
Interfund Payments for Services	-	-	3,488	3,488
Transfers Out	-	-	-	-
Amount Charged to Appropriations (out-flows)	<u>394,215</u>	<u>394,215</u>	<u>182,490</u>	<u>(211,725)</u>
Budgeted Fund Balance, December 31	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 378,668</u>	

SKAGIT COUNTY, WASHINGTON

Emergency Management

Schedule of Revenues, Expenditures and Changes in Fund Balance

Budget (GAAP Basis) and Actual

For the Year Ended December 31, 2018

	Budgeted Amounts		Actual	Variance with Final Budget
	Original Budget	Final Budget		
Budgeted Fund Balance, January 1	\$ 63,673	\$ 63,673	\$ 136,109	
Resources (in-flows)				
Licenses and Permits	-	-	-	-
Intergovernmental Revenue	213,852	213,852	262,993	49,141
Charges for Goods and Services	-	-	-	-
Transfers In	265,322	265,322	265,322	-
Miscellaneous Revenues	-	-	-	-
Total Resources (in-flows)	<u>479,174</u>	<u>479,174</u>	<u>528,315</u>	<u>49,141</u>
Amounts Available for Appropriation	542,847	542,847	664,424	
Charges to Appropriations (out-flows)				
Salaries and Wages	259,222	240,306	218,492	(21,814)
Personnel Benefits	133,126	123,074	111,085	(11,989)
Supplies	36,677	63,345	24,987	(38,358)
Services and Charges	80,617	82,917	76,833	(6,084)
Capital Outlays	-	-	29,811	29,811
Interfund Payments for Services	33,205	33,205	26,251	(6,954)
Transfers Out	-	-	-	-
Amount Charged to Appropriations (out-flows)	<u>542,847</u>	<u>542,847</u>	<u>487,459</u>	<u>(55,388)</u>
Budgeted Fund Balance, December 31	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 176,965</u>	

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, 2018

	Budgeted Amounts		Actual	Variance with Final Budget
	Original Budget	Final Budget		
Budgeted Fund Balance, January 1	\$ 4,141	\$ 28,141	\$ 634,288	
Resources (in-flows)				
Licenses and Permits	-	-	-	-
Intergovernmental Revenue	40,000	40,000	160,418	120,418
Charges for Goods and Services	251,400	251,400	286,951	35,551
Donations	27,000	27,000	60,178	33,178
Other Revenue	52,000	52,000	59,577	7,577
Transfers In	15,000	15,000	15,000	-
Miscellaneous Revenues	-	-	-	-
Total Resources (in-flows)	385,400	385,400	582,124	196,724
Amounts Available for Appropriation	389,541	413,541	1,216,412	
Charges to Appropriations (out-flows)				
Salaries and Wages	137,866	137,866	130,866	(7,000)
Personnel Benefits	54,975	54,975	51,697	(3,278)
Supplies	20,300	20,300	26,283	5,983
Services and Charges	173,600	197,600	198,404	804
Capital Outlays	-	-	-	-
Interfund Payments for Services	2,800	2,800	6,293	3,493
Transfers Out	-	-	-	-
Amount Charged to Appropriations (out-flows)	389,541	413,541	413,543	2
Budgeted Fund Balance, December 31	\$ -	\$ -	\$ 802,869	

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, 2018

	Budgeted Amounts			Variance with Final Budget
	Original Budget	Final Budget	Actual	
Budgeted Fund Balance, January 1	\$ -	\$ 2,772	\$ 677,071	
Resources (in-flows)				
Property Tax	221,347	236,347	259,301	22,954
Sales and Use Tax	4,681	4,681	7,778	3,097
Intergovernmental Revenue	10,511	10,511	21,371	10,860
Interest Revenue	4	4	78	74
Miscellaneous Revenues	61	61	-	(61)
Total Resources (in-flows)	236,604	251,604	288,528	36,924
Amounts Available for Appropriation	236,604	254,376	965,599	
Charges to Appropriations (out-flows)				
Salaries and Wages	-	1,949	1,811	(138)
Personnel Benefits	-	823	804	(19)
Supplies	-	-	-	-
Services and Charges	236,604	251,604	228,502	(23,102)
Capital Outlays	-	-	-	-
Interfund Payments for Services	-	-	3,994	3,994
Transfers Out	-	-	-	-
Amount Charged to Appropriations (out-flows)	236,604	254,376	235,111	(19,265)
Budgeted Fund Balance, December 31	\$ -	\$ -	\$ 730,488	

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, 2018

	Budgeted Amounts		Actual	Variance with Final Budget
	Original Budget	Final Budget		
Budgeted Fund Balance, January 1			\$ 49,603	
Resources (in-flows)				
Charges for Goods and Services	45,800	45,800	45,259	(541)
Donations	-	-	-	-
Transfers In	92,711	95,211	95,211	-
Miscellaneous Revenues	1,500	1,500	1,234	(266)
Total Resources (in-flows)	<u>140,011</u>	<u>142,511</u>	<u>141,704</u>	<u>(807)</u>
Amounts Available for Appropriation	140,011	142,511	191,307	
Charges to Appropriations (out-flows)				
Salaries and Wages	54,785	57,285	57,205	(80)
Personnel Benefits	29,851	29,851	29,301	(550)
Supplies	8,350	8,350	5,276	(3,074)
Services and Charges	47,025	47,025	47,126	101
Capital Outlays	-	-	-	-
Interfund Payments for Services	-	-	-	-
Transfers Out	-	-	-	-
Amount Charged to Appropriations (out-flows)	<u>140,011</u>	<u>142,511</u>	<u>138,908</u>	<u>(3,603)</u>
Budgeted Fund Balance, December 31	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 52,399</u>	

SKAGIT COUNTY, WASHINGTON

River Improvement

Schedule of Revenues, Expenditures and Changes in Fund Balance

Budget (GAAP Basis) and Actual

For the Year Ended December 31, 2018

	Budgeted Amounts		Actual	Variance with Final Budget
	Original Budget	Final Budget		
Budgeted Fund Balance, January 1	\$ (1,659)	\$ (1,659)	\$ 20,088	
Resources (in-flows)				
Intergovernmental Revenue	314,676	314,676	227,878	(86,798)
Charges for Goods and Services	-	-	-	-
Interest Revenue	-	-	19	19
Transfers In	71,645	71,645	47,413	(24,232)
Miscellaneous Revenues	-	-	-	-
Total Resources (in-flows)	386,321	386,321	275,310	(111,011)
Amounts Available for Appropriation	384,662	384,662	295,398	
Charges to Appropriations (out-flows)				
Salaries and Wages	29,384	29,384	24,282	(5,102)
Personnel Benefits	13,665	13,665	12,100	(1,565)
Supplies	-	-	41	41
Services and Charges	296,631	296,631	216,786	(79,845)
Capital Outlays	-	-	-	-
Interfund Payments for Services	44,982	44,982	29,612	(15,370)
Transfers Out	-	-	-	-
Amount Charged to Appropriations (out-flows)	384,662	384,662	282,821	(101,841)
 Budgeted Fund Balance, December 31	 \$ -	 \$ -	 \$ 12,577	

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, 2018

	Budgeted Amounts		Actual	Variance with Final Budget
	Original Budget	Final Budget		
Budgeted Fund Balance, January 1	\$ 68,660	\$ 104,258	\$ 722,882	
Resources (in-flows)				
Intergovernmental Revenue	70,000	70,000	69,490	(510)
Charges for Goods and Services	65,000	65,000	62,254	(2,746)
Interest Revenue	2,750	2,750	6,274	3,524
Total Resources (in-flows)	<u>137,750</u>	<u>137,750</u>	<u>138,018</u>	<u>268</u>
Amounts Available for Appropriation	206,410	242,008	860,900	
Charges to Appropriations (out-flows)				
Salaries and Wages	47,989	71,383	66,359	(5,024)
Personnel Benefits	28,051	40,255	30,808	(9,447)
Supplies	-	-	-	-
Services and Charges	130,370	130,370	112,646	(17,724)
Capital Outlays	-	-	-	-
Interfund Payments for Services	-	-	3,163	3,163
Transfers Out	-	-	-	-
Amount Charged to Appropriations (out-flows)	<u>206,410</u>	<u>242,008</u>	<u>212,976</u>	<u>(29,032)</u>
Budgeted Fund Balance, December 31	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 647,924</u>	

SKAGIT COUNTY, WASHINGTON

Election Services

Schedule of Revenues, Expenditures and Changes in Fund Balance

Budget (GAAP Basis) and Actual

For the Year Ended December 31, 2018

	Budgeted Amounts			Variance with Final Budget
	Original Budget	Final Budget	Actual	
Budgeted Fund Balance, January 1	\$ 99,999	\$ 139,561	\$ 656,761	
Resources (in-flows)				
Intergovernmental Revenue	-	32,631	-	(32,631)
Charges for Goods and Services	365,000	365,000	449,174	84,174
Investment interest	-	-	2,010	2,010
Transfers In	284,053	284,053	284,053	-
Miscellaneous Revenues	50	50	32,631	32,581
Total Resources (in-flows)	<u>649,103</u>	<u>681,734</u>	<u>767,868</u>	<u>86,134</u>
Amounts Available for Appropriation	749,102	821,295	1,424,629	
Charges to Appropriations (out-flows)				
Salaries and Wages	228,843	244,365	231,605	(12,760)
Personnel Benefits	98,269	99,809	101,903	2,094
Supplies	6,000	6,000	1,950	(4,050)
Services and Charges	415,990	471,121	447,558	(23,563)
Capital Outlays	-	-	-	-
Interfund Payments for Services	-	-	-	-
Transfers Out	-	-	-	-
Amount Charged to Appropriations (out-flows)	<u>749,102</u>	<u>821,295</u>	<u>783,016</u>	<u>(38,279)</u>
Budgeted Fund Balance, December 31	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 641,612</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, 2018

	Budgeted Amounts		Actual	Variance with Final Budget
	Original Budget	Final Budget		
Budgeted Fund Balance, January 1	\$ 143,801	\$ 143,801	\$ 962,912	
Resources (in-flows)				
Intergovernmental Revenue	3,000	3,000	-	(3,000)
Charges for Goods and Services	399,095	399,095	394,834	(4,261)
Interest Revenue	2,764	2,764	6,934	4,170
Donations	8,000	8,000	11,969	3,969
Transfers In	949,583	949,583	949,583	-
Miscellaneous Revenues	185,720	185,720	245,218	59,498
Total Resources (in-flows)	1,548,162	1,548,162	1,608,538	60,376
Amounts Available for Appropriation	1,691,963	1,691,963	2,571,450	
Charges to Appropriations (out-flows)				
Salaries and Wages	641,995	641,995	585,153	(56,842)
Personnel Benefits	317,352	317,352	291,745	(25,607)
Supplies	87,973	87,973	66,526	(21,447)
Services and Charges	630,174	630,174	637,699	7,525
Capital Outlays	6,300	6,300	6,305	5
Interfund Payments for Services	8,169	8,169	9,750	1,581
Transfers Out	-	-	-	-
Amount Charged to Appropriations (out-flows)	1,691,963	1,691,963	1,597,178	(94,785)
Budgeted Fund Balance, December 31	\$ -	\$ -	\$ 974,272	

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, 2018

	Budgeted Amounts		Actual	Variance with Final Budget
	Original Budget	Final Budget		
Budgeted Fund Balance, January 1	\$ 78,931	\$ 90,951	\$ 559,580	
Resources (in-flows)				
Intergovernmental Revenue	532,504	729,632	699,673	(29,959)
Charges for services	-	-	3,712	
Miscellaneous Revenue	-	28,412	24,700	(3,712)
Transfers In	-	-	-	-
Total Resources (in-flows)	<u>532,504</u>	<u>758,044</u>	<u>728,085</u>	<u>(33,671)</u>
Amounts Available for Appropriation	611,435	848,995	1,287,665	
Charges to Appropriations (out-flows)				
Salaries and Wages	87,054	66,740	69,089	2,349
Personnel Benefits	44,087	32,579	33,486	907
Supplies	3,500	8,500	27,011	18,511
Services and Charges	476,794	741,176	636,859	(104,317)
Capital Outlays	-	-	-	-
Interfund Payments for Services	-	-	9,488	9,488
Transfers Out	-	-	-	-
Amount Charged to Appropriations (out-flows)	<u>611,435</u>	<u>848,995</u>	<u>775,933</u>	<u>(73,062)</u>
Budgeted Fund Balance, December 31	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 511,732</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, 2018

	Budgeted Amounts		Actual	Variance with Final Budget
	Original Budget	Final Budget		
Budgeted Fund Balance, January 1	\$ 116,385	\$ 174,839	\$ 370,620	
Resources (in-flows)				
Intergovernmental Revenue	1,009,868	1,168,640	1,077,406	(91,234)
Charges for Goods and Services	3,400	3,400	997	(2,403)
Donations	367,072	367,072	376,077	9,005
Transfers In	1,094,928	1,094,928	1,094,928	-
Miscellaneous Revenues	13,186	13,186	11,205	(1,981)
Total Resources (in-flows)	2,488,454	2,647,226	2,560,613	(86,613)
Amounts Available for Appropriation	2,604,839	2,822,065	2,931,233	
Charges to Appropriations (out-flows)				
Salaries and Wages	787,201	835,778	767,285	(68,493)
Personnel Benefits	466,356	476,233	466,356	(9,877)
Supplies	442,942	442,942	473,169	30,227
Services and Charges	908,340	1,067,112	853,155	(213,957)
Capital Outlays	-	-	15,733	15,733
Interfund Payments for Services	-	-	-	-
Transfers Out	-	-	-	-
Amount Charged to Appropriations (out-flows)	2,604,839	2,822,065	2,575,698	(246,367)
 Budgeted Fund Balance, December 31	 \$ -	 \$ -	 \$ 355,535	

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, 2018

	Budgeted Amounts		Actual	Variance with Final Budget
	Original Budget	Final Budget		
Budgeted Fund Balance, January 1			\$ 507,139	
Resources (in-flows)				
Sales and Use Tax	375,000	375,000	478,150	103,150
Miscellaneous Revenue		-	-	-
Interest Revenue	-	-	2,287	2,287
Total Resources (in-flows)	375,000	375,000	480,437	105,437
Amounts Available for Appropriation	375,000	375,000	987,576	
Charges to Appropriations (out-flows)				
Salaries and Wages				-
Personnel Benefits				-
Supplies				-
Services and Charges	253,900	253,900	213,182	(40,718)
Capital Outlays	-			-
Interfund Payments for Services	121,100	121,100	-	(121,100)
Transfers Out	-	-	121,100	121,100
Amount Charged to Appropriations (out-flows)	375,000	375,000	334,282	(40,718)
 Budgeted Fund Balance, December 31	\$ -	\$ -	\$ 653,294	

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, 2018

	Budgeted Amounts		Actual	Variance with Final Budget
	Original Budget	Final Budget		
Budgeted Fund Balance, January 1	\$ 161,772	\$ 201,772	\$ 211,924	
Resources (in-flows)				
Property Tax	1,450,000	1,450,000	1,478,541	28,541
Intergovernmental Revenue	613,914	613,914	342,379	(271,535)
Charges for Goods and Services	-	-	-	-
Interest Revenue	-	-	-	-
Miscellaneous Revenues	3,570	3,570	8,405	4,835
Transfers In	-	-	-	-
Total Resources (in-flows)	<u>2,067,484</u>	<u>2,067,484</u>	<u>1,829,325</u>	<u>(238,159)</u>
Amounts Available for Appropriation	2,229,256	2,269,256	2,041,249	
Charges to Appropriations (out-flows)				
Salaries and Wages	496,771	536,771	494,249	(42,522)
Personnel Benefits	245,913	245,913	252,997	7,084
Supplies	42,950	42,950	32,056	(10,894)
Services and Charges	1,122,905	1,122,905	780,794	(342,111)
Capital Outlays	-	-	-	-
Interfund Payments for Services	320,717	320,717	236,870	(83,847)
Transfers Out	-	-	-	-
Amount Charged to Appropriations (out-flows)	<u>2,229,256</u>	<u>2,269,256</u>	<u>1,796,966</u>	<u>(472,290)</u>
Budgeted Fund Balance, December 31	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 244,283</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, 2018

	Budgeted Amounts			Variance with Final Budget
	Original Budget	Final Budget	Actual	
Budgeted Fund Balance, January 1	\$ 568,181	\$ 568,181	\$ 3,227,312	
Resources (in-flows)				
Property Tax	827,998	827,998	904,131	76,133
Sales and Use Tax	10,740	10,740	27,087	16,347
Intergovernmental Revenue	16,800	16,800	74,406	57,606
Interest Revenue	1,931	1,931	11,541	9,610
Donations	50	50	35	(15)
Miscellaneous Revenues	217	217	271	54
Total Resources (in-flows)	<u>857,736</u>	<u>857,736</u>	<u>1,017,471</u>	<u>159,735</u>
Amounts Available for Appropriation	1,425,917	1,425,917	4,244,783	
Charges to Appropriations (out-flows)				
Salaries and Wages	46,720	46,720	26,684	(20,036)
Personnel Benefits	25,372	25,372	13,461	(11,911)
Supplies	200	200	-	(200)
Services and Charges	86,057	86,057	63,625	(22,432)
Capital Outlays	1,200,000	1,200,000	105,564	(1,094,436)
Interfund Payments for Services	67,568	67,568	15,657	(51,911)
Transfers Out	-	-	-	-
Amount Charged to Appropriations (out-flows)	<u>1,425,917</u>	<u>1,425,917</u>	<u>224,991</u>	<u>(1,200,926)</u>
Budgeted Fund Balance, December 31	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 4,019,792</u>	

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, 2018

	Budgeted Amounts			Variance with Final Budget
	Original Budget	Final Budget	Actual	
Budgeted Fund Balance, January 1	\$ 287,957	\$ 1,431,257	\$ 5,302,741	
Resources (in-flows)				
Property Tax	6,005,642	6,005,642	6,197,113	191,471
Sales and Use Tax	115,000	115,000	-	(115,000)
Intergovernmental Revenue	148,370	148,370	495,798	347,428
Charges for Services	18,000	18,000	61,949	43,949
Interest Revenue	20,000	20,000	43,747	23,747
Transfers In	-	-	-	-
Miscellaneous Revenues	-	-	1,806	1,806
Total Resources (in-flows)	6,307,012	6,307,012	6,800,413	493,401
Amounts Available for Appropriation	6,594,969	7,738,269	12,103,154	
Charges to Appropriations (out-flows)				
Salaries and Wages	315,744	315,744	199,030	(116,714)
Personnel Benefits	125,010	125,010	94,069	(30,941)
Supplies	192,205	247,205	273,805	26,600
Services and Charges	1,429,185	1,514,185	1,766,895	252,710
Capital Outlays	744,000	744,000	192,823	(551,177)
Interfund Payments for Services	3,788,825	4,792,125	5,211,643	419,518
Transfers Out	-	-	-	-
Amount Charged to Appropriations (out-flows)	6,594,969	7,738,269	7,738,265	(4)
 Budgeted Fund Balance, December 31	 \$ -	 \$ -	 \$ 4,364,889	

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, 2018

	Budgeted Amounts		Actual	Variance with Final Budget
	Original Budget	Final Budget		
Budgeted Fund Balance, January 1	\$ 13,929	\$ 63,929	\$ 138,677	
Resources (in-flows)				
Charges for Goods and Services	75,000	75,000	103,439	28,439
Interest Revenue	500	500	2,088	1,588
Total Resources (in-flows)	<u>75,500</u>	<u>75,500</u>	<u>105,527</u>	<u>30,027</u>
Amounts Available for Appropriation	89,429	139,429	244,204	
Charges to Appropriations (out-flows)				
Salaries and Wages	20,109	53,609	32,157	(21,452)
Personnel Benefits	13,520	30,020	20,092	(9,928)
Supplies	500	500	167	(333)
Services and Charges	5,300	5,300	845	(4,455)
Capital Outlays	-	-	-	-
Interfund Payments for Services	50,000	50,000	50,000	-
Transfers Out	-	-	-	-
Amount Charged to Appropriations (out-flows)	<u>89,429</u>	<u>139,429</u>	<u>103,261</u>	<u>(36,168)</u>
Budgeted Fund Balance, December 31	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 140,943</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, 2018

	Budgeted Amounts		Actual	Variance with Final Budget
	Original Budget	Final Budget		
Budgeted Fund Balance, January 1	\$ -	\$ -	\$ 1,115,694	
Resources (in-flows)				
Sales and Use Tax	4,655,000	4,755,000	4,659,252	(95,748)
Other Tax	-	-	-	-
Interest Earnings	800	800	1,622	822
Intergovernmental Revenue	45,000	550,097	543,177	(6,920)
Total Resources (in-flows)	<u>4,700,800</u>	<u>5,305,897</u>	<u>5,204,051</u>	<u>(101,846)</u>
Amounts Available for Appropriation	4,700,800	5,305,897	6,319,745	
Charges to Appropriations (out-flows)				
Salaries and Wages	-	-	-	-
Personnel Benefits	-	-	-	-
Supplies	-	-	-	-
Services and Charges	4,700,800	5,305,897	5,133,665	(172,232)
Capital Outlays	-	-	-	-
Interfund Payments for Services	-	-	-	-
Transfers Out	-	-	-	-
Amount Charged to Appropriations (out-flows)	<u>4,700,800</u>	<u>5,305,897</u>	<u>5,133,665</u>	<u>(172,232)</u>
Budgeted Fund Balance, December 31	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 1,186,080</u>	

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, 2018

	Budgeted Amounts		Actual	Variance with Final Budget
	Original Budget	Final Budget		
Budgeted Fund Balance, January 1	\$ (11,919)	\$ (11,390)	\$ 482,974	
Resources (in-flows)				
Property Tax	-	-	-	-
Intergovernmental Revenue	20,000	20,000	278,722	258,722
Charges for Goods and Services	1,900	1,900	2,100	200
Interest Revenue	1,200	1,200	2,225	1,025
Proceeds of Long Term Debt	300,000	300,000	-	(300,000)
Total Resources (in-flows)	<u>323,100</u>	<u>323,100</u>	<u>283,047</u>	<u>(40,053)</u>
Amounts Available for Appropriation	311,181	311,710	766,021	
Charges to Appropriations (out-flows)				
Salaries and Wages	6,147	6,586	1,506	(5,080)
Personnel Benefits	3,284	3,374	662	(2,712)
Supplies	-	-	-	-
Services and Charges	301,750	301,750	254,400	(47,350)
Capital Outlays	-	-	-	-
Interfund Payments for Services	-	-	-	-
Transfers Out	-	-	-	-
Amount Charged to Appropriations (out-flows)	<u>311,181</u>	<u>311,710</u>	<u>256,568</u>	<u>(55,142)</u>
Budgeted Fund Balance, December 31	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 509,453</u>	

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, 2018

	Budgeted Amounts		Actual	Variance with Final Budget
	Original Budget	Final Budget		
Budgeted Fund Balance, January 1	\$ 302,200	\$ 560,649	\$ 1,510,036	
Resources (in-flows)				
Licenses and Permits	702,000	702,000	867,095	165,095
Intergovernmental Revenue	11,000	11,000	13,698	2,698
Charges for Goods and Services	741,440	741,440	912,777	171,337
Fines and Forfeits	2,500	2,500	1,627	(873)
Interest Earnings	-	-	-	-
Transfers In	1,473,736	1,473,736	1,473,736	-
Miscellaneous Revenues	1,000	1,000	1,970	970
Total Resources (in-flows)	<u>2,931,676</u>	<u>2,931,676</u>	<u>3,270,903</u>	<u>339,227</u>
Amounts Available for Appropriation	3,233,876	3,492,325	4,780,939	
Charges to Appropriations (out-flows)				
Salaries and Wages	2,026,568	2,237,806	2,137,498	(100,308)
Personnel Benefits	950,711	978,572	951,297	(27,275)
Supplies	15,950	15,950	19,132	3,182
Services and Charges	238,447	257,797	188,493	(69,304)
Capital Outlays	-	-	-	-
Interfund Payments for Services	2,200	2,200	1,659	(541)
Transfers Out	-	-	-	-
Amount Charged to Appropriations (out-flows)	<u>3,233,876</u>	<u>3,492,325</u>	<u>3,298,079</u>	<u>(194,246)</u>
Budgeted Fund Balance, December 31	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 1,482,860</u>	

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, 2018

	Budgeted Amounts		Actual	Variance with Final Budget
	Original Budget	Final Budget		
Budgeted Fund Balance, January 1	\$ (2,038)	\$ (2,038)	\$ 93,839	
Resources (in-flows)				
Other Tax	58,000	58,000	61,000	3,000
Interest Earnings	-	-	-	-
Total Resources (in-flows)	58,000	58,000	61,000	3,000
Amounts Available for Appropriation	55,962	55,962	154,839	
Charges to Appropriations (out-flows)				
Salaries and Wages	6,515	6,515	2,386	(4,129)
Personnel Benefits	3,247	3,247	1,139	(2,108)
Supplies	-	-	-	-
Services and Charges	46,200	46,200	44,800	(1,400)
Capital Outlays	-	-	-	-
Interfund Payments for Services	-	-	-	-
Transfers Out	-	-	-	-
Amount Charged to Appropriations (out-flows)	55,962	55,962	48,325	(7,637)
 Budgeted Fund Balance, December 31	 \$ -	 \$ -	 \$ 106,514	

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, 2018

	Budgeted Amounts		Actual	Variance with Final Budget
	Original Budget	Final Budget		
Budgeted Fund Balance, January 1	\$ 7,161	\$ 7,161	\$ 55,722	
Resources (in-flows)				
Other Tax	15,000	15,000	14,520	(480)
Interest Earnings	90	90	-	(90)
Total Resources (in-flows)	15,090	15,090	14,520	(480)
Amounts Available for Appropriation	22,251	22,251	70,242	
Charges to Appropriations (out-flows)				
Salaries and Wages	6,515	6,515	4,941	(1,574)
Personnel Benefits	3,247	3,247	2,193	(1,054)
Supplies	50	50	-	(50)
Services and Charges	12,439	12,439	13,311	872
Capital Outlays	-	-	-	-
Interfund Payments for Services	-	-	-	-
Transfers Out	-	-	-	-
Amount Charged to Appropriations (out-flows)	22,251	22,251	20,445	(1,806)
 Budgeted Fund Balance, December 31	 \$ -	 \$ -	 \$ 49,797	

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, 2018

	Budgeted Amounts		Actual	Variance with Final Budget
	Original Budget	Final Budget		
Budgeted Fund Balance, January 1	\$ 18,806	\$ 18,806	\$ 41,071	
Resources (in-flows)				
Other Tax	29,000	29,000	28,519	(481)
Interest Earnings	106	106	-	(106)
Total Resources (in-flows)	<u>29,106</u>	<u>29,106</u>	<u>28,519</u>	<u>(587)</u>
Amounts Available for Appropriation	47,912	47,912	69,590	
Charges to Appropriations (out-flows)				
Salaries and Wages	6,515	6,515	1,588	(4,927)
Personnel Benefits	3,247	3,247	790	(2,457)
Supplies	50	50	-	(50)
Services and Charges	38,100	38,100	36,280	(1,820)
Capital Outlays	-	-	-	-
Interfund Payments for Services	-	-	-	-
Transfers Out	-	-	-	-
Amount Charged to Appropriations (out-flows)	<u>47,912</u>	<u>47,912</u>	<u>38,658</u>	<u>(9,254)</u>
Budgeted Fund Balance, December 31	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 30,932</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, 2018

	Budgeted Amounts			Variance with Final Budget
	Original Budget	Final Budget	Actual	
Budgeted Fund Balance, January 1	\$ 7,841	\$ 7,841	\$ 27,907	
Resources (in-flows)				
Other Tax	20,895	20,895	20,670	(225)
Interest Earnings	76	76	-	(76)
Total Resources (in-flows)	20,971	20,971	20,670	(301)
Amounts Available for Appropriation	28,812	28,812	48,577	
Charges to Appropriations (out-flows)				
Salaries and Wages	6,515	6,515	2,871	(3,644)
Personnel Benefits	3,247	3,247	1,384	(1,863)
Supplies	50	50	-	(50)
Services and Charges	19,000	19,000	14,370	(4,630)
Capital Outlays	-	-	-	-
Interfund Payments for Services	-	-	-	-
Transfers Out	-	-	-	-
Amount Charged to Appropriations (out-flows)	28,812	28,812	18,625	(10,187)
 Budgeted Fund Balance, December 31	 \$ -	 \$ -	 \$ 29,952	

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, 2018

	Budgeted Amounts		Actual	Variance with Final Budget
	Original Budget	Final Budget		
Budgeted Fund Balance, January 1	\$ (13,798)	\$ 15,512	\$ 359,723	
Resources (in-flows)				
Property Tax	80,000	80,000	87,606	7,606
Charges for Goods and Services	-	-	-	-
Interest Earnings	-	-	-	-
Miscellaneous Revenues	-	-	-	-
Total Resources (in-flows)	<u>80,000</u>	<u>80,000</u>	<u>87,606</u>	<u>7,606</u>
Amounts Available for Appropriation	66,202	95,512	447,329	
Charges to Appropriations (out-flows)				
Salaries and Wages	3,192	4,092	3,767	(325)
Personnel Benefits	1,465	1,875	1,691	(184)
Supplies	3,000	3,000	47	(2,953)
Services and Charges	58,545	86,545	61,266	(25,279)
Capital Outlays	-	-	-	-
Interfund Payments for Services	-	-	-	-
Transfers Out	-	-	-	-
Amount Charged to Appropriations (out-flows)	<u>66,202</u>	<u>95,512</u>	<u>66,771</u>	<u>(28,741)</u>
Budgeted Fund Balance, December 31	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 380,558</u>	

SKAGIT COUNTY, WASHINGTON

Drug Enforcement Cumulative

Schedule of Revenues, Expenditures and Changes in Fund Balance

Budget (GAAP Basis) and Actual

For the Year Ended December 31, 2018

	Budgeted Amounts			Variance with Final Budget
	Original Budget	Final Budget	Actual	
Budgeted Fund Balance, January 1	\$ (976)	\$ 32,962	\$ 177,647	
Resources (in-flows)				
Intergovernmental Revenue	-	-	-	-
Interest Revenue	1,400	1,400	2,726	1,326
Miscellaneous Revenues	2,000	2,000	-	(2,000)
Total Resources (in-flows)	3,400	3,400	2,726	(674)
Amounts Available for Appropriation	2,424	36,362	180,373	
Charges to Appropriations (out-flows)				
Salaries and Wages	-	-	-	-
Personnel Benefits	-	-	-	-
Supplies	2,424	25,362	24,388	(974)
Services and Charges	-	-	750	750
Capital Outlays	-	11,000	11,000	-
Interfund Payments for Services	-	-	-	-
Transfers Out	-	-	-	-
Amount Charged to Appropriations (out-flows)	2,424	36,362	36,138	(224)
Budgeted Fund Balance, December 31	\$ -	\$ -	\$ 144,235	

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, 2018

	Budgeted Amounts		Actual	Variance with Final Budget
	Original Budget	Final Budget		
Budgeted Fund Balance, January 1	\$ 51,910	\$ 51,910	\$ 76,716	
Resources (in-flows)				
Intergovernmental Revenue	76,000	76,000	73,395	(2,605)
Interest Earnings	500	500	689	189
Miscellaneous Revenues	1,500	1,500	-	(1,500)
Total Resources (in-flows)	<u>78,000</u>	<u>78,000</u>	<u>74,084</u>	<u>(3,916)</u>
Amounts Available for Appropriation	129,910	129,910	150,800	
Charges to Appropriations (out-flows)				
Salaries and Wages	40,000	40,000	20,942	(19,058)
Personnel Benefits	12,610	12,610	7,318	(5,292)
Supplies	16,000	16,000	11,315	(4,685)
Services and Charges	61,300	61,300	11,878	(49,422)
Capital Outlays	-	-	-	-
Interfund Payments for Services	-	-	-	-
Transfers Out	-	-	-	-
Amount Charged to Appropriations (out-flows)	<u>129,910</u>	<u>129,910</u>	<u>51,453</u>	<u>(78,457)</u>
Budgeted Fund Balance, December 31	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 99,347</u>	

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, 2018

	Budgeted Amounts		Actual	Variance with Final Budget
	Original Budget	Final Budget		
Budgeted Fund Balance, January 1	\$ 60,357	\$ 144,814	\$ 212,853	
Resources (in-flows)				
Charges for Goods and Services	159,004	199,829	162,367	(37,462)
Intergovernmental Revenue	306,132	306,132	101,540	(204,592)
Interest Revenue	500	500	-	(500)
Total Resources (in-flows)	<u>465,636</u>	<u>506,461</u>	<u>263,907</u>	<u>(242,554)</u>
Amounts Available for Appropriation	525,993	651,275	476,760	
Charges to Appropriations (out-flows)				
Salaries and Wages	13,181	13,857	9,843	(4,014)
Personnel Benefits	6,680	6,829	5,836	(993)
Supplies	-	-	-	-
Services and Charges	506,132	630,589	327,773	(302,816)
Capital Outlays	-	-	-	-
Interfund Payments for Services	-	-	4,282	4,282
Transfers Out	-	-	-	-
Amount Charged to Appropriations (out-flows)	<u>525,993</u>	<u>651,275</u>	<u>347,734</u>	<u>(303,541)</u>
Budgeted Fund Balance, December 31	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 129,026</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, 2018

	Budgeted Amounts		Actual	Variance with Final Budget
	Original Budget	Final Budget		
Budgeted Fund Balance, January 1	\$ -	\$ -	\$ 18	
Resources (in-flows)				
Intergovernmental Revenue	-	37,407	37,407	-
Total Resources (in-flows)	-	37,407	37,407	-
Amounts Available for Appropriation	-	37,407	37,425	
Charges to Appropriations (out-flows)				
Salaries and Wages	-	-	-	-
Personnel Benefits	-	-	-	-
Supplies	-	-	-	-
Services and Charges	-	37,407	3,624	(33,783)
Capital Outlays	-	-	-	-
Interfund Payments for Services	-	-	-	-
Transfers Out	-	-	-	-
Amount Charged to Appropriations (out-flows)	-	37,407	3,624	(33,783)
Budgeted Fund Balance, December 31	\$ -	\$ -	\$ 33,801	

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, 2018**

	Budgeted Amounts		Actual	Variance with Final Budget
	Original Budget	Final Budget		
Budgeted Fund Balance, January 1	\$ 22,000	\$ 22,000	\$ 271,271	
Resources (in-flows)				
Sales and Use Tax			-	-
Intergovernmental	14,000	14,000	14,814	814
Services and Charges	14,000	14,000	14,167	167
Interest Revenue	-	-	1,196	1,196
Total Resources (in-flows)	<u>28,000</u>	<u>28,000</u>	<u>30,177</u>	<u>2,177</u>
Amounts Available for Appropriation	50,000	50,000	301,448	
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)	<u>50,000</u>	<u>50,000</u>	<u>-</u>	<u>(50,000)</u>
Budgeted Fund Balance, December 31	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 301,447</u>	

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, 2018

	Budgeted Amounts			Variance with Final Budget
	Original Budget	Final Budget	Actual	
Budgeted Fund Balance, January 1	\$ 50,709	\$ 81,696	\$ 212,812	
Resources (in-flows)				
Intergovernmental Revenue	1,266,640	1,996,214	1,525,779	(470,435)
Charges for Goods and Services	844,010	907,546	914,140	6,594
Interest Revenue	150	150	508	358
Total Resources (in-flows)	<u>2,110,800</u>	<u>2,903,910</u>	<u>2,440,427</u>	<u>6,952</u>
Amounts Available for Appropriation	2,161,509	2,985,606	2,653,239	
Charges to Appropriations (out-flows)				
Salaries and Wages	108,063	131,263	90,009	(41,254)
Personnel Benefits	55,329	73,236	48,259	(24,977)
Supplies	-	-	5,525	5,525
Services and Charges	1,998,117	2,781,107	2,255,787	(525,320)
Capital Outlays	-	-	-	-
Interfund Payments for Services	-	-	21,175	21,175
Transfers Out	-	-	-	-
Amount Charged to Appropriations (out-flows)	<u>2,161,509</u>	<u>2,985,606</u>	<u>2,420,755</u>	<u>(564,851)</u>
Budgeted Fund Balance, December 31	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 232,484</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, 2018

	Budgeted Amounts			Variance with Final Budget
	Original Budget	Final Budget	Actual	
Budgeted Fund Balance, January 1	\$ 87,350	\$ 87,350	\$ 175,310	
Resources (in-flows)				
Intergovernmental Revenue	135,000	135,000	-	(135,000)
Charges for Goods and Services	-	-	-	-
Fines and Forfeits	167,500	167,500	83,647	(83,853)
Interest Revenue	600	600	1,461	861
Miscellaneous Revenues	12,000	12,000	7,866	(4,134)
Total Resources (in-flows)	<u>315,100</u>	<u>315,100</u>	<u>92,974</u>	<u>(222,126)</u>
Amounts Available for Appropriation	402,450	402,450	268,284	
Charges to Appropriations (out-flows)				
Salaries and Wages	55,775	55,775	-	(55,775)
Personnel Benefits	30,057	30,057	-	(30,057)
Supplies	24,000	24,000	3,397	(20,603)
Services and Charges	207,550	207,550	150,097	(57,453)
Capital Outlays	20,000	20,000	-	(20,000)
Interfund Payments for Services	65,068	65,068	8,709	(56,359)
Transfers Out	-	-	-	-
Amount Charged to Appropriations (out-flows)	<u>402,450</u>	<u>402,450</u>	<u>162,203</u>	<u>(240,247)</u>
Budgeted Fund Balance, December 31	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 106,081</u>	

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, 2018

SKAGIT COUNTY, WASHINGTON
BALANCE SHEET
Combining Nonmajor Debt Service Fund
As of December 31, 2018

ASSETS AND OTHER DEBITS:	TOTALS
ASSETS:	
Cash	\$ 1,196,582
Investments	914,295
Accounts Receivable	-
Interfund Loans Receivable	89,033
TOTAL ASSETS	2,199,910
 LIABILITIES AND FUND BALANCES	
LIABILITIES	
Unearned Revenue	-
Interfund Loans Payable	94,533
TOTAL LIABILITIES	94,533
Deferred Inflow of Resources	-
 FUND BALANCES	
Reserved for Debt Service	2,105,377
TOTAL FUND BALANCES	2,105,377
 TOTAL LIABILITIES AND FUND BALANCES	\$ 2,199,910

SKAGIT COUNTY, WASHINGTON
Combining Statement of Revenues, Expenditures
And Changes in Fund Balances
DEBT SERVICE FUND
For the Year Ended December 31, 2018

REVENUES:	Total
Interest Revenue	\$ 77,278
Miscellaneous Revenues	1,055,145
TOTAL REVENUES	1,132,423
EXPENDITURES:	
Debt Service: Principal	3,846,663
Debt Service: Interest and Related Costs	457,443
TOTAL EXPENDITURES	4,304,106
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	(3,171,683)
OTHER FINANCING SOURCES (USES):	
Transfers In	3,431,001
Proceeds of Long Term Debt	-
TOTAL OTHER FINANCING SOURCES (USES)	3,431,001
EXCESS (DEFICIENCY) OF REVENUES AND OTHER FINANCING SOURCES OVER EXPENDITURES AND OTHER FINANCING USES	259,318
FUND BALANCES:	
Fund Balance, January 1	1,846,059
FUND BALANCE, DECEMBER 31	\$ 2,105,377

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, 2018

	<u>Budgeted Amounts</u>			Variance with Final Budget
	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	
Budgeted Fund Balance, January 1	\$ (138,641)	\$ (138,641)	\$ 1,846,059	
Resources (in-flows)				
Intergovernmental Revenues	-	-	-	-
Transfers In	1,994,274	4,071,170	3,431,001	(640,169)
Interest Revenue	-	-	77,278	77,278
Other Revenue	373,050	373,050	1,055,145	682,095
Total Resources (in-flows)	<u>2,367,324</u>	<u>4,444,220</u>	<u>4,563,424</u>	<u>119,204</u>
Amounts Available for Appropriation	2,228,683	4,305,579	6,409,483	
Charges to Appropriations (out-flows)				
Debt Service				-
Principal	1,691,163	3,846,163	3,846,663	500
Interest	537,520	459,416	457,443	(1,973)
Transfers Out	-	-	-	-
Amount Charged to Appropriations (out-flows)	<u>2,228,683</u>	<u>4,305,579</u>	<u>4,304,106</u>	<u>(1,473)</u>
Budgeted Fund Balance, December 31	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 2,105,377</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, 2018

ASSETS:	FACILITY IMPROVEMENTS	CAPITAL IMPROVEMENT	DISTRESSED PUBLIC IMPROVEMENTS	PARKS IMPROVEMENT	TOTALS
ASSETS:					
Cash	\$ 3,472,090	\$ 3,283,694	\$ 3,660,895	\$ 231,477	\$ 10,648,156
Investments	204,052	675,933	2,660,845	-	3,540,830
Due from Other Funds	-	-	-	-	-
Due from another government unit	33,550	-	537,888	24,972	596,410
TOTAL ASSETS	3,709,692	3,959,627	6,859,628	256,449	14,785,396
LIABILITIES AND FUND BALANCES					
LIABILITIES:					
Accounts/vouchers payable	390,167	-	16,716	12,834	419,717
Due to other funds	7,523	-	-	3,431	10,954
Unearned Revenue	2,127,633	-	-	-	2,127,633
TOTAL LIABILITIES	2,525,323	-	16,716	16,265	2,558,304
FUND BALANCES					
Fund balances:					
Nonspendable	-	-	-	-	-
Restricted	1,550,000	3,959,627	6,842,912	240,184	12,592,723
Committed	-	-	-	-	-
Unassigned	-	-	-	-	-
TOTAL FUND BALANCES	1,550,000	3,959,627	6,842,912	240,184	12,592,723
TOTAL LIABILITIES AND FUND BALANCES	\$ 4,075,323	\$ 3,959,627	\$ 6,859,628	\$ 256,449	\$ 15,151,027

SKAGIT COUNTY, WASHINGTON
COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES
IN FUND BALANCE
NONMAJOR CAPITAL PROJECTS FUNDS
For the Year Ended December 31, 2018

	Facility IMPROVEMENTS FUND	CAPITAL IMPROVEMENTS FUND	DISTRESSED PUBLIC IMPROVEMENT	PARK IMPROVEMENT FUND	TOTALS
REVENUES:					
Other Taxes	\$ -	\$ 2,241,481	\$ -	\$ -	\$ 2,241,481
Excise Taxes	-	-	3,083,499	-	3,083,499
Intergovernmental Revenue	33,550	-	-	24,972	58,522
Charges for Goods and Services	453,497	-	-	10,241	463,738
Interest Revenue	3,498	13,285	71,051	-	87,834
Other Revenue	-	-	-	-	-
TOTAL REVENUES	490,545	2,254,766	3,154,550	35,213	5,935,074
EXPENDITURES:					
Current					
Economic Environment	365,631	-	1,902,531	-	2,268,162
Culture and Recreation	-	-	-	316,378	316,378
Capital Outlay	1,336,212	-	-	-	1,336,212
Total Expenditures	1,336,212	-	1,902,531	316,378	3,920,752
TOTAL EXPENDITURES	1,336,212	-	1,902,531	316,378	3,920,752
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	(845,667)	2,254,766	1,252,019	(281,165)	2,014,322
OTHER FINANCING SOURCES (USES):					
Issuance of Long Term Debt	-	-	-	-	-
Proceeds of Capital Assets	-	-	-	-	-
Transfers In	631,502	-	-	360,000	991,502
Transfers Out	-	(1,645,913)	(2,669,589)	-	(4,315,502)
TOTAL OTHER FINANCING SOURCES (USES)	631,502	(1,645,913)	(2,669,589)	360,000	(3,324,000)
EXCESS (DEFICIENCY) OF REVENUES AND OTHER FINANCING SOURCES OVER EXPENDITURES AND OTHER FINANCING USE	(214,165)	608,853	(1,417,570)	78,835	(1,309,678)
FUND BALANCES:					
Fund Balance, January 1	1,764,165	3,350,774	8,260,482	161,349	13,536,770
Prior Period Adjustment	-	-	-	-	-
FUND BALANCE, DECEMBER 31	\$ 1,550,000	\$ 3,959,627	\$ 6,842,912	\$ 240,184	\$ 12,592,723

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, 2018

	Budgeted Amounts			Variance with Final Budget
	Original Budget	Final Budget	Actual	
Budgeted Fund Balance, January 1	\$ -	\$ 2,500	\$ 1,764,165	
Resources (in-flows)				
Intergovernmental Revenues	-	-	33,550	33,550
Proceeds of Lt Debt	-	-	-	-
Transfers In	1,987,752	1,987,752	631,502	(1,356,250)
Interest Revenue	-	-	3,498	3,498
Other Revenue	-	-	453,497	453,497
Total Resources (in-flows)	1,987,752	1,987,752	1,122,047	(865,705)
Amounts Available for Appropriation	1,987,752	1,990,252	2,886,212	
Charges to Appropriations (out-flows)				
Salaries and Wages	83,538	85,038	84,548	(490)
Personnel Benefits	38,714	39,714	39,009	(705)
Supplies	-	-	-	-
Services and Charges	783,500	783,500	234,552	(548,948)
Capital Outlays	1,082,000	1,082,000	1,336,211	254,211
Interfund Payments for Services	-	-	7,523	7,523
Transfers Out	-	-	-	-
Amount Charged to Appropriations (out-flows)	1,987,752	1,990,252	1,701,843	(288,409)
Budgeted Fund Balance, December 31	\$ -	\$ -	\$ 1,184,369	

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, 2018

	<u>Budgeted Amounts</u>			Variance with Final Budget
	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	
Budgeted Fund Balance, January 1	\$ 3,654,330	\$ 3,854,530	\$ 3,350,774	
Resources (in-flows)				
Other Taxes	1,800,000	1,800,000	2,241,481	441,481
Interest Revenue	7,000	7,000	13,285	6,285
Total Resources (in-flows)	<u>1,807,000</u>	<u>1,807,000</u>	<u>2,254,766</u>	<u>447,766</u>
Amounts Available for Appropriation	5,461,330	5,661,530	5,605,540	
Charges to Appropriations (out-flows)				
Salaries and Wages	-	-	-	-
Personnel Benefits	-	-	-	-
Supplies	-	-	-	-
Services and Charges	-	200	-	(200)
Capital Outlays	1,827,165	2,027,165	-	(2,027,165)
Interfund Payments for Services	3,634,165	3,634,165	1,645,913	(1,988,252)
Transfers Out	-	-	-	-
Amount Charged to Appropriations (out-flows)	<u>5,461,330</u>	<u>5,661,530</u>	<u>1,645,913</u>	<u>(4,015,617)</u>
Budgeted Fund Balance, December 31	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 3,959,627</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, 2018

	<u>Budgeted Amounts</u>			Variance with Final Budget
	Original Budget	Final Budget	Actual	
Budgeted Fund Balance, January 1	\$ 1,544,054	\$ 1,807,054	\$ 8,260,482	
Resources (in-flows)				
Sales and Use Tax	2,793,000	2,550,000	3,083,499	533,499
Interest Revenue	40,000	20,000	71,051	51,051
Total Resources (in-flows)	<u>2,833,000</u>	<u>2,570,000</u>	<u>3,154,550</u>	<u>584,550</u>
Amounts Available for Appropriation	4,377,054	4,377,054	11,415,032	
Charges to Appropriations (out-flows)				
Salaries and Wages	-	-	-	-
Personnel Benefits	-	-	-	-
Supplies	-	-	-	-
Services and Charges	-	-	17,500	17,500
Capital Outlays	-	-	-	-
Interfund Payments for Services	5,623,706	7,700,602	4,554,620	(3,145,982)
Transfers Out	-	-	-	-
Amount Charged to Appropriations (out-flows)	<u>5,623,706</u>	<u>7,700,602</u>	<u>4,572,120</u>	<u>(3,128,482)</u>
Budgeted Fund Balance, December 31	<u>\$ (1,246,652)</u>	<u>\$ (3,323,548)</u>	<u>\$ 6,842,912</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, 2018

	Budgeted Amounts			Variance with Final Budget
	Original Budget	Final Budget	Actual	
Budgeted Fund Balance, January 1	\$ -	\$ -	\$ 161,349	
Resources (in-flows)				
Intergovernmental Revenue	425,000	425,000	24,972	(400,028)
Charges for Goods and Services	10,000	10,000	10,241	241
Interest Earnings	-	-	-	-
Transfers In	885,000	885,000	360,000	(525,000)
Donations	-	-	-	-
Total Resources (in-flows)	1,320,000	1,320,000	395,213	(924,787)
Amounts Available for Appropriation	1,320,000	1,320,000	556,562	
Charges to Appropriations (out-flows)				
Salaries and Wages	-	28,872	28,872	-
Personnel Benefits	-	3,631	3,631	-
Supplies	15,000	15,000	10,276	(4,724)
Services and Charges	581,000	548,497	109,047	(439,450)
Capital Outlays	724,000	724,000	161,121	(562,879)
Interfund Payments for Services	-	-	3,431	3,431
Transfers Out	-	-	-	-
Amount Charged to Appropriations (out-flows)	1,320,000	1,320,000	316,378	(1,003,622)
Budgeted Fund Balance, December 31	\$ -	\$ -	\$ 240,184	

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Nonmajor Enterprise Funds



SKAGIT COUNTY, WASHINGTON

NONMAJOR ENTERPRISE FUNDS

For the Year ended December 31, 2018, 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, 2018

Assets	Equipment Rental Fund	Insurance Service Fund	Central Services Fund	Unemployment Compensation Fund	Total
Current Assets					
Cash and Cash Equivalents	\$5,816,732	\$ 6,419,037	\$2,893,166	\$850,727	\$15,979,662
Restricted Cash	-	3,612,473	-	-	3,612,473
Accounts Receivable	7,619	-	59,945	-	67,564
Due From Other Funds	-	1,934,282	1,513,135	-	3,447,417
Due From Other Governments	-	-	600	-	600
Inventories and Prepayments	5,191,572	-	-	-	5,191,572
Total Current Assets	11,015,923	11,965,792	4,466,846	850,727	28,299,288
Noncurrent Assets					
Capital Assets					
Buildings	180,888	-	-	-	180,888
Machinery and Equipment	20,271,949	-	2,046,087	-	22,318,036
Less Accumulated Depreciation	(10,144,434)	-	(1,372,405)	-	(11,516,839)
Total noncurrent assets	10,308,403	-	673,682	-	10,982,085
Total Assets	21,324,326	11,965,792	5,140,528	850,727	39,281,373
Deferred Outflows of Resources	8,358	18,143	100,195	-	126,696
Liabilities and Fund Equity					
Current Liabilities					
Accounts/Vouchers Payable	94,634	33,415	57,615	15,033	200,697
Claims and Judgements Payable	-	2,260,197	-	-	2,260,197
Accrue Wages Payable	19,208	14,140	116,860	100,094	250,302
Due to other Funds	73,762	60,986	-	-	134,748
Accrued Employee Benefits	5,198	2,614	25,707	-	33,519
Other Accrued Liabilities	-	-	27	-	27
Total Current Liabilities	192,802	2,371,352	200,209	115,127	2,879,490
Non-Current Liabilities					
Compensated Absences	40,088	20,346	228,001	-	288,435
OPEB Liability	58,932	25,904	229,900	-	314,736
Net Pension Liability	13,223	83,371	396,771	-	493,365
Total Non-Current Liabilities	112,243	129,621	854,672	-	1,096,536
Total Liabilities	305,045	2,500,973	1,054,881	115,127	3,976,026
Deferred Inflows of Resources	119,594	54,807	557,734	-	732,135
Net Position					
Net Investment in Capital Assets,	10,308,403	-	673,683	-	10,982,086
Restricted	-	3,612,473	-	-	3,612,473
Unrestricted	10,599,642	5,815,682	2,954,425	735,600	20,105,349
Total Net Position	\$ 20,908,045	\$ 9,428,155	\$3,628,108	\$ 735,600	\$ 34,699,908

SKAGIT COUNTY, WASHINGTON

Combining Statement of Revenues, Expenses, and Changes in Fund Net Position Internal Service Funds December 31, 2018

	Equipment Rental Fund	Insurance Services Fund	Central Services Fund	Unemployment Compensation Fund	Total
<u>Operating Revenues:</u>					
Charges For Services	\$5,734,336	\$1,934,282	\$8,570,409	\$547,196	\$16,786,223
Miscellaneous	82,793	13,151,842	-	-	13,234,635
Total Operating Revenue	5,817,129	15,086,124	8,570,409	547,196	30,020,858
<u>Operating Expenses:</u>					
Personal services	514,115	462,835	3,708,914	365,747	5,051,611
Contractual services	-	2,974,319	-	-	2,974,319
Other supplies and expenses	4,011,834	136,215	3,150,185	-	7,298,234
Depreciation	1,379,350	-	225,167	-	1,604,517
Payment to Claimants	-	11,917,348	-	75,164	11,992,512
Total Operating Expenses	5,905,299	15,490,717	7,084,266	440,911	28,921,193
Operating Income (Loss)	(88,170)	(404,593)	1,486,143	106,285	1,099,665
<u>Non-Operating Revenues (Expenses):</u>					
Interest Revenue	57,162	114,180	-	-	171,342
Miscellaneous Revenue	-	-	2,180	-	2,180
Gain (Loss) on Fixed Asset Disposal	12,330	-	-	-	12,330
Miscellaneous Expense	-	-	-	-	-
Total non-operating revenues	69,492	114,180	2,180	-	185,852
Net Income (Loss) Before Operating Transfers Contributions and Special Items	(18,678)	(290,413)	1,488,323	106,285	1,285,517
Transfers In	106,874	-	-	-	106,874
Transfers Out	-	-	(25,952)	-	(25,952)
Changes in Net Position	88,196	(290,413)	1,462,371	106,285	1,366,439
Net Position as of January 1	20,878,781	9,744,472	2,395,637	629,315	33,648,205
Restatement to impliment a new accounting principle	(58,932)	(25,904)	(229,900)	-	(314,736)
Net Position as of December 31	20,908,045	9,428,155	3,628,108	735,600	34,699,908

SKAGIT COUNTY, WASHINGTON
Combining Statement of Cash Flow
Internal Service Funds
For the Year Ended December 31, 2018

	Equipment Rental Fund	Insurance Service Fund	Central Services Fund	Unemployment Compensation Fund	Total
<u>Cash Flows From Operating Activities:</u>					
Receipts from Customers	\$299,499	\$1,095,509	(\$808,139)	\$0	\$586,869
Receipts from interfund services provided	7,203,603	13,726,957	9,594,167	547,194	31,071,921
Payments to Employees	(815,613)	(465,219)	(3,988,699)	(285,129)	(5,554,660)
Payments to Suppliers	(2,683,706)	(2,863,064)	(3,320,967)	-	(8,867,737)
Payments to Claimants	0	(11,947,684)	-	(77,342)	(12,025,026)
Payments for interfund services used	(2,657,818)	(57,206)	-	-	(2,715,024)
Miscellaneous receipts/payments)	(102,324)	67,217	48	-	(35,059)
Net cash provided (used) by operating activities	<u>1,243,641</u>	<u>(443,490)</u>	<u>1,476,410</u>	<u>184,723</u>	<u>2,461,285</u>
<u>Cash Flows From Non-Capital And Related Financing Activities</u>					
Transfers to Other Funds		-	(25,952)	-	(25,952)
Transfers From Other Funds	106,874	-	-	-	106,874
Net cash provided (used) by Non-Capital and related financing activities	<u>106,874</u>	<u>-</u>	<u>(25,952)</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	158,950	-	-	-	158,950
Purchases of capital assets	(2,289,685)	-	(268,419)	-	(2,558,104)
Net cash provided (used) by capital and related financing activities	<u>(2,130,735)</u>	<u>-</u>	<u>(268,419)</u>	<u>-</u>	<u>(2,399,154)</u>
<u>Cash Flows From Investing Activities:</u>					
Interest Received	57,162	114,180	2,133	-	173,475
Net Cash Provided by Investing Activities	<u>57,162</u>	<u>114,180</u>	<u>2,133</u>	<u>-</u>	<u>173,475</u>
Net Increase in Cash & Cash Equivalents	(723,058)	(329,310)	1,184,172	184,723	316,527
Balances as of January 1	6,539,790	10,360,820	1,708,994	666,004	19,275,608
Balances as of December 31	<u>5,816,732</u>	<u>10,031,510</u>	<u>2,893,166</u>	<u>850,727</u>	<u>19,592,135</u>
Operating Income/(Loss)	<u>(88,170)</u>	<u>(404,593)</u>	<u>1,486,143</u>	<u>106,285</u>	<u>1,099,665</u>

SKAGIT COUNTY, WASHINGTON
Combining Reconciliation of Operating Income to Net Cash Provided
Internal Service Funds
For the Year Ended December 31, 2018

	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)	\$ (88,170)	\$ (404,593)	\$ 1,486,143	\$ 106,285	1,099,665
Adjustments to Reconcile Operating Income to Net Cash Provided (Used) by Operating Activities:					
Depreciation Expense	1,379,351		225,167		1,604,518
Miscellaneous Receipts	(102,324)	(31,604)	48		(133,880)
Changes in Assets and Liabilities:					
Receivables, Net	1,685,973	(164,841)	196,482	-	1,717,614
Prepayables		-	-		-
Inventories	175,341				175,341
Accounts and Other Payables	(1,806,530)	157,548	(431,430)	78,438	(2,001,974)
Net Cash Provided (Used) by Operating Activities	<u>\$ 1,243,641</u>	<u>\$ (443,490)</u>	<u>\$ 1,476,410</u>	<u>\$ 184,723</u>	<u>\$ 2,461,285</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, 2018

ASSETS	TRUST FUNDS	CLEARING FUNDS	STATE FUNDS	NW CLEAN AIR AGENCY FUNDS
Cash	\$ 497,248	\$ 9,851,773	\$ 978,819	\$ 26,377
Investments				4,249,190
Taxes Receivable		-	956,327	
Deposits		-		
TOTAL ASSETS	497,248	9,851,773	1,935,146	4,275,567
LIABILITIES				
Warrants Payable		9,901,998		
Custodial Accounts	497,248	(50,225)	1,935,146	4,275,567
TOTAL LIABILITIES	\$ 497,248	\$ 9,851,773	\$ 1,935,146	\$ 4,275,567

ASSETS	LIBRARY FUNDS	SKAGIT HOUSING FUND	CITIES AND TOWNS FUNDS	PORT DISTRICT FUNDS
Cash	\$ 1,374,377	\$ 75,018	\$ 299,381	\$ 2,598,735
Investments	2,541,565	1,195,833		19,716,949
Taxes Receivable	53,545		297,633	65,763
Deposits				
TOTAL ASSETS	3,969,487	1,270,851	597,014	22,381,447
LIABILITIES				
Warrants Payable	2,347			837,421
Custodial Accounts	3,967,140	1,270,851	597,014	21,544,026
TOTAL LIABILITIES	\$ 3,969,487	\$ 1,270,851	\$ 597,014	\$ 22,381,447

SKAGIT COUNTY, WASHINGTON
COMBINING BALANCE SHEET
As of December 31, 2018

ASSETS	COUNCIL OF GOVERNMENTS FUNDS	FIDALGO PARK FUNDS	AFFILIATED HEALTH SERVICES FUNDS
Cash	\$ 87,966	\$ 58,750	\$ 2,632
Investments	188,846	189,136	169,729
Taxes Receivable		8,535	
Deposits			
TOTAL ASSETS	276,812	256,421	172,361
LIABILITIES			
Warrants Payable	3,681	-	2,631
Custodial Accounts	273,131	256,421	169,730
TOTAL LIABILITIES	\$ 276,812	\$ 256,421	\$ 172,361

ASSETS	NORTH SOUND RSN FUNDS	DIKE DISTRICTS FUNDS	SKAGIT TRANSPORTATION FUNDS
Cash	\$ 6,326,882	\$ 5,450,252	\$ 504
Investments	25,710,282	16,892,017	8,786,879
Taxes Receivable		130,884	
Deposits			
TOTAL ASSETS	32,037,164	22,473,153	8,787,383
LIABILITIES			
Warrants Payable	12,004,362	33,557	
Custodial Accounts	20,032,802	22,439,596	8,787,383
TOTAL LIABILITIES	\$ 32,037,164	\$ 22,473,153	\$ 8,787,383

SKAGIT COUNTY, WASHINGTON
COMBINING BALANCE SHEET
As of December 31, 2018

ASSETS	HOSPITAL DISTRICT 1 FUNDS	HOSPITAL DISTRICT 2 FUNDS	HOSPITAL DISTRICT 304 FUNDS	WATER DISTRICT FUNDS
Cash	\$ 3,738,756	\$ 8,536,373	\$ 515,358	\$ 47,833
Investments	174,213,674	27,779,981	14,421,694	285,885
Taxes Receivable	81,461	62,958	27,981	
Deposits				
TOTAL ASSETS	178,033,891	36,379,312	14,965,033	333,718
LIABILITIES				
Warrants Payable	2,675,422	1,350,517	8,615	-
Custodial Accounts	175,358,469	35,028,795	14,956,418	333,718
TOTAL LIABILITIES	\$ 178,033,891	\$ 36,379,312	\$ 14,965,033	\$ 333,718

ASSETS	DRAINAGE DISTRICT FUNDS	SCHOOL DISTRICTS FUNDS	CEMETARY DISTRICTS FUNDS	SKAGIT COMMUNITY NETWORK
Cash	\$ 426,594	\$ 25,318,690	\$ 207,213	\$ 1,801
Investments	1,201,585	144,939,487	387,255	
Taxes Receivable	17,799	1,631,170	4,996	
Deposits				
TOTAL ASSETS	1,645,978	171,889,347	599,464	1,801
LIABILITIES				
Warrants Payable	9,537	8,362,197	8,617	
Custodial Accounts	1,636,441	163,527,150	590,847	1,801
TOTAL LIABILITIES	\$ 1,645,978	\$ 171,889,347	\$ 599,464	\$ 1,801

SKAGIT COUNTY, WASHINGTON
COMBINING BALANCE SHEET
As of December 31, 2018

ASSETS	SEWER DISTRICT FUNDS	FIRE DISTRICT FUNDS	SKAGIT HOSPICE SERVICES
Cash	\$ 328,210	\$ 3,596,023	\$ 853
Investments	348,909	4,948,130	2,041,801
Taxes Receivable	-	154,919	
Deposits			
TOTAL ASSETS	677,119	8,699,072	2,042,654
LIABILITIES			
Warrants Payable	253	20,519	
Custodial Accounts	676,866	8,678,553	2,042,654
TOTAL LIABILITIES	\$ 677,119	\$ 8,699,072	\$ 2,042,654

ASSETS	PUBLIC FACILITIES DISTRICT	SKAGIT EMERGENCY COMM	2018 TOTALS
Cash	\$ 87,811	\$ 50	\$ 70,434,279
Investments	2,033,439	1,216,224	453,458,490
Taxes Receivable			3,493,971
Deposits			-
TOTAL ASSETS	2,121,250	1,216,274	527,386,740
LIABILITIES			
Warrants Payable	-	-	35,221,674
Custodial Accounts	2,121,250	1,216,274	492,165,066
TOTAL LIABILITIES	\$ 2,121,250	\$ 1,216,274	\$ 527,386,740

SKAGIT COUNTY, WASHINGTON
COMBINING STATEMENT OF CHANGES IN ASSETS AND LIABILITIES
Fiscal Year Ended December 31, 2018

TRUST FUNDS	Balance			Balance		
	December 31, 2017	Additions	Deductions	December 31, 2018		
ASSETS						
Cash	\$ 659,251	\$ 7,511,635	\$ 7,673,638	\$ 497,248		
Investments	-	-	-	-		
Taxes Receivable	-	-	-	-		
Deposits	-	-	-	-		
TOTAL ASSETS	659,251	7,511,635	7,673,638	497,248		
LIABILITIES						
Warrants Payable	-	-	-	-		
Custodial Accounts	659,251	7,511,635	7,673,638	497,248		
TOTAL LIABILITIES	\$ 659,251	\$ 7,511,635	\$ 7,673,638	\$ 497,248		

CLEARING FUNDS	Balance			Balance		
	December 31, 2017	Additions	Deductions	December 31, 2018		
ASSETS						
Cash	\$ 4,564,278	\$ 446,975,014	\$ 441,687,521	\$ 9,851,771		
Investments	-	-	-	-		
Taxes Receivable	-	-	-	-		
Deposits	4,437	1,266	5,703	-		
TOTAL ASSETS	4,568,715	446,976,280	441,693,224	9,851,771		
LIABILITIES						
Warrants Payable	4,608,408	363,450,670	358,154,451	9,904,627		
Custodial Accounts	(39,693)	756,591,612	756,604,775	(52,856)		
TOTAL LIABILITIES	\$ 4,568,715	\$ 1,120,042,282	\$ 1,114,759,226	\$ 9,851,771		

STATE FUNDS	Balance			Balance		
	December 31, 2017	Additions	Deductions	December 31, 2018		
ASSETS						
Cash	\$ 840,731	\$ 75,712,529	\$ 75,574,441	\$ 978,819		
Investments	-	-	-	-		
Taxes Receivable	747,065	51,326,338	51,117,076	956,327		
Deposits	-	-	-	-		
TOTAL ASSETS	1,587,796	127,038,867	126,691,517	1,935,146		
LIABILITIES						
Warrants Payable	-	-	-	-		
Custodial Accounts	1,587,796	54,860,305	54,512,955	1,935,146		
TOTAL LIABILITIES	\$ 1,587,796	\$ 54,860,305	\$ 54,512,955	\$ 1,935,146		

SKAGIT COUNTY, WASHINGTON
COMBINING STATEMENT OF CHANGES IN ASSETS AND LIABILITIES
Fiscal Year Ended December 31, 2018

NW AIR POLLUTION FUNDS	Balance			Balance		
	December 31, 2017	Additions	Deductions	December 31, 2018		
ASSETS						
Cash	\$ 12,786	\$ 7,157,858	\$ 7,144,267	\$ 26,377		
Investments	4,642,479	2,320,507	2,713,796	4,249,190		
Taxes Receivable	-	-	-	-		
Deposits	-	-	-	-		
TOTAL ASSETS	4,655,265	9,478,365	9,858,063	4,275,567		
LIABILITIES						
Warrants Payable	-	-	-	-		
Custodial Accounts	4,655,265	4,596,163	4,975,861	4,275,567		
TOTAL LIABILITIES	\$ 4,655,265	\$ 4,596,163	\$ 4,975,861	\$ 4,275,567		

COUNCIL OF GOV'T FUNDS	Balance			Balance		
	December 31, 2017	Additions	Deductions	December 31, 2018		
ASSETS						
Cash	\$ 105,764	\$ 1,157,745	\$ 1,175,543	\$ 87,966		
Investments	482,639	86,876	380,669	188,846		
Taxes Receivable	-	-	-	-		
Deposits	-	-	-	-		
TOTAL ASSETS	588,403	1,244,621	1,556,212	276,812		
LIABILITIES						
Warrants Payable	48,287	244,752	289,358	3,681		
Custodial Accounts	540,116	154,692	421,677	273,131		
TOTAL LIABILITIES	\$ 588,403	\$ 399,444	\$ 711,035	\$ 276,812		

LIBRARY FUNDS	Balance			Balance		
	December 31, 2017	Additions	Deductions	December 31, 2018		
ASSETS						
Cash	\$ 1,205,051	\$ 2,714,110	\$ 2,544,784	\$ 1,374,377		
Investments	2,726,968	64,395	249,799	2,541,564		
Taxes Receivable	54,916	1,353,771	1,355,141	53,546		
Deposits	-	-	-	-		
TOTAL ASSETS	3,986,935	4,132,276	4,149,724	3,969,487		
LIABILITIES						
Warrants Payable	38,428	1,540,553	1,576,634	2,347		
Custodial Accounts	3,948,507	1,821,218	1,802,585	3,967,140		
TOTAL LIABILITIES	\$ 3,986,935	\$ 3,361,771	\$ 3,379,219	\$ 3,969,487		

SKAGIT COUNTY, WASHINGTON
COMBINING STATEMENT OF CHANGES IN ASSETS AND LIABILITIES
Fiscal Year Ended December 31, 2018

SKAGIT HOUSING	Balance			Balance
	December 31, 2017	Additions	Deductions	December 31, 2018
ASSETS				
Cash	\$ 36,076	\$ 488,603	\$ 449,661	\$ 75,018
Investments	746,172	449,661	-	1,195,833
Taxes Receivable	-	-	-	-
Deposits	-	-	-	-
TOTAL ASSETS	782,248	938,264	449,661	1,270,851
LIABILITIES				
Warrants Payable	-	-	-	-
Custodial Accounts	782,248	488,603	-	1,270,851
TOTAL LIABILITIES	\$ 782,248	\$ 488,603	\$ -	\$ 1,270,851

CITIES AND TOWNS FUNDS	Balance			Balance
	December 31, 2017	Additions	Deductions	December 31, 2018
ASSETS				
Cash	\$ 309,667	\$ 22,652,781	\$ 22,663,067	\$ 299,381
Investments	-	-	-	-
Taxes Receivable	321,056	18,558,519	18,581,942	297,633
Deposits	-	-	-	-
TOTAL ASSETS	630,723	41,211,300	41,245,009	597,014
LIABILITIES				
Warrants Payable	-	-	-	-
Custodial Accounts	630,723	18,558,517	18,592,226	597,014
TOTAL LIABILITIES	\$ 630,723	\$ 18,558,517	\$ 18,592,226	\$ 597,014

PORT OF ANACORTES FUNDS	Balance			Balance
	December 31, 2017	Additions	Deductions	December 31, 2018
ASSETS				
Cash	\$ 855,278	\$ 36,806,527	\$ 36,409,930	\$ 1,251,875
Investments	10,395,858	15,371,562	14,866,282	10,901,138
Taxes Receivable	8,229	650,280	648,928	9,581
Deposits	-	-	-	-
TOTAL ASSETS	11,259,365	52,828,369	51,925,140	12,162,594
LIABILITIES				
Warrants Payable	227,860	17,153,017	17,151,389	229,488
Custodial Accounts	11,031,505	7,110,530	6,208,929	11,933,106
TOTAL LIABILITIES	\$ 11,259,365	\$ 24,263,547	\$ 23,360,318	\$ 12,162,594

SKAGIT COUNTY, WASHINGTON
COMBINING STATEMENT OF CHANGES IN ASSETS AND LIABILITIES
Fiscal Year Ended December 31, 2018

PORT OF SKAGIT FUNDS	Balance			Balance
	December 31, 2017	Additions	Deductions	December 31, 2018
ASSETS				
Cash	\$ 890,993	\$ 42,672,904	\$ 42,217,037	\$ 1,346,860
Investments	8,388,058	8,552,776	8,125,023	8,815,811
Taxes Receivable	57,200	2,294,697	2,295,715	56,182
Deposits	-	-	-	-
TOTAL ASSETS	9,336,251	53,520,377	52,637,775	10,218,853
LIABILITIES				
Warrants Payable	96,643	9,597,546	9,086,256	607,933
Custodial Accounts	9,239,608	16,128,883	15,757,571	9,610,920
TOTAL LIABILITIES	\$ 9,336,251	\$ 25,726,429	\$ 24,843,827	\$ 10,218,853

FIDALGO PARK FUNDS	Balance			Balance
	December 31, 2017	Additions	Deductions	December 31, 2018
ASSETS				
Cash	\$ (45,177)	\$ 1,640,935	\$ 1,537,008	\$ 58,750
Investments	301,063	4,073	116,000	189,136
Taxes Receivable	7,987	671,021	670,473	8,535
Deposits	-	-	-	-
TOTAL ASSETS	263,873	2,316,029	2,323,481	256,421
LIABILITIES				
Warrants Payable	-	-	-	-
Custodial Accounts	263,873	2,241,979	2,249,431	256,421
TOTAL LIABILITIES	\$ 263,873	\$ 2,241,979	\$ 2,249,431	\$ 256,421

AFFILIATED HEALTH FUNDS	Balance			Balance
	December 31, 2017	Additions	Deductions	December 31, 2018
ASSETS				
Cash	\$ 11	\$ 251,443	\$ 248,822	\$ 2,632
Investments	19,806	201,503	51,580	169,729
Taxes Receivable	-	-	-	-
Deposits	-	-	-	-
TOTAL ASSETS	19,817	452,946	300,402	172,361
LIABILITIES				
Warrants Payable	-	-	-	-
Custodial Accounts	19,817	199,862	47,318	172,361
TOTAL LIABILITIES	\$ 19,817	\$ 199,862	\$ 47,318	\$ 172,361

SKAGIT COUNTY, WASHINGTON
COMBINING STATEMENT OF CHANGES IN ASSETS AND LIABILITIES
Fiscal Year Ended December 31, 2018

HOSPITAL DISTRICT 1 FUNDS	Balance			Balance
	December 31, 2017	Additions	Deductions	December 31, 2018
ASSETS				
Cash	\$ 12,419,659	\$ 1,233,533,999	\$ 1,242,214,902	\$ 3,738,756
Investments	142,312,868	662,115,424	630,214,618	174,213,674
Taxes Receivable	77,567	4,099,845	4,095,951	81,461
Deposits	-			-
TOTAL ASSETS	154,810,094	1,899,749,268	1,876,525,471	178,033,891
LIABILITIES				
Warrants Payable	2,285,874	275,096,828	274,707,280	2,675,422
Custodial Accounts	152,524,220	70,015,415	47,181,166	175,358,469
TOTAL LIABILITIES	\$ 154,810,094	\$ 345,112,243	\$ 321,888,446	\$ 178,033,891
HOSPITAL DISTRICT 2 FUNDS	Balance			Balance
	December 31, 2017	Additions	Deductions	December 31, 2018
ASSETS				
Cash	\$ 1,721,677	\$ 145,951,567	\$ 139,136,871	\$ 8,536,373
Investments	30,843,351	17,593,529	20,656,899	27,779,981
Taxes Receivable	44,192	5,311,288	5,292,522	62,958
Deposits	-			-
TOTAL ASSETS	32,609,220	168,856,384	165,086,292	36,379,312
LIABILITIES				
Warrants Payable	1,417,203	56,550,532	56,617,218	1,350,517
Custodial Accounts	31,192,017	32,474,300	28,637,522	35,028,795
TOTAL LIABILITIES	\$ 32,609,220	\$ 89,024,832	\$ 85,254,740	\$ 36,379,312
HOSPITAL DISTRICT 304 FUNDS	Balance			Balance
	December 31, 2017	Additions	Deductions	December 31, 2018
ASSETS				
Cash	\$ 514,707	\$ 34,370,674	\$ 34,370,023	\$ 515,358
Investments	13,885,658	28,105,010	27,568,974	14,421,694
Taxes Receivable	29,427	982,877	984,323	27,981
Deposits	-			-
TOTAL ASSETS	14,429,792	63,458,561	62,923,320	14,965,033
LIABILITIES				
Warrants Payable	142,051	1,745,636	1,879,072	8,615
Custodial Accounts	14,287,741	1,653,000	984,323	14,956,418
TOTAL LIABILITIES	\$ 14,429,792	\$ 3,398,636	\$ 2,863,395	\$ 14,965,033

SKAGIT COUNTY, WASHINGTON
COMBINING STATEMENT OF CHANGES IN ASSETS AND LIABILITIES
Fiscal Year Ended December 31, 2018

DIKE FUNDS	Balance			Balance		
	December 31, 2017	Additions	Deductions	December 31, 2018		
ASSETS						
Cash	\$ 4,890,962	\$ 9,045,372	\$ 8,486,082	\$ 5,450,252		
Investments	15,159,698	2,274,620	542,301	16,892,017		
Taxes Receivable	134,999	5,197,416	5,201,531	130,884		
Deposits	-	-	-	-		
TOTAL ASSETS	20,185,659	16,517,408	14,229,914	22,473,153		
LIABILITIES						
Warrants Payable	22,687	2,859,310	2,848,440	33,557		
Custodial Accounts	20,162,972	8,199,522	5,922,898	22,439,596		
TOTAL LIABILITIES	\$ 20,185,659	\$ 11,058,832	\$ 8,771,338	\$ 22,473,153		

SKAGIT TRANSPORTATION	Balance			Balance		
	December 31, 2017	Additions	Deductions	December 31, 2018		
ASSETS						
Cash	\$ 504	\$ 155,864	\$ 155,864	\$ 504		
Investments	8,631,015	155,864	-	8,786,879		
Taxes Receivable	-	-	-	-		
Deposits	-	-	-	-		
TOTAL ASSETS	8,631,519	311,728	155,864	8,787,383		
LIABILITIES						
Warrants Payable	-	-	-	-		
Custodial Accounts	8,631,519	155,864	-	8,787,383		
TOTAL LIABILITIES	\$ 8,631,519	\$ 155,864	\$ -	\$ 8,787,383		

DRAINAGE DISTRICT FUNDS	Balance			Balance		
	December 31, 2017	Additions	Deductions	December 31, 2018		
ASSETS						
Cash	\$ 662,992	\$ 1,808,976	\$ 2,045,374	\$ 426,594		
Investments	1,088,501	498,084	385,000	1,201,585		
Taxes Receivable	20,289	842,968	845,458	17,799		
Deposits	-	-	-	-		
TOTAL ASSETS	1,771,782	3,150,028	3,275,832	1,645,978		
LIABILITIES						
Warrants Payable	12,447	761,656	764,566	9,537		
Custodial Accounts	1,759,335	1,341,248	1,464,142	1,636,441		
TOTAL LIABILITIES	\$ 1,771,782	\$ 2,102,904	\$ 2,228,708	\$ 1,645,978		

SKAGIT COUNTY, WASHINGTON
COMBINING STATEMENT OF CHANGES IN ASSETS AND LIABILITIES
Fiscal Year Ended December 31, 2018

SCHOOL DISTRICT FUNDS	Balance December 31, 2017	Additions	Deductions	Balance December 31, 2018
ASSETS				
Cash	\$ 24,824,020	\$ 708,027,146	\$ 707,532,476	\$ 25,318,690
Investments	201,340,778	277,265,518	333,666,809	144,939,487
Taxes Receivable	1,604,553	78,417,570	78,390,953	1,631,170
Deposits	-	-	-	-
TOTAL ASSETS	227,769,351	1,063,710,234	1,119,590,238	171,889,347
LIABILITIES				
Warrants Payable	15,020,972	203,692,469	210,351,244	8,362,197
Custodial Accounts	212,748,379	90,720,926	139,942,155	163,527,150
TOTAL LIABILITIES	\$ 227,769,351	\$ 294,413,395	\$ 350,293,399	\$ 171,889,347

CEMETERY DISTRICT FUNDS	Balance December 31, 2017	Additions	Deductions	Balance December 31, 2018
ASSETS				
Cash	\$ 187,282	\$ 353,007	\$ 333,076	\$ 207,213
Investments	441,643	12,095	66,483	387,255
Taxes Receivable	4,836	218,994	218,834	4,996
Deposits	-	-	-	-
TOTAL ASSETS	633,761	584,096	618,393	599,464
LIABILITIES				
Warrants Payable	3,956	175,941	171,280	8,617
Custodial Accounts	629,805	225,287	264,245	590,847
TOTAL LIABILITIES	\$ 633,761	\$ 401,228	\$ 435,525	\$ 599,464

WATER DISTRICT FUNDS	Balance December 31, 2017	Additions	Deductions	Balance December 31, 2018
ASSETS				
Cash	\$ 57,612	\$ 74,560	\$ 84,339	\$ 47,833
Investments	281,010	4,875	-	285,885
Taxes Receivable	-	-	-	-
Deposits	-	-	-	-
TOTAL ASSETS	338,622	79,435	84,339	333,718
LIABILITIES				
Warrants Payable	-	-	-	-
Custodial Accounts	338,622	78,360	83,264	333,718
TOTAL LIABILITIES	\$ 338,622	\$ 78,360	\$ 83,264	\$ 333,718

SKAGIT COUNTY, WASHINGTON
COMBINING STATEMENT OF CHANGES IN ASSETS AND LIABILITIES
Fiscal Year Ended December 31, 2018

SEWER DISTRICT FUNDS	Balance December 31, 2017	Additions	Deductions	Balance December 31, 2018
ASSETS				
Cash	\$ 472,642	\$ 1,734,690	\$ 1,879,122	\$ 328,210
Investments	229,037	203,580	83,708	348,909
Taxes Receivable	-	-	-	-
Deposits	-	-	-	-
TOTAL ASSETS	701,679	1,938,270	1,962,830	677,119
LIABILITIES				
Warrants Payable	11,742	636,896	648,385	253
Custodial Accounts	689,937	962,255	975,326	676,866
TOTAL LIABILITIES	\$ 701,679	\$ 1,599,151	\$ 1,623,711	\$ 677,119

FIRE DISTRICT FUNDS	Balance December 31, 2017	Additions	Deductions	Balance December 31, 2018
ASSETS				
Cash	\$ 3,200,671	\$ 9,536,858	\$ 9,141,506	\$ 3,596,023
Investments	4,700,962	1,564,241	1,317,073	4,948,130
Taxes Receivable	150,913	5,671,177	5,667,171	154,919
Deposits	-	-	-	-
TOTAL ASSETS	8,052,546	16,772,276	16,125,750	8,699,072
LIABILITIES				
Warrants Payable	64,926	5,369,027	5,413,434	20,519
Custodial Accounts	7,987,620	7,990,888	7,299,955	8,678,553
TOTAL LIABILITIES	\$ 8,052,546	\$ 13,359,915	\$ 12,713,389	\$ 8,699,072

NORTH SOUND RSN	Balance December 31, 2017	Additions	Deductions	Balance December 31, 2018
ASSETS				
Cash	\$ 7,072,524	\$ 243,334,348	\$ 244,079,990	\$ 6,326,882
Investments	52,537,282	48,122,611	74,949,611	25,710,282
Taxes Receivable	-	-	-	-
Deposits	-	-	-	-
TOTAL ASSETS	59,609,806	291,456,959	319,029,601	32,037,164
LIABILITIES				
Warrants Payable	15,442,940	187,408,665	190,847,243	12,004,362
Custodial Accounts	44,166,866	1,783,701	25,917,765	20,032,802
TOTAL LIABILITIES	\$ 59,609,806	\$ 189,192,366	\$ 216,765,008	\$ 32,037,164

SKAGIT COUNTY, WASHINGTON
COMBINING STATEMENT OF CHANGES IN ASSETS AND LIABILITIES
Fiscal Year Ended December 31, 2018

SKAGIT EMERGENCY COMM	Balance			Balance		
	December 31, 2017	Additions	Deductions	December 31, 2018		
ASSETS						
Cash	\$ 50	\$ 4,863,973	\$ 4,863,973	\$ 50		
Investments	942,738	273,486	-	1,216,224		
Taxes Receivable	-	-	-	-		
Deposits	-	-	-	-		
TOTAL ASSETS	942,788	5,137,459	4,863,973	1,216,274		
LIABILITIES						
Warrants Payable	-	-	-	-		
Custodial Accounts	942,788	273,486	-	1,216,274		
TOTAL LIABILITIES	\$ 942,788	\$ 273,486	\$ -	\$ 1,216,274		

SKAGIT COMMUNITY NETWORK	Balance			Balance		
	December 31, 2017	Additions	Deductions	December 31, 2018		
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, 2017	Additions	Deductions	December 31, 2018		
ASSETS						
Cash	\$ 86,139	\$ 3,274,040	\$ 3,272,368	\$ 87,811		
Investments	1,726,499	1,556,344	1,249,404	2,033,439		
Taxes Receivable	-	-	-	-		
Deposits	-	-	-	-		
TOTAL ASSETS	1,812,638	4,830,384	4,521,772	2,121,250		
LIABILITIES						
Warrants Payable	-	-	-	-		
Custodial Accounts	1,812,638	984,771	676,159	2,121,250		
TOTAL LIABILITIES	\$ 1,812,638	\$ 984,771	\$ 676,159	\$ 2,121,250		

SKAGIT COUNTY, WASHINGTON
COMBINING STATEMENT OF CHANGES IN ASSETS AND LIABILITIES
Fiscal Year Ended December 31, 2018

SKAGIT HOSPICE SERVICES	Balance				Balance	
	December 31, 2017	Additions	Deductions		December 31, 2018	
ASSETS						
Cash	\$ -	\$ 2,533,167	\$ 2,532,314	\$	853	
Investments	2,006,454	2,532,313	2,496,966		2,041,801	
Taxes Receivable	-	-	-		-	
Deposits	-	-	-		-	
TOTAL ASSETS	2,006,454	5,065,480	5,029,280		2,042,654	
LIABILITIES						
Warrants Payable	-	-	-		-	
Custodial Accounts	2,006,454	36,200	-		2,042,654	
TOTAL LIABILITIES	\$ 2,006,454	\$ 36,200	\$ -	\$	2,042,654	

SKAGIT COUNTY, WASHINGTON
COMBINING STATEMENT OF CHANGES IN ASSETS AND LIABILITIES
Fiscal Year Ended December 31, 2018

TRUST AGENCY FUNDS	Balance December 31, 2017	Additions	Deductions	Balance December 31, 2018
ASSETS				
Cash	\$ 65,547,953	\$ 3,044,340,325	\$ 3,039,453,999	\$ 70,434,279
Investments	503,830,537	1,069,328,947	1,119,700,995	453,458,489
Taxes Receivable	3,263,228	175,596,761	175,366,018	3,493,971
Deposits	4,437	1,266	5,703	-
TOTAL ASSETS	572,646,155	4,289,267,299	4,334,526,715	527,386,739
LIABILITIES				
Warrants Payable	39,444,425	1,126,283,498	1,130,506,250	35,221,673
Custodial Accounts	533,201,730	1,087,159,222	1,128,195,886	492,165,066
TOTAL LIABILITIES	\$ 572,646,155	\$ 2,213,442,720	\$ 2,258,702,136	\$ 527,386,739

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)

Fiscal Year:	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018
Government Activities										
Net Investment in Capital Assets	\$ 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	\$ 254,580,624
Restricted	24,794,518	27,543,125	29,091,499	28,152,145	31,065,769	30,418,711	36,559,030	52,215,900	53,942,940	58,184,424
Unrestricted	14,514,433	16,234,084	24,183,225	29,972,479	11,722,069	28,256,073	6,460,200	9,595,543	17,837,553	19,903,334
Total Governmental Activities Net Position	408,706,793	403,733,360	381,270,715	382,454,159	354,706,846	350,302,831	316,818,114	314,196,197	317,732,897	332,668,382
Business-Type Activities										
Net Investment in Capital Assets	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	20,186,095
Restricted		(2,267,094)	(1,589,457)	(1,926,699)	(2,810,762)	(2,963,191)		58,529		227,161
Unrestricted	2,293,537	1,576,800	3,079,916	4,281,041	4,299,903	11,442,542	14,157,632	13,877,618	5,506,284	4,990,859
Total Business-Type Activities Net Position	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	25,404,115
Primary Government										
Net Investment in Capital Assets	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	274,766,719
Restricted	24,794,518	27,543,125	29,091,499	28,152,145	31,065,769	30,418,711	36,559,030	52,274,429	53,942,940	58,411,585
Unrestricted	16,807,970	13,966,950	22,593,768	28,045,780	8,911,327	25,292,882	11,551,196	23,463,161	23,343,837	24,894,193
Total Primary Government Net Position	\$ 411,592,355	\$ 405,310,160	\$ 384,350,631	\$ 386,735,200	\$ 359,006,749	\$ 361,745,373	\$ 330,975,746	\$ 337,232,945	\$ 342,197,664	\$ 358,072,497

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

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:									
	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018
Expenses										
Governmental Activities										
General Government	\$ 32,293,073	\$ 30,411,707	\$ 29,694,591	\$ 32,996,294	\$ 31,210,941	\$ 33,434,098	\$ 36,988,745	\$ 35,189,312	\$ 34,868,544	\$ 34,438,559
Judicial	6,786,074	6,281,910	6,528,192	6,782,929	7,068,715	6,993,755	7,023,827	7,023,827	7,994,589	9,007,779
Public Safety	24,713,361	20,015,594	20,622,410	19,980,408	22,333,966	21,504,017	22,700,976	24,535,763	23,235,604	30,838,340
Physical Environment	2,185,797	3,560,748	2,672,643	2,729,881	2,835,410	2,241,397	2,579,726	3,231,182	2,420,083	1,384,804
Transportation	27,080,176	27,144,427	29,952,995	29,724,498	32,912,501	26,806,761	26,876,629	30,425,842	14,522,089	14,522,089
Economic Environment	5,348,995	3,467,987	3,162,607	3,233,397	3,188,571	2,836,294	2,662,654	4,228,992	6,063,851	5,945,636
Health and Human Services	11,340,490	10,134,616	10,387,711	10,391,910	11,895,878	11,366,884	10,277,091	11,131,708	11,133,584	14,334,069
Culture and Recreation	2,573,312	2,566,016	1,642,170	2,066,029	1,699,984	2,010,042	2,118,435	2,295,704	2,321,809	2,649,791
Interest on Long-Term Debt	860,210	559,293	516,360	222,519	989,862	2,372,433	1,113,066	1,100,345	1,089,760	1,021,375
Total Governmental Activities	112,961,488	104,142,288	105,179,579	108,107,865	114,169,952	115,871,381	113,271,275	116,384,224	117,434,738	114,142,442
Business-Type Activities										
Solid Waste	7,723,823	8,705,787	7,252,470	6,952,600	8,826,690	8,065,622	8,414,131	9,277,227	8,939,419	10,479,366
Drainage Utility	1,626,049	1,240,898	1,412,499	1,716,453	1,468,019	2,495,934	2,589,894	1,800,053	1,806,801	1,456,542
Jail Fund						6,944,227	7,351,101	6,470,925	10,788,388	13,354,087
Total Business-Type Activities	9,349,872	9,946,685	8,664,969	8,669,053	10,294,709	17,505,783	18,024,926	17,288,105	21,534,608	25,289,995
Total Primary Government Expenses	\$ 122,311,360	\$ 114,088,973	\$ 113,844,548	\$ 116,776,918	\$ 124,464,662	\$ 133,377,164	\$ 131,296,201	\$ 133,672,329	\$ 138,969,346	\$ 139,442,437
Program Revenues										
Governmental Activities										
Property Tax	38,020,570	40,839,173	40,612,732	41,460,187	45,491,521	44,659,376	45,164,735	49,106,391	50,138,944	48,662,370
Sales and Other Tax	17,367,314	15,939,206	18,124,427	18,898,614	16,716,680	18,060,643	19,255,493	20,514,571	22,016,238	27,503,125
Interest and Investments	1,432,797	1,104,621	781,032	589,613	2,896,637	1,559,578	1,613,617	1,887,018	2,554,231	4,146,928
Charges for Services	7,889,910	8,488,108	9,091,343	7,670,970	7,902,178	8,053,198	11,225,727	11,198,012	8,624,929	11,481,752
General Government	3,931,874	3,922,658	3,962,902	3,923,771	4,148,064	4,129,697	4,246,989	4,212,319	4,568,311	4,545,306
Judicial	3,571,904	3,268,388	3,590,375	2,813,154	3,296,521	1,854,641	2,072,801	2,122,186	2,692,409	2,225,234
Physical Environment	88,253	113,852	125,144	201,726	312,525	527,379	289,242	67,537	76,244	79,649
Transportation	6,186,799	6,227,702	6,354,529	6,756,935	6,607,346	6,731,733	6,685,090	6,937,385	7,959,900	10,354,457
Economic Environment	1,424,780	1,195,078	894,872	1,088,468	1,184,165	1,055,292	1,380,435	1,524,367	1,754,501	1,808,411
Health and Human Services	3,555,103	3,057,962	3,322,591	3,026,346	3,506,429	3,769,935	4,461,088	4,622,944	5,116,681	6,412,778
Culture and Recreation	719,082	884,659	894,709	686,661	939,657	917,338	902,589	947,128	1,028,944	1,030,970
Operating Grants and Contributions	11,271,785	10,628,645	8,961,787	9,492,002	7,423,603	8,096,345	7,309,333	7,204,908	6,049,133	7,138,726
Capital Grants and Contributions	3,384,760	3,471,716	5,685,601	13,169,596	4,165,511	4,097,331	1,324,956	3,379,086	7,490,767	7,333,886
Gain(Loss) from Sale of Capital Assets	(59,262)	14,837	(118,394)	-	1,292,478	(340,575)	114,660	76,294	696,538	36,860
Issuance of Long Term Debt						1,788,814				
Total Governmental Activities Program Revenues	98,793,669	99,136,605	102,273,650	109,756,043	105,883,515	104,960,525	106,046,765	113,800,756	120,799,770	132,760,452
Business-Type Activities										
Interest and Investments	44,502	21,111	(545,115)	(485,298)	(504,334)	(406,062)	(395,829)	(384,815)	(1,662,621)	(2,318,135)
Charges for Services	7,809,298	8,253,739	8,194,581	8,084,972	8,616,406	9,083,934	9,194,846	9,949,949	10,488,212	11,253,549
Solid Waste	1,752,753	1,670,508	1,544,370	1,604,197	1,646,427	1,592,768	1,751,555	1,640,358	1,760,592	1,746,207
Drainage Utility						12,121,803	12,357,458	13,129,310	13,209,111	14,975,298
Jail Fund	485,717	303,245	397,974	480,798	446,909	1,044,605	1,004,269	1,823,176	742,962	260,393
Operating Grants and Contributions			71,451		54,414					1,003,883
Capital Grants and Contributions			700		8,372			12,549		(16,767)
Gain(Loss) from Sale of Capital Assets	10,062,270	10,248,603	9,663,981	9,684,669	10,268,154	23,437,048	23,912,319	26,170,527	24,521,509	26,921,295
Total Business-Type Activities	10,885,939	10,885,208	11,153,611	11,942,712	11,615,709	12,839,573	12,959,084	13,971,283	14,532,179	15,981,747
Total Primary Government Revenues	\$ 109,679,608	\$ 115,021,813	\$ 113,427,261	\$ 121,701,755	\$ 117,500,276	\$ 117,800,100	\$ 119,245,850	\$ 127,772,042	\$ 135,331,949	\$ 155,444,194
Net (Expense) Revenue										
Governmental Activities	(14,187,819)	(5,005,683)	(2,905,929)	(1,650,178)	(8,306,138)	(10,910,856)	(7,224,510)	(2,583,468)	3,365,032	16,618,010
Business-Type Activities	742,368	301,918	998,692	1,015,616	(26,515)	5,931,265	5,887,393	8,852,422	2,986,901	1,621,300
Total Primary Government Net Expense	\$ (13,445,451)	\$ (4,703,765)	\$ (1,906,337)	\$ (2,665,794)	\$ (8,332,653)	\$ (4,979,591)	\$ (1,337,117)	\$ 5,298,954	\$ 6,351,933	\$ 20,239,310

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

SKAGIT COUNTY, WASHINGTON

Changes in Net Position For Ten Fiscal Years (Accrual Basis of Accounting)

Fiscal Year:	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018
General Revenues and Other Changes in Net Position										
Governmental Activities										
Property Taxes	\$ 38,020,570	\$ 40,839,173	\$ 40,612,732	\$ 41,460,187	\$ 45,491,521	\$ 44,659,376	\$ 45,164,735	\$ 49,106,391	\$ 50,136,944	\$ 48,662,370
Sales/Use Tax	13,850,662	13,065,954	15,478,629	16,447,958	16,716,660	17,263,481	18,421,647	19,778,645	20,697,012	23,314,364
Other Tax	3,516,652	2,873,252	2,645,798	2,450,656	895,827	797,162	833,846	735,926	1,319,226	4,188,761
Interest and Investment Earnings	1,432,797	1,104,621	781,032	569,613	2,001,010	1,559,578	1,613,617	1,887,018	2,554,231	4,146,928
Gain (Loss) From Sale of Assets	(59,262)	14,837	(118,394)	-	1,282,478	(340,575)	114,660	76,294	696,536	36,865
Special Item	-	-	-	-	-	1,786,614	-	-	-	-
Transfers	(83,945)	(84,008)	9,142	(185,509)	104,000	(50,845)	(58,858)	(38,451)	5,000	-
Total Governmental Activities	56,677,474	57,813,829	59,408,939	60,762,905	66,501,516	65,674,791	66,089,647	71,545,823	75,410,951	80,349,288
Business-Type Activities										
Interest on Long-Term Debt	44,502	21,111	(545,115)	(485,298)	(504,334)	(406,062)	(395,829)	(384,815)	(1,662,621)	(2,318,135)
Gain (Loss) From Sale of Assets	-	-	700	-	8,372	-	-	-	(16,767)	-
Transfers	83,945	84,008	(9,142)	185,509	(104,000)	50,845	58,858	38,451	(5,000)	-
Total Business-Type Activities	128,447	105,119	(553,557)	(299,789)	(599,962)	(355,217)	(336,971)	(346,364)	(1,684,388)	(2,318,135)
Total Primary Government	56,805,921	57,918,948	58,855,382	60,463,116	65,901,554	65,319,574	65,752,676	71,199,459	73,726,563	78,031,153
Changes in Net Position										
Government Activities	(14,271,764)	(5,089,691)	(2,896,767)	1,464,669	(6,202,138)	(10,961,701)	(7,283,369)	(2,621,919)	3,370,032	17,988,136
Business-Type Activities	826,343	385,926	989,650	1,201,125	(130,515)	5,982,110	5,946,251	8,920,873	2,981,901	923,961
Total Primary Government	\$ (13,445,421)	\$ (4,703,765)	\$ (1,906,937)	\$ 2,665,794	\$ (6,332,653)	\$ (4,979,591)	\$ (1,337,117)	\$ 6,288,954	\$ 6,351,933	\$ 18,912,097

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

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

	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018
General Fund*										
Nonspendable									5,314	154,088
Restricted			350,000							48,076,920
Committed										8,077,947
Assigned			10,349,381	11,915,249	13,962,092	13,822,646	1,000,000	1,000,000	1,000,000	3,000,000
Unassigned	2,210,372	146,500					13,576,013	14,197,999	15,859,550	16,957,241
Reserved	4,397,640	7,752,934								
Total General Fund	\$ 6,608,012	\$ 7,899,434	\$ 10,699,381	\$ 11,915,249	\$ 13,962,092	\$ 13,822,646	\$ 14,576,013	\$ 15,197,999	\$ 16,864,864	\$ 76,266,206
All Other Governmental Funds*										
Nonspendable			60,685	45,681	122,235	57,488	7,232		150,000	150,000
Restricted			31,305,595	30,877,381	29,266,009	30,576,475	35,167,746	43,127,886	45,258,951	27,102,228
Committed			3,480,815	2,776,253	3,102,611	6,313,711	7,247,553	7,507,552	8,534,251	8,077,947
Assigned			10,349,381							
Unassigned										
Reserved, Reported in:										
Prepaid Items	286,266	76,143								
Loans Receivables	3,003,000	2,374,000								
Debt Service	1,149,878	1,507,334								
Petty Cash and Inventory	40,614									
Unreserved, Reported in:										
Special Revenue Funds	24,966,994	23,992,632								
Capital Projects Funds	(115,505)	2,870,512								
Total All Other Governmental Funds	\$ 29,331,247	\$ 30,820,621	\$ 45,196,476	\$ 33,699,315	\$ 32,490,855	\$ 36,947,674	\$ 42,422,531	\$ 50,635,438	\$ 53,943,202	\$ 35,330,175

Note:
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

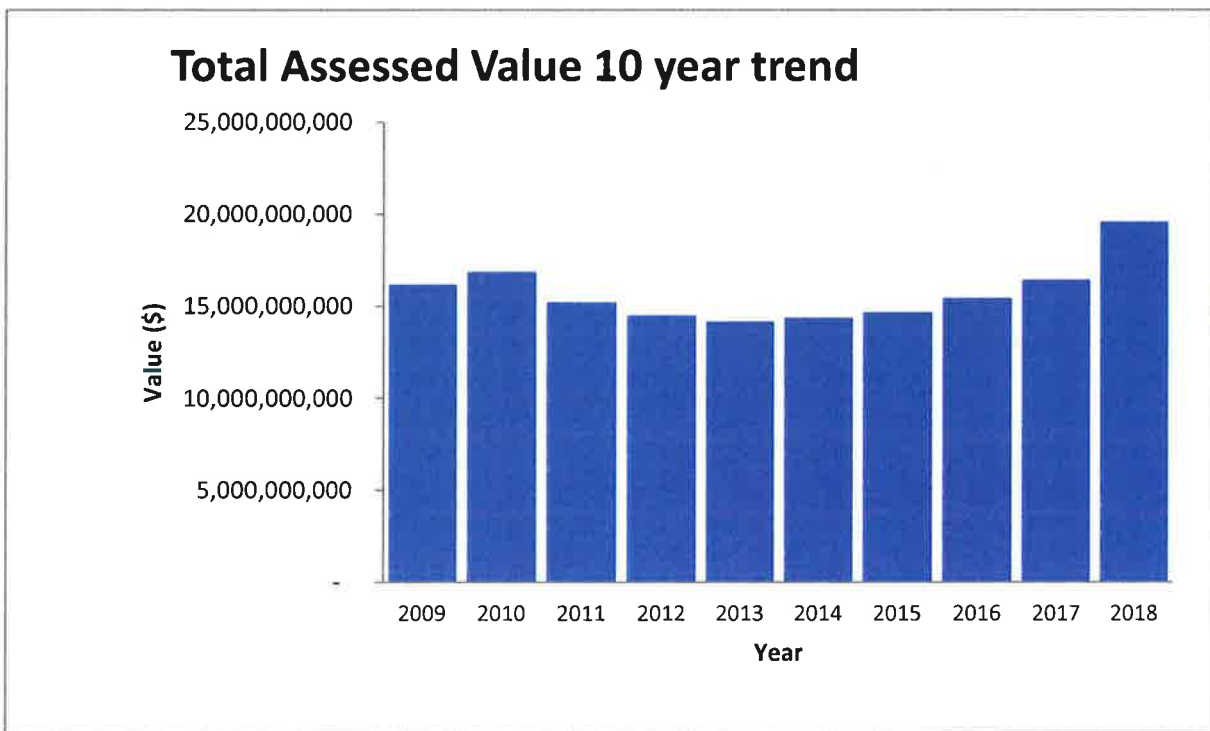
For Ten Fiscal Years

(Modified Accrual Basis of Accounting)

	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018
Revenues										
Property Tax	\$ 37,752,796	\$ 39,891,962	\$ 40,654,187	\$ 41,270,011	\$ 45,950,878	\$ 44,633,004	\$ 45,444,866	\$ 49,036,278	\$ 49,944,857	\$ 47,658,449
Sales/Use Tax	13,850,662	13,065,954	15,478,629	16,447,958	16,716,680	17,263,481	18,421,647	19,778,645	20,697,012	23,314,364
Other Tax	3,516,652	2,873,252	2,645,798	2,450,656	895,827	797,162	833,846	735,926	1,319,226	4,188,761
License and Permits	1,173,469	1,104,621	970,105	1,039,551	1,363,241	1,403,580	1,572,816	1,718,637	1,720,642	1,723,814
Intergovernmental	24,406,041	25,397,870	26,894,695	33,469,657	22,187,738	21,210,374	21,943,000	24,452,313	28,626,209	31,868,539
Charges for Services	10,705,767	9,757,448	10,019,437	10,309,648	10,580,307	10,351,662	8,834,090	9,522,520	9,044,516	11,053,088
Fines and Forfeits	1,992,299	1,957,965	2,285,628	1,852,797	2,606,269	2,420,473	2,212,512	2,048,756	2,256,734	2,147,684
Interest Earnings	1,405,561	919,121	756,562	584,571	1,995,311	1,549,712	1,601,551	1,839,041	2,446,269	3,975,586
Donations	490,959	524,932	350,297	574,306	479,642	437,591	536,411	555,934	663,082	713,160
Other Revenues	1,399,883	1,707,960	1,299,538	2,019,288	1,786,735	1,652,153	993,365	1,187,243	1,234,380	3,303,549
Total Revenues	96,694,089	97,201,085	101,354,876	110,018,443	104,562,628	101,719,192	102,394,124	110,875,293	117,952,926	129,946,994
Expenditures										
General Government	17,571,572	16,556,020	16,633,997	18,111,961	17,218,893	21,016,835	18,302,815	19,767,777	21,255,603	17,275,622
Judicial	7,841,920	7,479,340	7,823,116	8,192,507	8,426,095	6,437,688	8,713,544	9,360,475	7,205,165	10,800,393
Public Safety	28,240,870	24,420,953	24,533,549	25,249,050	26,727,069	26,225,434	27,005,041	28,185,071	28,061,749	36,630,536
Physical Environment	3,317,183	4,394,408	3,467,079	3,583,100	3,605,198	3,000,198	3,446,955	3,329,938	2,686,928	2,656,074
Transportation	18,775,959	17,027,304	17,585,104	18,953,032	18,872,864	17,771,654	17,493,644	18,366,268	19,075,130	19,479,471
Economic Environment	6,044,992	3,949,022	3,606,739	3,602,203	3,736,169	3,314,408	3,314,408	4,774,441	6,284,484	6,335,774
Health and Human Services	12,124,090	11,261,219	11,617,447	12,060,459	13,163,601	12,630,363	11,594,828	11,902,846	12,376,167	15,985,894
Culture and Recreation	2,707,825	3,209,727	2,016,505	2,536,420	2,108,744	2,353,191	2,361,129	2,503,338	2,660,040	3,022,660
Debt Service										
Principal	1,017,081	1,056,134	1,116,572	1,213,119	2,084,813	2,772,142	1,469,334	1,557,880	1,791,191	3,856,663
Interest	627,364	589,480	600,115	565,948	667,297	693,958	681,870	627,770	578,051	457,446
Capital Outlay	7,673,632	4,704,095	5,750,727	15,023,756	8,960,070	7,052,054	2,832,109	5,708,813	12,545,096	8,120,556
Total Expenditures	105,942,488	94,649,702	94,750,950	109,091,555	105,570,813	103,323,223	97,215,677	106,084,617	114,519,604	124,621,089
Excess (deficiency) of Revenues over (under) Expenditures	(9,248,399)	2,551,383	6,603,926	926,888	(1,008,185)	(1,604,031)	5,178,447	4,790,676	3,433,322	5,325,905
Other Financial Sources (Uses)										
Proceeds of Long Term Debt	389,607	415,042	201,035	353,939	715,416	1,786,614	814,731	4,081,331	913,314	-
Proceeds from Sale of Capital Assets	43,988		1,200	8,172	1,414,600	58,072	328,400	14,625	878,848	24,555
Transfers In	8,967,747	8,622,743	8,588,548	8,808,381	7,058,643	7,551,869	7,007,509	7,478,991	9,098,576	9,606,120
Transfers Out	(9,242,081)	(8,706,751)	(8,829,405)	(9,398,067)	(7,342,090)	(7,643,603)	(7,100,867)	(7,530,730)	(9,349,430)	(10,079,065)
Total Other Financing Sources (Uses)	159,261	331,034	(38,622)	(227,575)	1,846,569	1,752,952	1,049,773	4,044,217	1,541,309	(448,390)
Net Change in Fund Balance	\$ (9,089,138)	\$ 2,882,417	\$ 6,565,304	\$ 699,313	\$ 838,384	\$ 148,921	\$ 6,228,220	\$ 8,834,893	\$ 4,974,631	\$ 4,877,515
Debt Service as a Percentage of Noncapital Expenditures	3.0%	1.7%	2.0%	1.9%	2.9%	3.7%	2.3%	2.2%	2.4%	3.8%

**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
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
2018	18,388,709,346	1,191,533,769	19,580,243,115	3.49



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

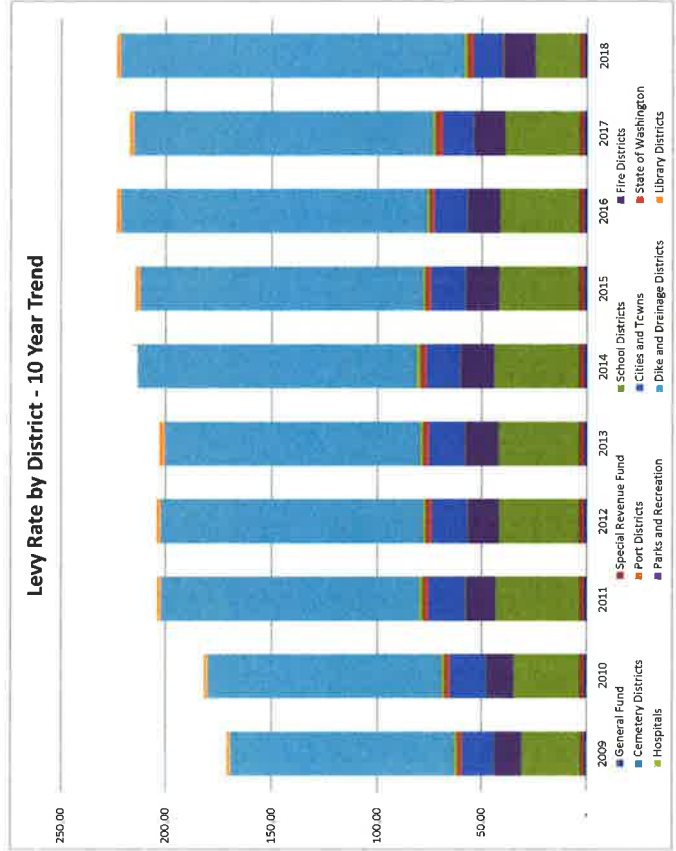
(Per \$1,000 of Assessed Value)

For a Twenty Year Period

	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018
General Fund	1.24	1.45	1.55	1.62	1.62	1.59	1.56	1.51	1.44	1.34
Special Revenue Fund	1.66	1.87	1.97	2.19	2.19	2.21	2.39	2.24	2.14	2.15
Total	2.90	3.32	3.52	3.81	3.81	3.80	3.95	3.75	3.58	3.49
School Districts	27.91	31.39	39.90	37.82	38.30	40.31	37.68	37.45	35.37	21.04
Fire Districts	13.01	13.01	13.83	14.65	15.38	15.63	15.69	15.42	14.60	14.88
Cemetery Districts	0.29	0.34	0.35	0.36	0.35	0.29	0.28	0.27	0.26	0.24
Port Districts	0.20	0.20	0.30	0.30	0.30	0.32	0.31	0.32	0.30	0.54
Cities and Towns	15.12	17.26	18.09	17.41	17.64	16.51	17.03	15.97	15.17	14.34
State of Washington	1.96	2.21	2.37	2.55	2.41	2.30	2.15	2.04	2.89	2.45
Hospitals	2.06	1.80	1.93	1.82	1.80	2.47	1.74	1.68	1.95	1.80
Parks and Recreation	0.07	0.11	0.11	0.14	0.14	0.14	0.13	0.13	0.13	0.12
Dike and Drainage Districts	106.39	110.89	122.14	123.86	120.73	131.67	133.44	144.56	141.22	162.92
Library Districts	1.05	1.25	1.31	1.41	1.34	1.99	1.94	1.88	1.73	1.67
Total	170.96	181.78	203.86	204.13	202.80	215.63	214.34	223.47	217.21	223.49

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
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%
2018	225,508,730	223,156,416	98.96%	2,661,610	225,818,026	100.14%	4,734,091	2.10%

(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

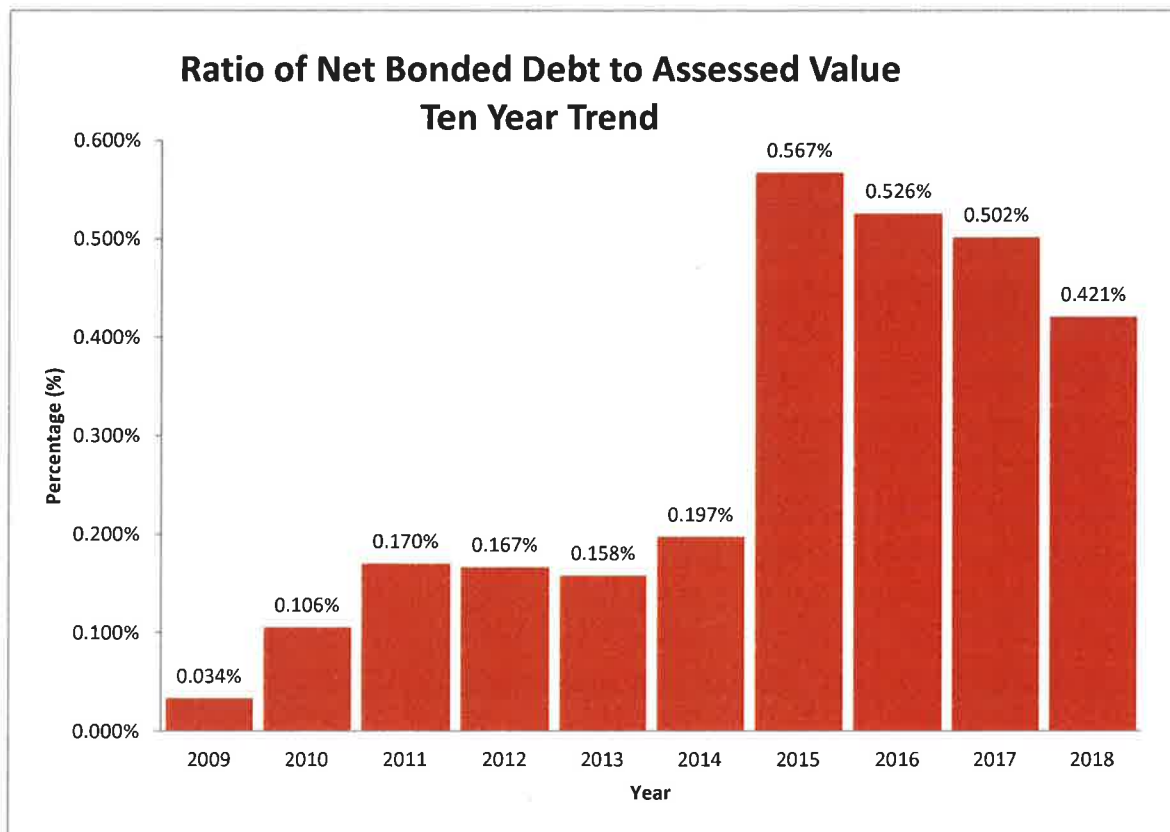
**SKAGIT COUNTY, WASHINGTON
SPECIAL ASSESSMENT COLLECTIONS
For a Twenty Year Period**

Year	Assessment Receivable At January 1	Additions	Collections	Assessment Receivable At December 31
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
2018	\$ 64,556	\$1,691,546	\$1,691,930	\$ 64,172

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

<u>Year</u>	<u>Population</u>	<u>Assessed Value</u>	<u>Net Bonded Debt</u>	<u>Ratio of Net Bonded Debt to Assessed Value</u>	<u>Bond Debt Per Capita (restated)</u>
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
2018	126,520	17,747,214,025	69,305,000	0.421%	590



SKAGIT COUNTY, WASHINGTON

LIMITATION OF INDEBTEDNESS

For a Ten Year Period

	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018
TOTAL TAXABLE PROPERTY VALUE	\$ 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	\$ 19,580,243,115
INDEBTEDNESS FOR GENERAL PURPOSE WITHOUT A VOTE										
DEBT LIMIT-1 5% OF TOTAL ASSESSED VALUE	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	293,703,647
DEBT LIMITATION APPLICABLE TO THE LIMIT	17,880,000	25,945,000	24,210,000	30,400,000	27,790,000	76,730,000	76,890,000	77,995,000	74,700,000	69,305,000
Less Outstanding Debt	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	26,689,375
Add Assets Available	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	42,615,625
REMAINING DEBT CAPACITY WITHOUT A VOTE	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	251,088,023
INDEBTEDNESS FOR GENERAL PURPOSE WITH A VOTE										
DEBT LIMIT-2 5% OF TOTAL ASSESSED VALUE	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	489,506,078
REMAINING DEBT CAPACITY INCLUDING VOTED DEBT	\$ 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	\$ 195,802,431
NET DEBT APPLICABLE TO THE LIMIT AS A PERCENTAGE OF DEBT LIMIT	4.40%	6.41%	3.59%	7.78%	5.21%	28.49%	24.84%	21.89%	20.20%	14.51%

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				
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
2018	\$ 13,215,888	\$ 2,488,680	\$ 60,164,224		\$ 75,868,792	1.84%	600

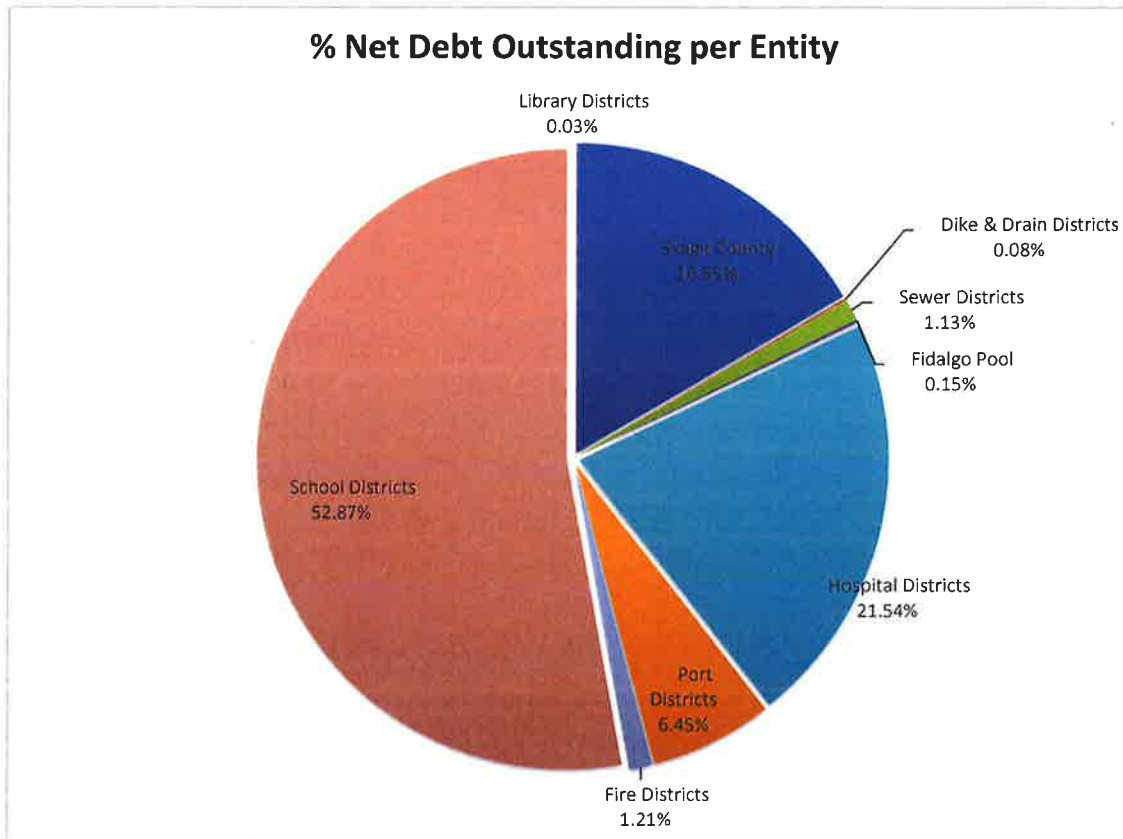
SKAGIT COUNTY, WASHINGTON COMPUTATION OF DIRECT AND OVERLAPPING DEBT FOR THE YEAR ENDED DECEMBER 31, 2017

JURISDICTION	NET DEBT OUTSTANDING	PERCENTAGE APPLICABLE TO SKAGIT COUNTY	AMOUNT APPLICABLE TO SKAGIT COUNTY
Direct Debt			
Skagit County	69,305,000	100%	69,305,000
Total Direct Debt	<u>\$ 69,305,000</u>		<u>\$ 69,305,000</u>
Overlapping debt			
Dike & Drain Districts	336,484	100%	336,484
Sewer Districts	4,734,836	100%	4,734,836
Fidalgo Pool	612,606	100%	612,606
Hospital Districts	90,180,000	100%	90,180,000
Port Districts	27,008,848	100%	27,008,848
Fire Districts	5,065,754	100%	5,065,754
School Districts	221,376,250	100%	221,376,250
Library Districts	131,251	100%	131,251
Total Overlapping Debt	<u>349,446,029</u>		<u>349,446,029</u>
Total Direct & Overlapping Debt	<u>\$418,751,029</u>	0%	<u>\$418,751,029</u>

Source: Skagit County Treasurer and
appropriate city finance offices

Percentage of overlap calculated as follows:

Overlapping portion of the government's revenue base
Total revenue base of the overlapping government



SKAGIT COUNTY, WASHINGTON
RATIO OF ANNUAL DEBT SERVICE EXPENDITURES FOR GENERAL BONDED DEBT
TO TOTAL GENERAL EXPENDITURES
For a Ten Year Period

Year	Principal	Interest and Fiscal Charges	*Total Debt Service	**Total General Expenditures	Ratio of Net Bonded Debt to Assessed Value
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%
2018	3,856,663	457,446	4,314,109	111,772,458	3.86%

Notes:

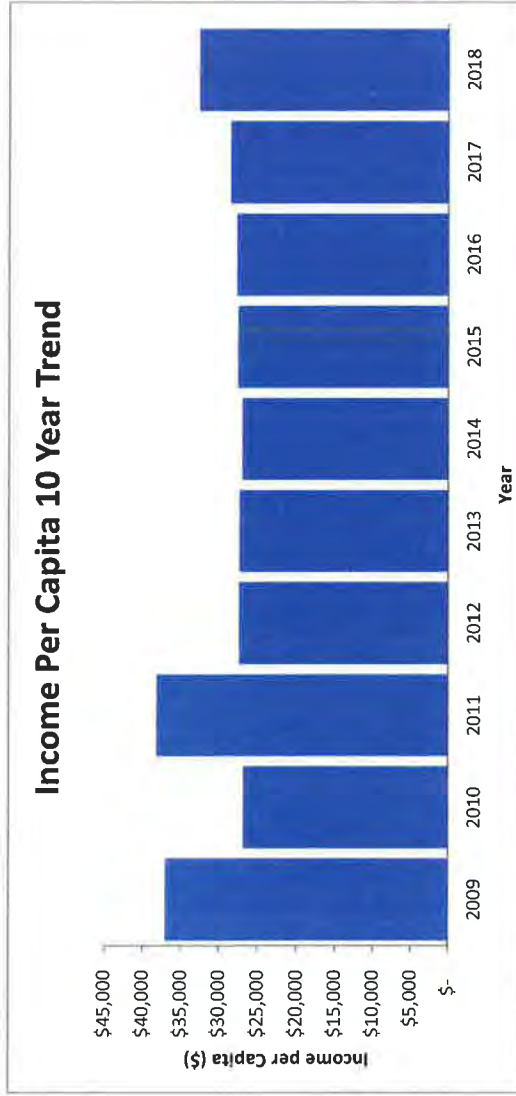
- 1) Does not include Enterprise Funds
- 2) Includes General, Special Revenue, Capital Projects, and Debt Service funds

SKAGIT COUNTY, WASHINGTON

Demographic Statistics

For a Ten Year Period

	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018
County Population April 1										
Unincorporated	49,915	48,112	48,255	48,345	48,411	48,720	49,220	49,860	50,875	51,540
Incorporated	68,985	68,789	69,145	69,605	70,189	70,780	71,400	72,410	73,225	74,980
Totals	118,900	116,901	117,400	117,950	118,600	119,500	120,620	122,270	124,100	126,520
Income Per Capita	\$ 37,076	\$ 26,925	\$ 38,225	\$ 27,447	\$ 27,395	\$ 27,065	\$ 27,598	\$ 27,794	\$ 28,586	\$ 32,653
Median Household Income	\$ 55,572	\$ 54,426	\$ 55,085	\$ 56,443	\$ 56,058	\$ 54,852	\$ 56,322	\$ 55,524	\$ 58,990	\$ 64,106
Unemployment Rate	10.2%	10.7%	10.2%	9.2%	8.7%	5.8%	6.6%	6.8%	4.9%	5.3%
Civilian Labor Force	58,592	59,114	57,143	57,112	56,754	56,490	56,713	57,965	59,250	60,278
School Enrollment	18,723	18,878	18,668	18,920	18,678	18,869	18,920	18,951	19,148	20,002



SOURCES:
 WA State Employment Security Department
 Washington State Office of Public Instruction

SKAGIT COUNTY, WASHINGTON
PRINCIPAL PROPERTY TAXPAYERS
Current Year Compared to 2008

Top Ten Taxpayers	2018			2008		
	Taxable Assessed Value	Rank	Percentage of Total Assessed Taxable Value	Taxable Assessed Value	Rank	Percentage of Total Assessed Taxable Value
Equilon Enterprises LLC	\$538,718,000	1	2.83%	\$ 436,663,180	1	2.78%
Tesoro Refining and Marketing Co	405,175,600	2	2.13%	\$ 324,732,369	2	2.07%
Puget Sound Energy Electric	330,383,112	3	1.74%			0.00%
Tesoro Logistics Operations LLC	83,731,700	4	0.44%			0.00%
Sierra Pacific Industries	76,022,100	5	0.40%	\$ 95,413,400	3	0.61%
Pacific Woodtech Corporation	61,250,000	6	0.32%	\$ 66,935,800	4	0.43%
PACCAR Inc Truck Testing	59,525,700	7	0.31%	\$ 43,470,468	6	0.28%
Frontier Property Tax Dept NCA	38,962,972	8	0.20%			0.00%
SHI Owner LLC	35,026,200	9	0.18%			0.00%
NW Pipeline GP	33,968,892	10	0.18%			0.00%
March Point Cogeneration Co & San Juan Energy Co				\$ 47,221,928	5	0.30%
PPR Cascade LLC				\$ 38,298,600	7	0.24%
Stratford Hall Inc				\$ 32,495,000	8	0.21%
Pacific NW Properties LLC				\$ 25,775,800	9	0.16%
Quadrant Corporation				\$ 24,523,400	10	0.16%
Total of Top Ten Assessed Value	<u>1,662,764,276</u>		<u>8.74%</u>	<u>1,135,529,945</u>		<u>7.22%</u>
Total County Assessed Value	<u>\$ 19,017,014,346</u>			<u>\$ 15,718,435,520</u>		
Percentage to Total County Assessed Value			<u>8.74%</u>			<u>7.22%</u>

Source: Skagit County Assessor

SKAGIT COUNTY, WASHINGTON
PRINCIPAL EMPLOYERS
Current Year Compared to 2009

Top Ten Principal Employers	2018			2009		
	Number of Employees	Rank	Percentage of Total Labor Force	Number of Employees	Rank	Percentage of Total Labor Force
Skagit Regional Health	2,558	1	4.24%	1,305	1	2.23%
Skagit Valley College	1,152	2	1.91%			
Mount Vernon School District	1,100	3	1.82%	793	4	1.35%
Janicki Industries	990	4	1.64%			
Skagit County Government	915	5	1.52%	985	2	1.68%
Burlington-Edison School District	858	6	1.42%			
Skagit Horticulture (formerly Skagit Gardens)	768	7	1.27%			
Island Hospital	724	8	1.20%	655	3	1.12%
Sedro Woolley School District	680	9	1.13%	530	5	0.90%
Swinomish Casino & Lodge	538	10	0.89%			
Regence Blue Shield				520	6	0.89%
Draper Valley Farms				500	7	0.85%
Skagit Valley Casino & Resort				500	7	0.85%
Shell Puget Sound Refinery				480	9	0.82%
United General Hospital				454	10	0.77%
Total Top Ten Employees	10,283		17.06%	6,722		11.47%
Total County Labor Force	60,278			58,592		

Sources:
Economic Development Alliance of Skagit County
Washington State Auditor's Office
Agency Human Resource Departments

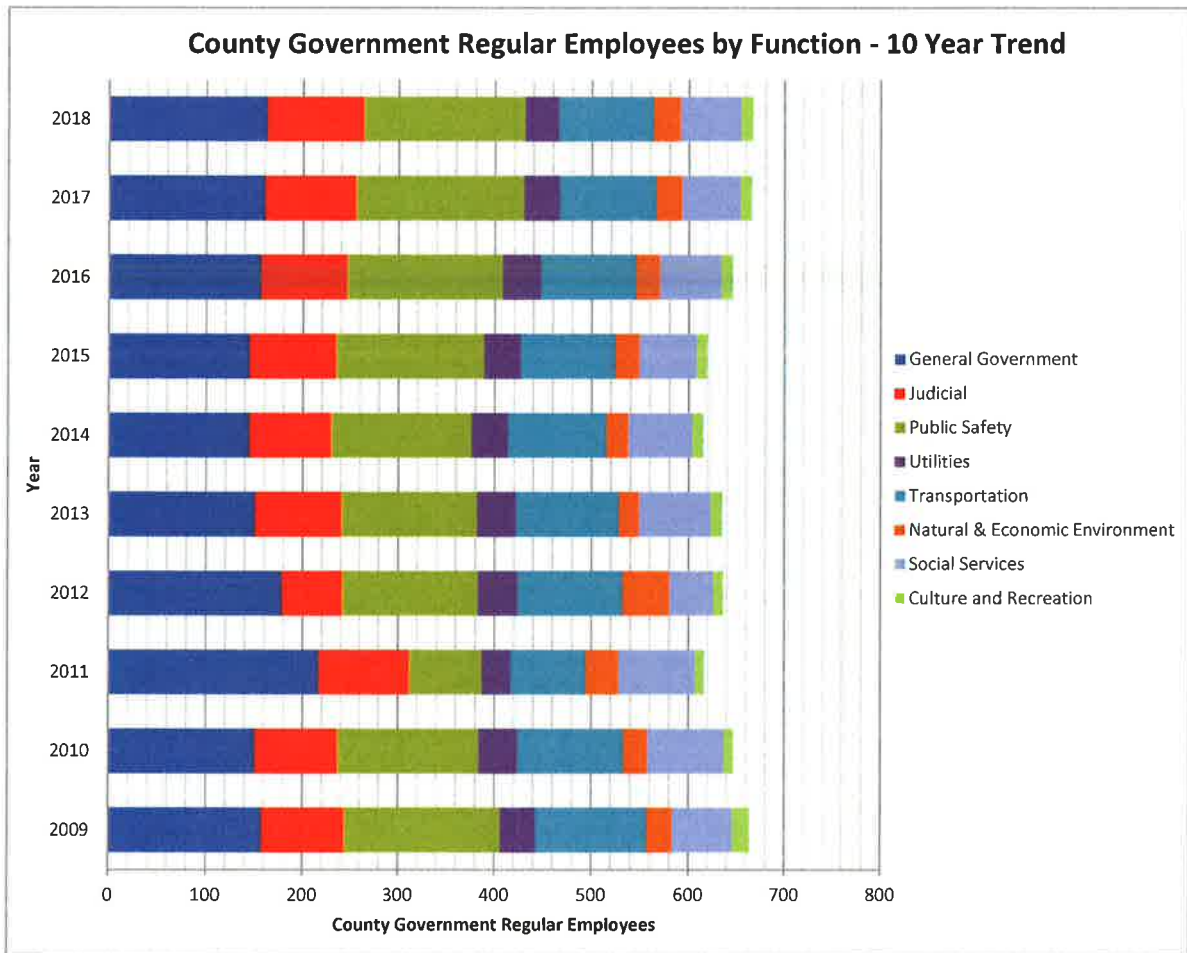
Note:
Includes seasonal and temporary employees

SKAGIT COUNTY, WASHINGTON

COUNTY GOVERNMENT EMPLOYEES BY FUNCTION

For a Ten Year Period

Function	Number of Regular Employees as of December 31									
	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018
General Government	157	150	216	178	150	144	144	156	160	162
Judicial	87	87	96	64	91	86	91	91	96	102
Public Safety	162	147	75	141	141	146	154	161	174	167
Utilities	37	40	30	41	40	38	38	40	37	35
Transportation	114	109	77	108	106	101	97	97	99	97
Natural & Economic Environment	26	25	34	48	21	23	25	25	27	28
Social Services	63	79	79	46	74	66	59	64	61	64
Culture and Recreation	18	10	9	10	12	11	11	12	12	12
Total	664	647	616	636	635	615	619	646	666	667



Source: Skagit County Auditor

Note:
Numbers restated in accordance with function designations

SKAGIT COUNTY, WASHINGTON

MISCELLANEOUS STATISTICS

For a Ten Year Period

	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018
(A) MILES OF ROAD										
Paved Roads	758	761	761	760	761	761	761	756	761,048	761,428
Unpaved Roads	41	41	41	41	40	40	40	40	40,157	39,748
	799	802	802	801	801	801	801	796	801,205	801,176
(B) BUILDING PERMITS										
Permits issued	547	414	416	424	445	392	591	524	587	518
Value of buildings	\$41,441,249	\$42,538,000	\$38,893,281	\$40,588,568	\$58,051,285	\$57,696,373	\$62,443,127	\$67,496,136	\$84,524,082	\$86,155,172
(C) FIRE PROTECTION										
Number of districts	18	18	18	18	18	18	18	18	17	17
Number of volunteer firefighters	550	585	568	561	559	572	589	589	588	551
(D) POLICE PROTECTION										
Number of employees, commissioned	62	58	46	44	50	52	51	54	51	56
Number of employees, civilian and limited commission	58	53	53	59	55	56	65	65	87	76
Average daily jail population	275	243	196	226.3	247.7	235	205	213.8	213	265
Police patrol units, vehicle	62	54	49	71	55	56	55	68	81	88
Police patrol units, boats	4	4	5	5	5	4	4	4	3	3
(E) RECREATIONAL FACILITIES										
Number of parks	35	36	26	32	29	29	29	29	29	29
Park acreage	2240	2255	2300	2153.5	2054.5	2054.5	2058.05	2058.05	2063.88	2063.97
(F) GENERAL ELECTIONS										
Number of registered voters	68,119	68,936	\$ 68,996	72,966	74,075	75,774	74,282	79,796	73,710	75,699
Number of votes cast	36,160	48,960	\$ 38,256	56,262	35,847	40,825	29,784	59,023	27,947	55,583
Percentage voting	53%	71%	59%	83%	53%	61%	43%	80%	38%	73%
(G) PUBLIC EDUCATION										
Elementary	25	25	25	25	26	26	26	26	26	26
Middle/Junior High	5	5	5	5	5	5	5	5	5	5
High	9	9	6	6	6	6	6	6	6	6
Community College	1	1	1	1	1	1	1	1	1	1
Alternative	4	4	6	8	8	8	8	8	10	10
Special Education	5	4	4	5	5	4	4	4	4	4

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

Compliance Section



Skagit County
Schedule of Expenditures of Federal Awards
For the Year Ended December 31, 2018

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, AGRICULTURE, DEPARTMENT OF	Conservation Reserve Program	10.069	CREP-05- 72/MARTIN SLOUGH	-	6,519	6,519	-	1
Child Nutrition Cluster								
FOOD AND NUTRITION SERVICE, AGRICULTURE, DEPARTMENT OF (via Office of Superintendent of Public Instruction)	School Breakfast Program	10.553	159861 B2018	4,868	-	4,868	-	1
FOOD AND NUTRITION SERVICE, AGRICULTURE, DEPARTMENT OF (via Office of Superintendent of Public Instruction)	National School Lunch Program	10.555	159861 L2018	7,532	-	7,532	-	1
Total Child Nutrition Cluster:				12,400	-	12,400	-	
FOOD AND NUTRITION SERVICE, AGRICULTURE, DEPARTMENT OF (via Northwest Regional Council)	Senior Farmers Market Nutrition Program	10.576	201018- NUTR/Farmers Market Vouchers	4,191	-	4,191	-	
FOOD AND NUTRITION SERVICE, AGRICULTURE, DEPARTMENT OF (via Northwest Regional Council)	Senior Farmers Market Nutrition Program	10.576	201018- NUTR/SFMNP- Administration	6,517	-	6,517	-	1
Total CFDA 10.576:				10,708	-	10,708	-	
Forest Service Schools and Roads Cluster								
FOREST SERVICE, AGRICULTURE, DEPARTMENT OF (via Washington State)	Schools and Roads - Grants to States	10.665	10.665 2018	227,119	-	227,119	-	1
FOREST SERVICE, AGRICULTURE, DEPARTMENT OF	Schools and Roads - Grants to States	10.665	Title III Forest Yield 2018	-	37,407	37,407	-	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, 2018

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:			227,119	37,407	264,525	-	
NATIONAL OCEANIC AND ATMOSPHERIC ADMINISTRATION, COMMERCE, DEPARTMENT OF (via Washington State Recreation and Conservation Office)	Pacific Coast Salmon Recovery Pacific Salmon Treaty Program	11.438	NA17NMF4380 181/17-1160R	21,250	-	21,250	-	
NATIONAL OCEANIC AND ATMOSPHERIC ADMINISTRATION, COMMERCE, DEPARTMENT OF (via Washington State Recreation and Conservation Office, Salmon Recovery and Funding Board)	Pacific Coast Salmon Recovery Pacific Salmon Treaty Program	11.438	RCO#14-1263R	40,611	-	40,611	-	
				61,861	-	61,861	-	
ASSISTANT SECRETARY FOR COMMUNITY PLANNING AND DEVELOPMENT, HOUSING AND URBAN DEVELOPMENT, DEPARTMENT OF (via State of Washington Department of Commerce)	Community Development Block Grants/State's program and Non-Entitlement Grants in Hawaii	14.228	15-62210- 031/HOMEOW NER ASSISTANCE	101,540	-	101,540	-	1
ASSISTANT SECRETARY FOR COMMUNITY PLANNING AND DEVELOPMENT, HOUSING AND URBAN DEVELOPMENT, DEPARTMENT OF (via State of Washington Department of Commerce)	Community Development Block Grants/State's program and Non-Entitlement Grants in Hawaii	14.228	15-62210-019	473,779	-	473,779	106,043	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, 2018

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		
ASSISTANT SECRETARY FOR COMMUNITY PLANNING AND DEVELOPMENT, HOUSING AND URBAN DEVELOPMENT, DEPARTMENT OF (via State of Washington Department of Commerce)	Community Development Block Grants/State's program and Non-Entitlement Grants in Hawaii	14.228	17-62210-012	44,793	-	44,793	37,302	1
ASSISTANT SECRETARY FOR COMMUNITY PLANNING AND DEVELOPMENT, HOUSING AND URBAN DEVELOPMENT, DEPARTMENT OF (via Washington State Department of Commerce, Local Government Division, Community Assistance and Research Unit)	Community Development Block Grants/State's program and Non-Entitlement Grants in Hawaii	14.228	18-62210-012	34,917	-	34,917	33,763	1
			Total CFDA 14.228:	655,029	-	655,029	177,107	
ASSISTANT SECRETARY FOR COMMUNITY PLANNING AND DEVELOPMENT, HOUSING AND URBAN DEVELOPMENT, DEPARTMENT OF	Home Investment Partnerships Program	14.239	M16-DC530210	-	335,145	335,145	335,145	1
ASSISTANT SECRETARY FOR COMMUNITY PLANNING AND DEVELOPMENT, HOUSING AND URBAN DEVELOPMENT, DEPARTMENT OF	Home Investment Partnerships Program	14.239	M17-DC530210	-	104,868	104,868	37,422	1
ASSISTANT SECRETARY FOR COMMUNITY PLANNING AND DEVELOPMENT, HOUSING AND URBAN DEVELOPMENT, DEPARTMENT OF	Home Investment Partnerships Program	14.239	M15-DC530210	-	374,964	374,964	374,964	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, 2018

Federal Agency (Pass-Through Agency)	Federal Program	CFDA Number	Other Award Number	From Pass- Through Awards	Expenditures		Passed through to Subrecipients	Note
					From Direct Awards	Total		
ASSISTANT SECRETARY FOR COMMUNITY PLANNING AND DEVELOPMENT, HOUSING AND URBAN DEVELOPMENT, DEPARTMENT OF	Home Investment Partnerships Program	14.239	M18-DC530210	-	7,726	7,726	-	1
		Total CFDA 14.239:		-	822,703	822,703	747,531	
OFFICE OF JUSTICE PROGRAMS, JUSTICE, DEPARTMENT OF (via WASHINGTON STATE PATROL)	Crime Victim Assistance	16.575	K14053/2018- 124	1,746	-	1,746	-	1
		16.575	S18-31102-526	23,156	-	23,156	-	1
OFFICE OF JUSTICE PROGRAMS, JUSTICE, DEPARTMENT OF (via Washington State Department of Commerce)	Crime Victim Assistance	16.575	19-31101-526	30,396	-	30,396	-	1
		16.575	F18-31223-002	18,665	-	18,665	-	
Total CFDA 16.575:				73,962	-	73,962	-	
OFFICE ON VIOLENCE AGAINST WOMEN (OVW), JUSTICE, DEPARTMENT OF (via Washington State Department of Commerce)	Violence Against Women Formula Grants	16.588	F17-31103-031	17,312	-	17,312	-	1
		Total CFDA 16.575:				73,962	-	

The accompanying notes are an integral part of this schedule.

Skagit County
Schedule of Expenditures of Federal Awards
For the Year Ended December 31, 2018

Federal Agency (Pass-Through Agency)	Federal Program	CFDA Number	Other Award Number	Expenditures			Passed through to Subrecipients	Note
				From Pass- Through Awards	From Direct Awards	Total		
OFFICE OF JUSTICE PROGRAMS, JUSTICE, DEPARTMENT OF (via U.S. Department of Justice, Office of Justice Programs, Bureau of Justice Assistance)	Residential Substance Abuse Treatment for State Prisoners	16.593	2017-RT-BX- 0049/1763- 18350	71,885	-	71,885	70,754	1
OFFICE OF JUSTICE PROGRAMS, JUSTICE, DEPARTMENT OF	State Criminal Alien Assistance Program	16.606	2018-H0500- WA-AP	-	23,569	23,569	-	1
COMMUNITY ORIENTED POLICING SERVICE, JUSTICE, DEPARTMENT OF	Public Safety Partnership and Community Policing Grants	16.710	2014UMWX007 7	-	19,565	19,565	-	1
Highway Planning and Construction Cluster								
FEDERAL HIGHWAY ADMINISTRATION, TRANSPORTATION, DEPARTMENT OF (via Washington State Department of Transportation)	Highway Planning and Construction	20.205	HPP-2029(040) LA-6452	227,878	-	227,878	-	1
FEDERAL HIGHWAY ADMINISTRATION, TRANSPORTATION, DEPARTMENT OF (via Washington State Department of Transportation)	Highway Planning and Construction	20.205	BRS-M291(006) LA-8075	5,094,820	-	5,094,820	-	
FEDERAL HIGHWAY ADMINISTRATION, TRANSPORTATION, DEPARTMENT OF (via Washington State Department of Transportation)	Highway Planning and Construction	20.205	STPR-T290 (001)LA-8076	8,804	-	8,804	-	

The accompanying notes are an integral part of this schedule.

Skagit County
Schedule of Expenditures of Federal Awards
For the Year Ended December 31, 2018

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, TRANSPORTATION, DEPARTMENT OF (via Washington State Department of Transportation)	Highway Planning and Construction	20.205	STPR-7318 (0010)LA-8426	53,461	-	53,461	-	1
FEDERAL HIGHWAY ADMINISTRATION, TRANSPORTATION, DEPARTMENT OF (via Washington State Department of Transportation)	Highway Planning and Construction	20.205	HSIP-M290 (005)LA-8744	3,091	-	3,091	-	
FEDERAL HIGHWAY ADMINISTRATION, TRANSPORTATION, DEPARTMENT OF (via Washington State Department of Transportation)	Highway Planning and Construction	20.205	BH3-M291(008) LA-8746	22,694	-	22,694	-	
FEDERAL HIGHWAY ADMINISTRATION, TRANSPORTATION, DEPARTMENT OF (via Washington State Department of Transportation)	Highway Planning and Construction	20.205	BH5-M291(007) LA-8702	59,739	-	59,739	-	
FEDERAL HIGHWAY ADMINISTRATION, TRANSPORTATION, DEPARTMENT OF (via Washington State Department of Transportation)	Highway Planning and Construction	20.205	BHS-W290 (001)/LA-8733	36,309	-	36,309	-	
FEDERAL HIGHWAY ADMINISTRATION, TRANSPORTATION, DEPARTMENT OF (via Skagit Indian Tribe)	Highway Planning and Construction	20.205	C20170401	305,657	-	305,657	-	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, 2018

Federal Agency (Pass-Through Agency)	Federal Program	CFDA Number	Other Award Number	Expenditures			Note
				From Pass- Through Awards	From Direct Awards	Passed through to Subrecipients	
				Total			
FEDERAL HIGHWAY ADMINISTRATION, TRANSPORTATION, DEPARTMENT OF (via Washington State Department of Transportation)	Highway Planning and Construction	20.205	STPR-F294 (001)LA/9261	45,129	-	45,129	1
FEDERAL HIGHWAY ADMINISTRATION, TRANSPORTATION, DEPARTMENT OF (via Washington State Department of Transportation)	Highway Planning and Construction	20.205	STPR-F294 (002)LA-9415	7,594	-	7,594	1
Total Highway Planning and Construction Cluster:				5,865,174	-	5,865,174	
Highway Safety Cluster							
NATIONAL HIGHWAY TRAFFIC SAFETY ADMINISTRATION, TRANSPORTATION, DEPARTMENT OF (via Washington Traffic Safety Commission)	State and Community Highway Safety	20.600	402-WTSC- 2018	1,095	-	1,095	1
NATIONAL HIGHWAY TRAFFIC SAFETY ADMINISTRATION, TRANSPORTATION, DEPARTMENT OF (via Washington Traffic Safety Commission)	State and Community Highway Safety	20.600	2019-HVE-3227	807	-	807	1
NATIONAL HIGHWAY TRAFFIC SAFETY ADMINISTRATION, TRANSPORTATION, DEPARTMENT OF (via Washington Traffic Safety Commission)	State and Community Highway Safety	20.600	WASPC 2018- 2019	13,200	-	13,200	1
Total Highway Safety Cluster:				15,102	-	15,102	

The accompanying notes are an integral part of this schedule.

Skagit County
Schedule of Expenditures of Federal Awards
For the Year Ended December 31, 2018

Federal Agency (Pass-Through Agency)	Federal Program	CFDA Number	Other Award Number	Expenditures			Passed through to Subrecipients	Note
				From Pass- Through Awards	From Direct Awards	Total		
NATIONAL HIGHWAY TRAFFIC SAFETY ADMINISTRATION, TRANSPORTATION, DEPARTMENT OF (via Washington Traffic Safety Commission via Public Hospital District #304)	Minimum Penalties for Repeat Offenders for Driving While Intoxicated	20.608	C20180245	2,259	-	2,259	-	1
NATIONAL HIGHWAY TRAFFIC SAFETY ADMINISTRATION, TRANSPORTATION, DEPARTMENT OF (via Washington Traffic Safety Commission via United Hospital District 304)	Minimum Penalties for Repeat Offenders for Driving While Intoxicated	20.608	2019-AG-2698- Skagit County Underage Drinking Prevention Plan	1,638	-	1,638	-	1
Total CFDA 20.608:				3,897	-	3,897	-	
ENVIRONMENTAL PROTECTION AGENCY, ENVIRONMENTAL PROTECTION AGENCY (via Washington State Department of Health)	Puget Sound Action Agenda: Technical Investigations and Implementation Assistance Program	66.123	GVL22580	126,246	-	126,246	6,670	1
ENVIRONMENTAL PROTECTION AGENCY, ENVIRONMENTAL PROTECTION AGENCY (via Washington State Department of Ecology)	Puget Sound Action Agenda: Technical Investigations and Implementation Assistance Program	66.123	SEANWS-2017- SKCoPW-00002	38,807	-	38,807	11,476	1
ENVIRONMENTAL PROTECTION AGENCY, ENVIRONMENTAL PROTECTION AGENCY (via Washington State Department of Health)	Puget Sound Action Agenda: Technical Investigations and Implementation Assistance Program	66.123	CLH18259/PS SSI 1-5 Subaward Process Task 4	50,843	-	50,843	-	
Total CFDA 66.123:				215,896	-	215,896	18,145	

The accompanying notes are an integral part of this schedule.

Skagit County
Schedule of Expenditures of Federal Awards
For the Year Ended December 31, 2018

Federal Agency (Pass-Through Agency)	Federal Program	CFDA Number	Other Award Number	Expenditures			Note
				From Pass- Through Awards	From Direct Awards	Total	
ENVIRONMENTAL PROTECTION AGENCY, ENVIRONMENTAL PROTECTION AGENCY (via Washington State Department of Ecology)	National Estuary Program	66.456	SEANWS-2018- SKCOPW- 00004	2,649	-	2,649	1
Clean Water State Revolving Fund Cluster							
ENVIRONMENTAL PROTECTION AGENCY, ENVIRONMENTAL PROTECTION AGENCY (via Washington State Department of Ecology)	Capitalization Grants for Clean Water State Revolving Funds	66.458	WQC-2016- SKCoPD-00181	235,555	-	235,555	1
Total Clean Water State Revolving Fund Cluster:				235,555	-	235,555	
ADMINISTRATION FOR COMMUNITY LIVING (ACL), HEALTH AND HUMAN SERVICES, DEPARTMENT OF (via Northwest Regional Council)	Special Programs for the Aging, Title III, Part D, Disease Prevention and Health Promotion Services	93.043	202301- CDSME	2,000	-	2,000	1
Aging Cluster							
ADMINISTRATION FOR COMMUNITY LIVING (ACL), HEALTH AND HUMAN SERVICES, DEPARTMENT OF (via Northwest Regional Council)	Special Programs for the Aging, Title III, Part C, Nutrition Services	93.045	201018-NUTR/ Part C-1 Congregate Nutrition Services	98,074	-	98,074	
ADMINISTRATION FOR COMMUNITY LIVING (ACL), HEALTH AND HUMAN SERVICES, DEPARTMENT OF (via Northwest Regional Council)	Special Programs for the Aging, Title III, Part C, Nutrition Services	93.045	201018- NUTR/Part C-2 Home-Delivered Nutrition Services	108,073	-	108,073	
Total CFDA 93.045:				206,147	-	206,147	

The accompanying notes are an integral part of this schedule.

**Skagit County
Schedule of Expenditures of Federal Awards
For the Year Ended December 31, 2018**

Federal Agency (Pass-Through Agency)	Federal Program	CFDA Number	Other Award Number	Expenditures			Passed through to Subrecipients	Note
				From Pass- Through Awards	From Direct Awards	Total		
ADMINISTRATION FOR COMMUNITY LIVING (ACL), HEALTH AND HUMAN SERVICES, DEPARTMENT OF (via Northwest Regional Council)	Nutrition Services Incentive Program	93.053	202018- NUTR/NSIP18	110,064	-	110,064	-	1
		Total Aging Cluster:			316,211	-	316,211	-
CENTERS FOR DISEASE CONTROL AND PREVENTION, HEALTH AND HUMAN SERVICES, DEPARTMENT OF (via Washington State Department of Health)	Public Health Emergency Preparedness	93.069	CLH18259/FFY 17 EPR PHEP BP1 LHJ Funding	52,402	-	52,402	-	
		93.069	CLH18259/FFY 18 EPR PHEP BP1 SUPP LHJ Funding	57,805	-	57,805	-	
Total CFDA 93.069:			110,207	-	110,207	-		
FOOD AND DRUG ADMINISTRATION, HEALTH AND HUMAN SERVICES, DEPARTMENT OF (via Association of Food and Drug Officials)	Food and Drug Administration Research	93.103	G-SP-1709- 05040	2,500	-	2,500	-	1
		93.103	G-SP-1709- 05040	1,115	-	1,115	-	1
Total CFDA 93.103:			3,615	-	3,615	-		

The accompanying notes are an integral part of this schedule.

Skagit County
Schedule of Expenditures of Federal Awards
For the Year Ended December 31, 2018

Federal Agency (Pass-Through Agency)	Federal Program	CFDA Number	Other Award Number	Expenditures			Passed through to Subrecipients	Note
				From Pass- Through Awards	From Direct Awards	Total		
CENTERS FOR DISEASE CONTROL AND PREVENTION, HEALTH AND HUMAN SERVICES, DEPARTMENT OF (via Washington State Department of Health)	Injury Prevention and Control Research and State and Community Based Programs	93.136	CLH18259/FFY 18 Prescription Drug OD- Enhanced	2,090	-	2,090	-	
CENTERS FOR DISEASE CONTROL AND PREVENTION, HEALTH AND HUMAN SERVICES, DEPARTMENT OF (via Washington State Department of Health)	Injury Prevention and Control Research and State and Community Based Programs	93.136	CLH18259/FFY 17 Prescription Drug OD- Enhanced	45,000	-	45,000	10,500	
Total CFDA 93.136:				47,090	-	47,090	10,500	
² SUBSTANCE ABUSE AND MENTAL HEALTH SERVICES ADMINISTRATION; HEALTH AND HUMAN SERVICES, DEPARTMENT OF (via Washington State Health Care Authority, Division of Behavioral Health)	Substance Abuse and Mental Health Services Projects of Regional and National Significance	93.243	1763- 94269/PFS Partnerships for Success	32,792	-	32,792	31,833	1
SUBSTANCE ABUSE AND MENTAL HEALTH SERVICES ADMINISTRATION; HEALTH AND HUMAN SERVICES, DEPARTMENT OF (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 ATR Access to Recovery	157,567	-	157,567	157,567	1
Total CFDA 93.243:				190,359	-	190,359	189,401	

The accompanying notes are an integral part of this schedule.

Skagit County
Schedule of Expenditures of Federal Awards
For the Year Ended December 31, 2018

Federal Agency (Pass-Through Agency)	Federal Program	CFDA Number	Other Award Number	Expenditures			Passed through to Subrecipients	Note
				From Pass- Through Awards	From Direct Awards	Total		
ADMINISTRATION FOR CHILDREN AND FAMILIES, HEALTH AND HUMAN SERVICES, DEPARTMENT OF (via Department of Social & Health Services, Economic Services Administration)	Child Support Enforcement	93.563	0863-31629 2018 CLERK	137,800	-	137,800	-	
ADMINISTRATION FOR CHILDREN AND FAMILIES, HEALTH AND HUMAN SERVICES, DEPARTMENT OF (via Department of Social & Health Services, Economic Services Administration)	Child Support Enforcement	93.563	0863-31629/75- 1501-0-1-609	425,075	-	425,075	-	
ADMINISTRATION FOR CHILDREN AND FAMILIES, HEALTH AND HUMAN SERVICES, DEPARTMENT OF (via Washington State Department of Social and Health Services, Economic Services Division)	Child Support Enforcement	93.563	1663- 67776/Child Support Enforcement	33,481	-	33,481	-	
Total CFDA 93.563:				596,356	-	596,356	-	
CENTERS FOR MEDICARE AND MEDICAID SERVICES, HEALTH AND HUMAN SERVICES, DEPARTMENT OF (via Washington State Department of Health)	ACA-Transforming Clinical Practice Initiative: Practice Transformation Networks (PTNs)	93.638	CLH18259/FFY 17 TCPI PTN Contracts	43,982	-	43,982	39,588	
Medicaid Cluster								

The accompanying notes are an integral part of this schedule.

Skagit County
Schedule of Expenditures of Federal Awards
For the Year Ended December 31, 2018

Federal Agency (Pass-Through Agency)	Federal Program	CFDA Number	Other Award Number	Expenditures			Passed through to Subrecipients	Note
				From Pass- Through Awards	From Direct Awards	Total		
CENTERS FOR MEDICARE AND MEDICAID SERVICES, HEALTH AND HUMAN SERVICES, DEPARTMENT OF (via North Sound Behavioral Health Organization)	Medical Assistance Program	93.778	NSBHO Admin- FYSPRT 2018	68,989	-	68,989	-	1
Total Medicaid Cluster:				68,989	-	68,989	-	
SUBSTANCE ABUSE AND MENTAL HEALTH SERVICES ADMINISTRATION, HEALTH AND HUMAN SERVICES, DEPARTMENT OF (via Public Hospital District #304)	Opioid STR	93.788	C20180245	329	-	329	-	1
SUBSTANCE ABUSE AND MENTAL HEALTH SERVICES ADMINISTRATION, HEALTH AND HUMAN SERVICES, DEPARTMENT OF (via Washington State Health Care Authority, Division of Behavioral Health)	Opioid STR	93.788	1763-94269 Opioid STR	122,558	-	122,558	38,621	
SUBSTANCE ABUSE AND MENTAL HEALTH SERVICES ADMINISTRATION, HEALTH AND HUMAN SERVICES, DEPARTMENT OF (via Washington State Health Care Authority, Division of Behavioral Health)	Opioid STR	93.788	1763-94269 Opioid SOR	6,994	-	6,994	6,331	
Total CFDA 93.788:				129,881	-	129,881	44,952	

Maternal, Infant, and Early Childhood Home Visiting Cluster

The accompanying notes are an integral part of this schedule.

Skagit County
Schedule of Expenditures of Federal Awards
For the Year Ended December 31, 2018

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		
HEALTH RESOURCES AND SERVICES ADMINISTRATION, HEALTH AND HUMAN SERVICES, DEPARTMENT OF (via Washington State Department of Children, Youth and Families)	Maternal, Infant and Early Childhood Home Visiting Grant Program	93.870	18-1050/NFP (MIECHV)	409,783	-	409,783	-	
Total Maternal, Infant, and Early Childhood Home Visiting Cluster:				409,783	-	409,783	-	
SUBSTANCE ABUSE AND MENTAL HEALTH SERVICES ADMINISTRATION; HEALTH AND HUMAN SERVICES, DEPARTMENT OF (via North Sound Behavioral Health Organization)	Block Grants for Community Mental Health Services	93.958	NSBHO MHBG 17-18	48,450	-	48,450	48,450	1
SUBSTANCE ABUSE AND MENTAL HEALTH SERVICES ADMINISTRATION, HEALTH AND HUMAN SERVICES, DEPARTMENT OF (via Washington State Health Care Authority, Division of Behavioral Health)	Block Grants for Prevention and Treatment of Substance Abuse	93.959	1763-94269/SABG Substance Abuse Block Grant	64,866	-	64,866	64,866	1
SUBSTANCE ABUSE AND MENTAL HEALTH SERVICES ADMINISTRATION, HEALTH AND HUMAN SERVICES, DEPARTMENT OF (via North Sound Behavioral Health Organization)	Block Grants for Prevention and Treatment of Substance Abuse	93.959	NSBHO SABG 17-19	3,920	-	3,920	3,920	1
Total CFDA 93.959:				68,785	-	68,785	68,785	

The accompanying notes are an integral part of this schedule.

Skagit County
Schedule of Expenditures of Federal Awards
For the Year Ended December 31, 2018

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		
HEALTH RESOURCES AND SERVICES ADMINISTRATION, HEALTH AND HUMAN SERVICES, DEPARTMENT OF (via Washington State Department of Health)	Maternal and Child Health Services Block Grant to the States	93.994	CLH18259/FFY 19 MCHBG LHJ Contracts (MIH/CAH)	11,903	-	11,903	-	
HEALTH RESOURCES AND SERVICES ADMINISTRATION, HEALTH AND HUMAN SERVICES, DEPARTMENT OF (via Washington State Department of Health)	Maternal and Child Health Services Block Grant to the States	93.994	CLH18259/FFY 19 MCHBG LHJ Contracts (CSHCN)	9,287	-	9,287	-	
HEALTH RESOURCES AND SERVICES ADMINISTRATION, HEALTH AND HUMAN SERVICES, DEPARTMENT OF (via Washington State Department of Health)	Maternal and Child Health Services Block Grant to the States	93.994	CLH 18259/FFY18 MCHBG LHJ Contracts (MIH/CAH)	64,751	-	64,751	853	
HEALTH RESOURCES AND SERVICES ADMINISTRATION, HEALTH AND HUMAN SERVICES, DEPARTMENT OF (via Washington State Department of Health)	Maternal and Child Health Services Block Grant to the States	93.994	CLH 18259/FFY18 MCHBG LHJ Contracts (CSHCN)	19,319	-	19,319	-	
Total CFDA 93.994:				105,260	-	105,260	853	
U.S. COAST GUARD, HOMELAND SECURITY, DEPARTMENT OF (via Washington State Parks and Recreation Commission)	Boating Safety Financial Assistance	97.012	DHS-USCG-2017-001	16,280	-	16,280	-	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, 2018**

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, HOMELAND SECURITY, DEPARTMENT OF (via Washington State Military Department)	Hazard Mitigation Grant	97.039	D17- 007/Hazard Mitigation Grant FED-774P7	860,557	-	860,557	-	1
FEDERAL EMERGENCY MANAGEMENT AGENCY, HOMELAND SECURITY, DEPARTMENT OF (via Washington State Military Department)	Emergency Management Performance Grants	97.042	E18-115	69,430	-	69,430	-	1
FEDERAL EMERGENCY MANAGEMENT AGENCY, HOMELAND SECURITY, DEPARTMENT OF (via Washington State Military Department)	Homeland Security Grant Program	97.067	EMW-2017-SS- 00101-S01	18,252	-	18,252	18,252	1
FEDERAL EMERGENCY MANAGEMENT AGENCY, HOMELAND SECURITY, DEPARTMENT OF (via Washington State Military Department)	Homeland Security Grant Program	97.067	E17-059-Skagit	61,230	-	61,230	-	1
Total CFDA 97.067:				79,482	-	79,482	18,252	
Total Federal Awards Expended:				10,635,270	909,762	11,545,029	1,436,968	

The accompanying notes are an integral part of this schedule.

SKAGIT COUNTY, WASHINGTON

NOTES TO THE SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS

For the year ended December 31, 2018

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 5 – NONCASH AWARDS - VOUCHERS

The amount of vouchers reported on the schedule is the value of food vouchers received by Skagit County during 2018 and priced as prescribed by the Department of Agriculture.

NOTE 7 – INDIRECT COST RATE

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

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) 2%, (b) 5%, (c) 8% (d) 10%, (e) 18.93%, (f) 23.62%, (g) 25%

Skagit County

SCHEDULE OF STATE FINANCIAL ASSISTANCE (unaudited)

For Fiscal Year ended December 31, 2018

Grantor	Program Title	Identificaton Number	Amount
State Grant from Department of Ecology	Maddox Creek Culvert Removal and Stream Enhancement	WQC-2019-SKCOPW-00102	1,238
	Remedial Action Grants Waste 2 Resources	TCpra-2014-SKCoPW-00058	1,947
	Waste 2 Resources Coordinated Prevention Grant Program	W2RCLCP-1719-SKCoPW-00012	45,602
	Waste 2 Resources Coordinated Prevention Grant Program	W2RLSWFA-1719-SKCOPW-00074	156,818
	Conservation Reserve Enhancement Program	14-1263R	10,681
	Northwest Straits Project: Skagit MRC Operations and Projects	SEANWS-2017-SKCoPW-00002	22,239
	2017-19 LSWFA Skagit County Public Health SWE	W2RLSWFA-1719-SKCoHD-00109	82,360
	Toxics Cleanup Remedial Action Grant	TCpra-2015-SKCoCA-00049	33,268
	Northwest Straits Project: Skagit MRC Operations and Projects	SEANWS-2018-SKCOPW-00004	16,098
	Skagit County Non-Point Septic Repair Fund	WQC-2016-SKCoPD-00181	43,167
	Local Source Control Partnership (LSCP)	IAA C1800032	86,899
	Sub-total:	500,316	

Grantor	Program Title	Identificaton Number	Amount
State Grant from Military Department	Support of CASA Programs	IAA18095	37,945
	Support of CASA Programs	IAA19108	31,383
		Sub-total:	519,696
State Grant from Department of Agriculture	Enhanced 911 Funds Coordinator Professional Development	E18-050	14,675
	Enhanced 911 Funds Coordinator Professional Development	E19-035-Revised	23,404
	E911 County Equipment SFY 2018/19	E19-048	505,097
	Lyman Slough Property Acquisition Phase 1	D17-007	143,426
			Sub-total:
State Grant from Recreation and Conservation Office	Handwashing Signs	K2506	2,713
	Spartina Eradication	K2234	43,055
	Knotweed Control - Grandy Creek and Samish River	K2273	8,772
	Fair Operating Expenses	RCW 15.76.160	123,555
		Sub-total:	178,095
State Grant from Conservation Commission	South Fork Delta Channel Final Design	16-1652P	58,840
			Sub-total:

Grantor	Program Title	Identificaton Number	Amount
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Sub-total: 58,521			
State Grant from Department of Social and Health Services			
Child Support Enforcement Reimbursement	0863-31629/75-1501-0-1 -609	21,927	
HDM Home-Delivered Meal Expansion Funding	202018-NUTR	10,887	
USDA Food and Nutrition Services-Commodity Assistance Program	201018-NUTR	11,409	
Court Commissioner's Services	1663-67776	5,329	
Drop In/Peer Support	North Sound BHO-Skagit-Admin-18	37,500	
NSBHO HARPS	North Sound BHO-Skagit-Admin-18	63,884	
Child Support Enforcement	0863-31629/75-1501-0-1 -609	186,577	
Jail Transition Services	North Sound BHO-Skagit Co-Jail Services-16-18	35,754	
Dedicated Marijuana Account - Fund 315 State	1763-94269	28,322	
Prevention Services/CPWI	1763-94269	5,194	
Sub-total: 406,783			
State Grant from Department of Health			
Puget Sound OSS LMP Implementation	CLH18259	56,573	
Rec Shellfish/Biotoxin	CLH18259	6,554	
Childhood Lead Poisoning Prevention Program	CLH18259	1,488	

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