

Skagit County Washington

Annual Comprehensive Financial Report



Samish Overlook



Fiscal Year Ending December 31, 2025

SKAGIT COUNTY WASHINGTON

ANNUAL COMPREHENSIVE FINANCIAL REPORT

FISCAL YEAR ENDED DECEMBER 31, 2025

Sandy Perkins, Skagit County Auditor

Kellyn Elaine Wolden
Chief Accountant

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About Skagit County

(pronounced "skäjet")

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

SKAGIT COUNTY WASHINGTON ANNUAL COMPREHENSIVE FINANCIAL REPORT

Year Ended December 31, 2025

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Sandra Perkins, CFE
Auditor

Kellyn Elaine Wolden, CPA
Chief Accountant

September 24, 2026

To the Honorable Board of Commissioners and Citizens of Skagit County:

We hereby submit the Annual Comprehensive Financial Report (ACFR) of Skagit County for the fiscal year ending December 31, 2025, 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 Annual Comprehensive 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, individual fund financial statements, and combining fund financial statements and schedules. The statistical section presents various financial and demographic information generally 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, 2025, 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, 2025, 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 U.S. Office of Management and Budget (OMB) Uniform Guidance (CFR 2 Part 200).

The County is required to undergo an annual single audit in conformity with the provisions of the Single Audit Act of 1984 and OMB Uniform Guidance. 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 are elected to serve the three census-driven equally populated districts of our county. Locally elected officials include the County Assessor, Auditor, Clerk, Coroner, Prosecuting Attorney, Sheriff, Treasurer, four Superior Court Judges, and three District Court Judges. These elected officials govern the County and establish policies on the basis of the County's needs and preferences. The Commissioners act as the legislative body and appoint an Administrator. The administrator acts independently but works closely with a management team that includes the Deputy County Administrator or Budget and Finance Director, and the Human Resource Director/Risk Manager. Some of the services provided by the county include the following: 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.

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 farmlands 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 Washington State Highway 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 to 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, and 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 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 six vegetable seed companies in the county, most of which market worldwide. More tulip, daffodil, and iris bulbs are produced in Skagit County than in any other 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, valued at more than \$30 million -- the highest in Western Washington.

About ten thousand Trumpeter and Tundra swans, one hundred thousand Snow geese, and thousands more mallard and other dabbling ducks utilize Skagit farmland for food and habitat. Skagit County also hosts one of the highest concentrations of bald eagles and other raptors in North America.

Financial Policies

The annual budget for Skagit County serves as a basis for the County's financial planning and control and is adopted in accordance with the provisions of the Revised Code of Washington (RCW) Chapter 36.40. Each County department and separate funds are required to submit requests for appropriations to the County Auditor's Office by the 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 be either the first Monday in October or 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 by December 31.

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 sixty days after the close of each fiscal year. All expenditures incurred prior to year-end but not paid until this sixty-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 16% 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 2014, the County created a new enterprise fund called the Jail Fund. This fund issued bonds for the planning and construction of 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.

In 2022, the Josh Wilson Road Reconstruction Phase 1 was completed at a cost of \$3.77M, with \$2.23M of that funding coming from State and Federal grant awards. This is the first of several phases of roadway widening to be completed to efficiently connect the Port of Skagit Industrial parcels with Interstate 5.

In 2022, Skagit County launched the North Star Project, a joint effort between Skagit County and the cities of Burlington, Mount Vernon, Anacortes, and Sedro-Woolley to better align resources and services to address the complex behavioral health and homelessness challenges in our community. In late 2025, North Star was honored with a Project of Impact award from the Washington State Association of Counties.

In 2023, the Upper Finney Creek Seismic Retrofit was completed at a cost of \$2.63M, funded by the Federal Local Bridge Program. This nearly 200-foot-long bridge is essential in providing access to forests important for both the logging industry and recreational enthusiasts of central Skagit County.

In 2023, the Farm to Market Roundabout was completed at a cost of \$1.83M, funded entirely by County Road funds. This roundabout replaced a two-way stop-controlled intersection that had frequent accidents.

In 2025, Skagit County purchased 62 acres of land from the Skagit Land Trust to expand Big Rock Park, which was previously surrounded by private land and inaccessible to the public. The purchase was funded by a grant from the state Recreation and Conservation Office. Big Rock Yudwasta Park opened to the public in early 2026.

Acknowledgements

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

SKAGIT COUNTY, WASHINGTON ELECTED OFFICIALS

TERM
EXPIRES

COUNTY COMMISSIONERS

DISTRICT NUMBER 1	RON WESEN	DECEMBER 2028
DISTRICT NUMBER 2	PETER BROWNING	DECEMBER 2028
DISTRICT NUMBER 3	LISA JANICKI*	DECEMBER 2026

SUPERIOR COURT JUDGES

HEATHER SHAND	DECEMBER 2028
LAURA RIQUELME	DECEMBER 2028
ELIZABETH NEIDZWSKI	DECEMBER 2028
THOMAS VERGE**	DECEMBER 2028

DISTRICT COURT JUDGES

WARREN GILBERT	DECEMBER 2026
PAUL W. NIELSEN	DECEMBER 2026
JENIFER HOWSON	DECEMBER 2026

ASSESSOR

DANNY HAGEN	DECEMBER 2026
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AUDITOR

SANDY PERKINS	DECEMBER 2026
---------------------	---------------

CLERK

MELISSA BEATON	DECEMBER 2026
----------------------	---------------

CORONER

HAYLEY THOMPSON	DECEMBER 2026
-----------------------	---------------

PROSECUTING ATTORNEY

RICHARD WEYRICH	DECEMBER 2026
-----------------------	---------------

SHERIFF

DON MCDERMOTT	DECEMBER 2026
---------------------	---------------

TREASURER

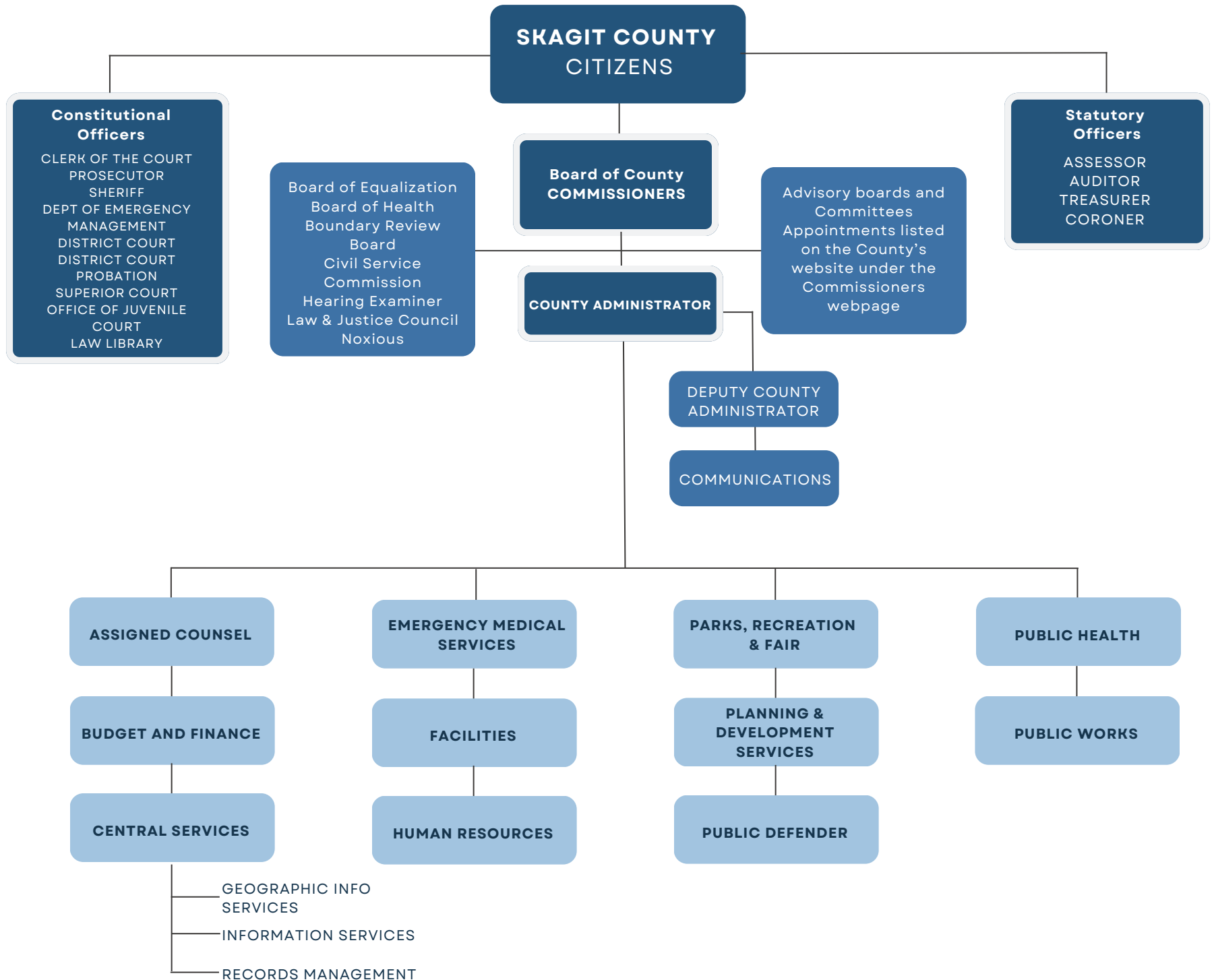
JACKIE BRUNSON	DECEMBER 2026
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**County Commissioner Lisa Janicki stepped down on December 31, 2025.
County Commissioner Joe Burns was appointed to serve the remainder of the term.*

*** Superior Court Judge Thomas Verge stepped down on December 31, 2025.
Superior Court Judge Mary K. Crandall was appointed to serve the remainder of the term.*



SKAGIT COUNTY ORGANIZATIONAL CHART





Office of the Washington State Auditor
Pat McCarthy

Financial Statements and Federal Single Audit Report

Skagit County

For the period January 1, 2025 through December 31, 2025

Published September 28, 2026

Report No. 1040590



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SCHEDULE OF FINDINGS AND QUESTIONED COSTS

Skagit County January 1, 2025 through December 31, 2025

SECTION I – SUMMARY OF AUDITOR’S RESULTS

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

Financial Statements

We issued an unmodified opinion on the fair presentation of the basic financial statements of the governmental activities, the business-type activities, each major fund and the aggregate remaining fund information in accordance with accounting principles generally accepted in the United States of America (GAAP).

Internal Control over Financial Reporting:

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

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

Federal Awards

Internal Control over Major Programs:

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

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

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

Identification of Major Federal Programs

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

ALN	Program or Cluster Title
14.228	Community Development Block Grants/State's program and Non-Entitlement Grants in Hawaii
14.239	Home Investment Partnerships Program
20.205	Highway Planning and Construction
97.039	Hazard Mitigation Grant

The dollar threshold used to distinguish between Type A and Type B programs, as prescribed by the Uniform Guidance, was \$1,000,000.

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

SECTION II – FINANCIAL STATEMENT FINDINGS

None reported.

SECTION III – FEDERAL AWARD FINDINGS AND QUESTIONED COSTS

None reported.



Sandra Perkins, CFE
SKAGIT COUNTY AUDITOR

P.O. BOX 1306
Mount Vernon, WA 98273

Kellyn Elaine Wolden
Chief Accountant

SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS

Skagit County January 1, 2025 through December 31, 2025

This schedule presents the status of findings reported in prior audit periods.

Audit Period: 2024	Report Reference No.: 1038239	Finding Ref. No.: 2024-001	ALN(s): 21.027
Federal Program Name and Granting Agency: COVID-19 Coronavirus State and Local Fiscal Recovery Funds – U.S. Department of the Treasury		Pass-Through Agency Name: N/A	
Finding Caption: The County did not have adequate internal controls for ensuring compliance with federal requirements for suspension and debarment and subrecipient monitoring and it did not comply with suspension and debarment requirements.			
Background: The County did not have internal controls in place to ensure it followed the requirements for subawards with federal funds. Specifically, the County did not verify the contractors it paid with federal funds were not suspended or debarred before contracting with them, did not perform a risk assessment for one of its subrecipients, and did not monitor the subrecipients' activities to provide reasonable assurance that they administered the subaward in compliance with the subaward's terms and conditions.			
Status of Corrective Action: (check one) ☒ Fully Corrected ☐ Partially Corrected ☐ Not Corrected ☐ Finding is considered no longer valid			
Corrective Action Taken: <i>The county agrees with this finding. The county has implemented procedures to ensure proper documentation of performance of suspension and debarment checks, risk assessments, and monitoring activities.</i>			

INDEPENDENT AUDITOR'S REPORT

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

Skagit County January 1, 2025 through December 31, 2025

Board of Commissioners
Skagit County
Mount Vernon, Washington

We have audited, in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States, the financial statements of the governmental activities, the business-type activities, each major fund and the aggregate remaining fund information of Skagit County, as of and for the year ended December 31, 2025, and the related notes to the financial statements, which collectively comprise the County's basic financial statements, and have issued our report thereon dated September 23, 2026.

REPORT ON INTERNAL CONTROL OVER FINANCIAL REPORTING

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

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

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

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

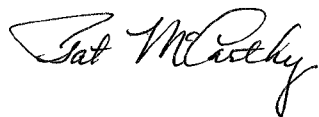
REPORT ON COMPLIANCE AND OTHER MATTERS

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

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

PURPOSE OF THIS REPORT

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the County's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the County's internal control and compliance. Accordingly, this communication is not suitable for any other purpose. However, this report is a matter of public record and its distribution is not limited. It also serves to disseminate information to the public as a reporting tool to help citizens assess government operations.

A handwritten signature in black ink, reading "Pat McCarthy". The signature is fluid and cursive, with the first name "Pat" and last name "McCarthy" clearly distinguishable.

Pat McCarthy, State Auditor

Olympia, WA

September 23, 2026

INDEPENDENT AUDITOR'S REPORT

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

Skagit County
January 1, 2025 through December 31, 2025

Board of Commissioners
Skagit County
Mount Vernon, Washington

REPORT ON COMPLIANCE FOR EACH MAJOR FEDERAL PROGRAM

Opinion on Each Major Federal Program

We have audited the compliance of Skagit County, with the types of compliance requirements identified as subject to audit in the U.S. *Office of Management and Budget (OMB) Compliance Supplement* that could have a direct and material effect on each of the County's major federal programs for the year ended December 31, 2025. The County's major federal programs are identified in the auditor's results section of the accompanying Schedule of Findings and Questioned Costs.

In our opinion, the County complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on each of its major federal programs for the year ended December 31, 2025.

Basis for Opinion on Each Major Federal Program

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

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

Responsibilities of Management for Compliance

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

Auditor's Responsibilities for the Audit of Compliance

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

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

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

Other Matters

We noted certain matters related to compliance that we have reported to the management of the County in a separate letter dated September 23, 2026.

REPORT ON INTERNAL CONTROL OVER COMPLIANCE

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

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

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

We noted certain other matters that we have reported to the management of the County in a separate letter dated September 23, 2026.

Purpose of this Report

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

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

Pat McCarthy, State Auditor

Olympia, WA

September 23, 2026

INDEPENDENT AUDITOR'S REPORT

Report on the Audit of the Financial Statements

Skagit County January 1, 2025 through December 31, 2025

Board of Commissioners
Skagit County
Mount Vernon, Washington

REPORT ON THE AUDIT OF THE FINANCIAL STATEMENTS

Opinions

We have audited the accompanying financial statements of the governmental activities, the business-type activities, each major fund and the aggregate remaining fund information of Skagit County, as of and for the year ended December 31, 2025, and the related notes to the financial statements, which collectively comprise the County's basic financial statements as listed in the financial section of our report.

In our opinion, the accompanying financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, each major fund and the aggregate remaining fund information of Skagit County, as of December 31, 2025, and the respective changes in financial position and, where applicable, cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinions

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

Responsibilities of Management 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, and for the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

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

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinions. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with GAAS and *Government Auditing Standards* will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

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

- Exercise professional judgment and maintain professional skepticism throughout the audit;
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements;
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the County's internal control. Accordingly, no such opinion is expressed;
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements;

- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the County's ability to continue as a going concern for a reasonable period of time; and
- Communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control-related matters that we identified during the audit.

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 financial section of our report be presented to supplement the basic financial statements. Such information is the responsibility of management and, 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 Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the County's basic financial statements. The accompanying Schedule of Expenditures of Federal Awards is presented for purposes of additional analysis as required by Title 2 *U.S. Code of Federal Regulations* (CFR) Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). This supplementary information 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 basic financial statements. The information has been subjected to the 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 basic financial statements or to the basic 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 as a whole.

OTHER REPORTING REQUIRED BY GOVERNMENT AUDITING STANDARDS

In accordance with *Government Auditing Standards*, we have also issued our report dated September 23, 2026 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. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the County's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the County's internal control over financial reporting and compliance.

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

Pat McCarthy, State Auditor

Olympia, WA

September 23, 2026

Financial Section



SKAGIT COUNTY, WASHINGTON

Management's Discussion and Analysis

December 31, 2025

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, 2025. 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

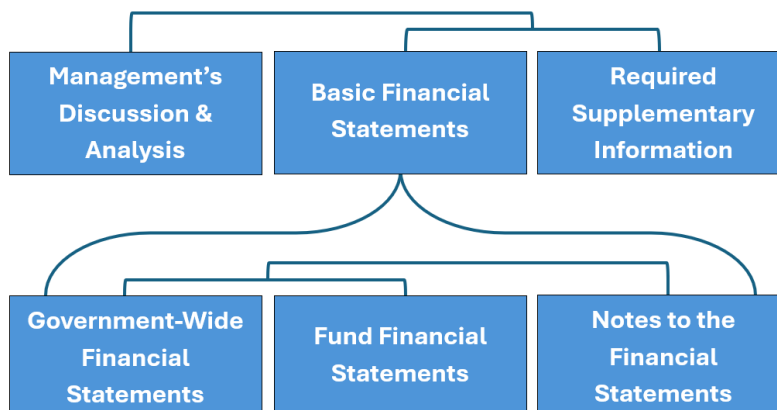
- As of December 31, 2025, total assets of the County exceeded total liabilities by \$525.9 million. Net investment in capital assets account for 69.0% of this amount, at \$362.9 million. Of the remaining net position, \$101.0 million was restricted for specific purposes and \$62.0 million was unrestricted. Fund balance increased \$37.1 million from operating activities.
- As of December 31, 2025, ending deferred outflows totaled \$23.6 million, an increase of \$2.2 million from the previous year, while ending deferred inflows totaled \$10.2 million, a decrease of \$310.9 thousand from the previous year. Both changes were due to reclassifications of leases, plus changes to pension and other post-employment benefit estimates.
- Ending unassigned fund balance for the general fund was \$16.7 million; assigned fund balance in the general fund was \$5 million. The General Fund ended the year with an unassigned fund balance of 22.4% to revenues, which exceeds the industry's recommended level of 16.7% of revenues. The assigned balance is for various capital facilities and central services projects. The total decrease in general fund balance was due to a rise in personnel costs and other expenditures.
- Ending fund balance for the County Road Fund was \$19.6 million, an increase of \$573 thousand over the previous year. Ending fund balance for the Medic 1 Fund was \$13.6 million, and the net change in fund balance was \$2.5 million.
- Total long-term liabilities of the County were \$92.9 million at December 31, 2025. This is a decrease of \$3.7 million from the previous year.

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.
 - *Custodial 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, 2025



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 non-major governmental funds and internal service funds, each of which are added together and presented in single columns in the basic financial statement.

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

Major Features of the County's Government-Wide and Fund Financial Statements				
	Government-Wide Statements	Fund Statements		
		Government Funds	Proprietary Funds	Fiduciary Funds
Scope	Entire County government (except fiduciary funds)	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, Expenses and Changes in Net Position - Statement of Cash Flows	- Statement of Fiduciary Net Position - Statement of Changes in Fiduciary Net Position
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

SKAGIT COUNTY, WASHINGTON
Management's Discussion and Analysis
December 31, 2025

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 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 additions and deductions either paid or received during the year regardless of when cash is exchanged

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, additional nonfinancial factors such as changes in the County's property tax base and the condition of the County's roads must be considered.

The government-wide statements of the County are divided into two 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.

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).

SKAGIT COUNTY, WASHINGTON
Management's Discussion and Analysis
December 31, 2025

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.
- *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 a custodian 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 custodial activities are reported in a separate statement of custodial 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.

SKAGIT COUNTY, WASHINGTON
Management's Discussion and Analysis
December 31, 2025

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:

STATEMENT OF NET POSITION							
	Governmental Activities		Business-Type Activities		Total		% Change
	2025	2024	2025	2024	2025	2024	
ASSETS							
Current and Other Assets	\$ 192,032,060	\$ 189,374,760	\$ 23,874,496	\$ 21,720,770	\$ 215,906,556	\$ 211,095,530	2.28%
Capital Assets and Construction in Progress (Net of Depreciation)	346,783,853	316,105,595	72,436,308	73,585,494	419,220,161	389,691,089	7.58%
Pension Asset	14,815,734	12,818,999	1,487,612	1,753,429	16,303,346	14,572,428	11.88%
Total Assets	553,631,647	518,299,354	97,798,416	97,059,693	651,430,063	615,359,047	5.86%
DEFERRED OUTFLOW OF RESOURCES	20,732,972	18,257,651	2,853,856	3,107,408	23,586,828	21,365,059	10.40%
LIABILITIES							
Current Liabilities	28,514,745	28,922,757	17,381,525	11,601,403	45,896,270	40,524,160	13.26%
Non Current Bonds	7,616,134	9,395,100	42,710,571	45,220,733	50,326,705	54,615,833	-7.85%
Non Current Liabilities	20,516,851	17,690,853	22,547,688	24,285,873	43,064,539	41,976,726	2.59%
Total Liabilities	56,647,730	56,008,710	82,639,784	81,108,009	139,287,514	137,116,719	1.58%
DEFERRED INFLOW OF RESOURCES	8,940,411	9,192,085	1,272,042	1,331,225	10,212,453	10,523,310	-2.95%
NET POSITION							
Net Investment in Capital Assets	335,641,591	311,283,971	27,256,654	26,094,761	362,898,245	337,378,732	7.56%
Restricted	92,866,107	67,416,319	8,172,330	1,793,212	101,038,437	69,209,531	45.99%
Unrestricted	80,268,781	92,655,917	(18,688,538)	(10,160,106)	61,580,243	82,495,811	-25.35%
Total Net Position	\$ 508,776,479	\$ 471,356,207	\$ 16,740,446	\$ 17,727,867	\$ 525,516,925	\$ 489,084,074	7.45%

Of the \$215.9 million in current and other assets at December 31, 2025, \$181.3 million is cash, cash equivalents and investments. Of this amount, \$17.2 million is restricted for specific purposes. Accounts receivable, notes receivable, and amounts due from other governments total \$25.5 million. Inventories and prepayments total \$5.7 million. Cash, cash equivalents and investments represented 84.0% (compared to 83.3% in 2024), while accounts receivable, notes receivable, and amounts due from other governments accounted for 11.8% (compared to 14.2% in 2024).

At December 31, 2025, the County had outstanding long-term liabilities of \$92.9 million, as compared to \$96.6 million in 2024. See Note VIII of the notes to the financial statements for more information regarding long-term debt. Short-term liabilities amounted to \$45.9 million. These primarily represent accounts payable, accrued liabilities, and long-term liabilities due within one year.

The largest portion of the County's ending net position at 69.0% is 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, 19.2% of the County's net position is subject to legal restrictions for specific purposes. The remaining balance of Net Position is \$62.0 million.

SKAGIT COUNTY, WASHINGTON
Management's Discussion and Analysis
December 31, 2025

Statement of Changes in Net Position

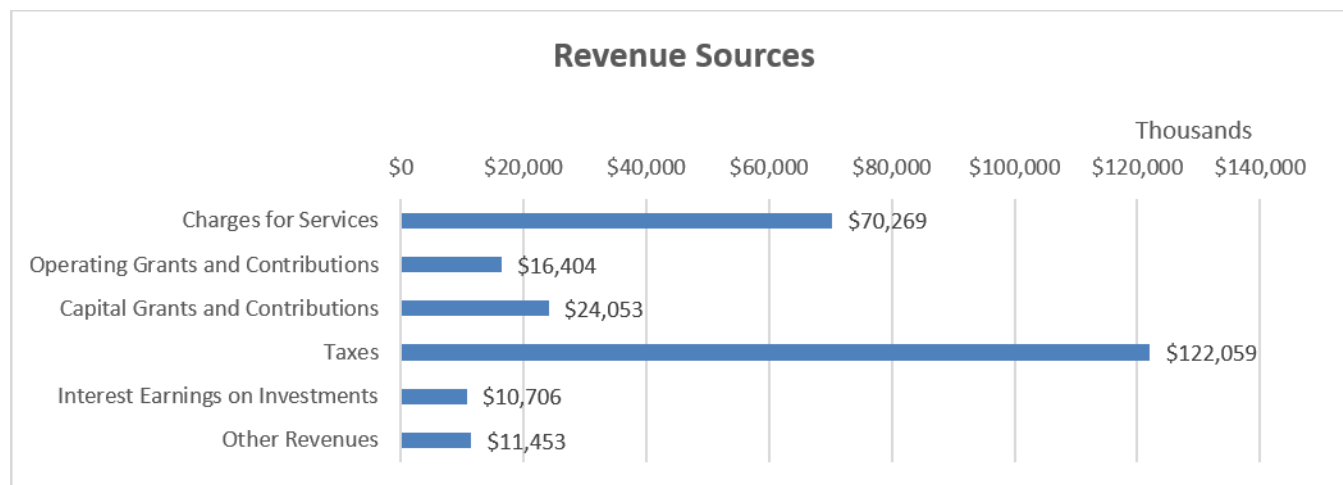
Summarized information from the Statement of Changes in Net Position, as compared to the prior year, is as follows:

STATEMENT OF CHANGES IN NET POSITION

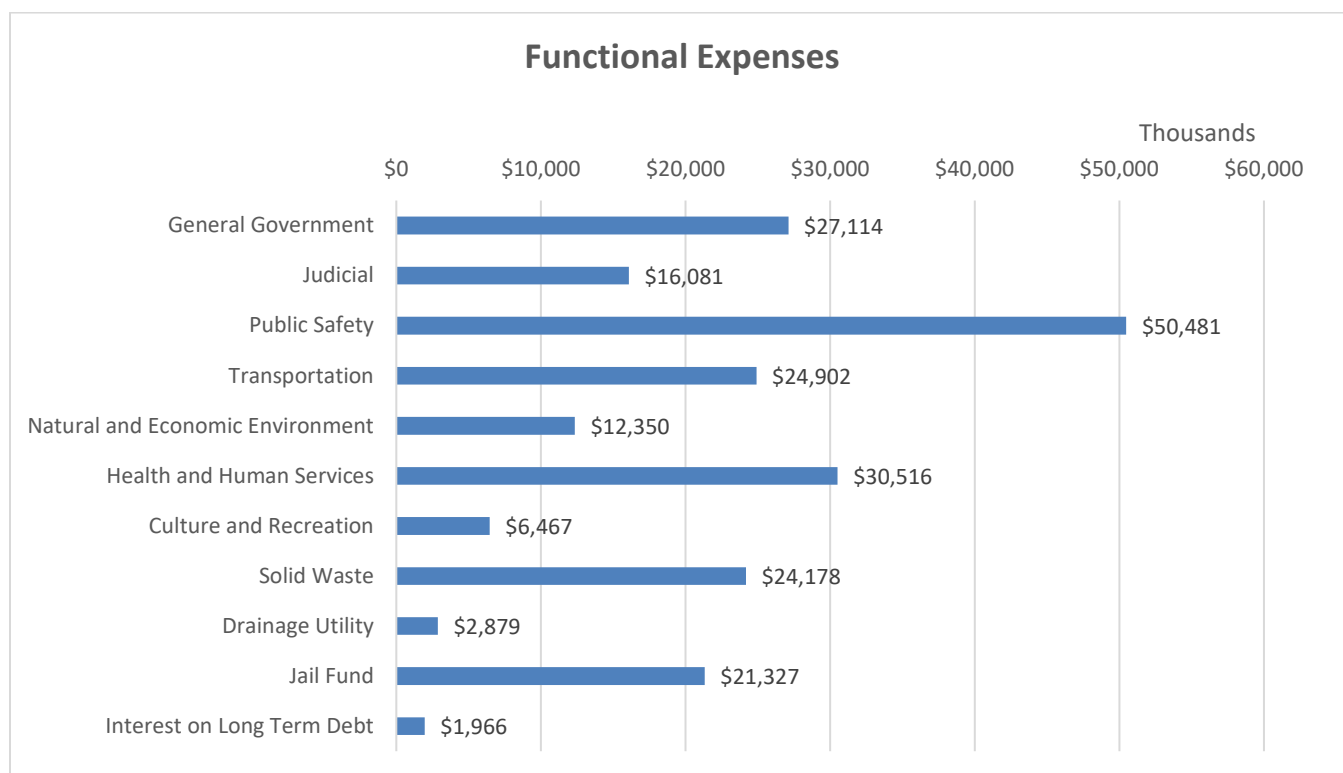
	Governmental Activities		Business-Type Activities		Total Primary Government	
	2025	2024	2025	2024	2025	2024
REVENUES						
Program Revenues						
Charges for Services	34,359,632	\$36,347,277	35,909,042	\$28,983,618	\$70,268,674	\$65,330,895
Operating Grants and Contributions	14,603,437	21,534,476	1,800,269	1,783,153	16,403,706	23,317,629
Capital Grants and Contributions	23,701,045	12,336,996	351,906	-	24,052,951	12,336,996
General Revenues						
Taxes	111,480,510	100,876,098	10,578,457	8,869,746	122,058,967	109,745,844
Private Grants	886,156	-	-	-	886,156	-
Non-operating Intergovernmental	-	-	-	190,737	-	190,737
Interest Earnings on Investments	10,476,990	11,901,940	229,238	-	10,706,228	11,901,940
Other Revenues	10,429,055	13,610,684	137,915	210,307	10,566,970	13,820,991
Total Revenues	<u>\$205,936,825</u>	<u>\$196,607,471</u>	<u>\$49,006,827</u>	<u>\$40,037,561</u>	<u>\$254,943,652</u>	<u>\$236,645,032</u>
PROGRAM EXPENSES						
General Government	27,113,595	56,564,950	-	-	27,113,595	56,564,950
Judicial	16,081,165	14,029,162	-	-	16,081,165	14,029,162
Public Safety	50,480,613	34,332,779	-	-	50,480,613	34,332,779
Transportation	24,902,179	18,304,276	-	-	24,902,179	18,304,276
Natural and Economic Environment	12,349,918	11,245,146	-	-	12,349,918	11,245,146
Health and Human Services	30,515,541	24,637,661	-	-	30,515,541	24,637,661
Culture and Recreation	6,467,028	5,404,963	-	-	6,467,028	5,404,963
Solid Waste	-	-	24,178,417	20,577,176	24,178,417	20,577,176
Drainage Utility	-	-	2,879,266	2,152,676	2,879,266	2,152,676
Jail Fund	-	-	21,326,602	20,766,449	21,326,602	20,766,449
Interest on Long Term Debt	292,300	326,516	1,673,425	1,507,104	1,965,725	1,833,620
Total Expenses Before Transfers	<u>168,202,339</u>	<u>164,845,453</u>	<u>50,057,710</u>	<u>45,003,405</u>	<u>218,260,049</u>	<u>209,848,858</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	\$37,734,486	\$31,762,018	(1,050,883)	(4,965,844)	\$36,683,603	26,796,174
Extraordinary Items	-	-	-	-	-	-
Gain (loss) on Sale of Assets	(101,400)	(1,757,209)	-	-	(101,400)	(1,757,209)
Transfers	-	-	-	-	-	-
Change in Net Assets	<u>\$37,633,086</u>	<u>30,004,809</u>	<u>(1,050,883)</u>	<u>(4,965,844)</u>	<u>36,582,203</u>	<u>25,038,965</u>
Net Assets, January 1	471,356,210	441,351,401	17,727,867	22,693,711	489,084,077	464,045,112
Prior Period Adjustment	(212,817)	-	63,463	-	(149,354)	-
Net Assets, January 1 - Restated	<u>471,143,393</u>	<u>441,351,401</u>	<u>17,791,330</u>	<u>22,693,711</u>	<u>488,934,723</u>	<u>464,045,112</u>
Net Assets, December 31	<u>\$508,776,479</u>	<u>\$471,356,210</u>	<u>\$16,740,447</u>	<u>\$17,727,867</u>	<u>\$525,516,926</u>	<u>\$489,084,077</u>

The County's total net position increased by \$37.1 million in 2025. Governmental activities reflected an increase of \$38.1 million while the net position of business-type activities decreased by \$1.1 million in 2025 (after decreasing by \$5M in 2024). The increase in governmental net position was primarily within the general government function. The decrease in business-type net position included a decrease of \$4.2 million in the Solid Waste fund's net position, which primarily related to an increase in estimated environmental liabilities recognized during 2025.

SKAGIT COUNTY, WASHINGTON
Management's Discussion and Analysis
December 31, 2025



Total revenues were \$254.9 million in 2025, an increase of \$18.3 million from 2024. One primary driver for this increase was a \$12.3 million increase in tax-related revenues. The remaining increase was due to increased grant revenues. Governmental activities provided \$205.9 million (80.8%), while business-type activities added \$49.0 million. Within governmental activities, tax revenue accounted for 54.1% of total revenue sources, with grants and contributions accounting for 19.0% (up from 17.2% in 2024). Charges for services accounted for 73.3% of the revenues of business type activities, with the remaining provided by a reduction in a liability capital and operating grants and contributions.



Total expenses for the year amounted to \$218.3 million, an increase of \$8.4 million from 2024. Governmental

SKAGIT COUNTY, WASHINGTON
Management's Discussion and Analysis
December 31, 2025

activities accounted for \$168.2 million (77.1%), with the largest program expenses in the areas of general government, public safety, health and human services. These three programs accounted for 64.3% of total governmental expenses. Of the \$50.1 million in business-type expenses, 42.6% is associated with the Jail fund, compared to 46.1% in 2024, and 48.3% is associated with the Solid Waste fund, compared to 45.7% in 2024.

Financial Analysis of the County's Funds

Governmental Funds Balance Sheet Analysis

The General Fund, County Road Fund, Medic 1 Fund, the Debt Service Fund, and the Combined Capital Improvements Fund are the County's major funds in 2025. Together these funds account for 68.3% of total government fund assets and 66.2% of total government fund balances.

As of December 31, 2025, the County's governmental funds reported combined fund balances of \$129.9 million, an increase from \$126.1 million in 2024. Of this amount, \$92.0 million (70.8%) is Restricted, \$15.9 million (12.3%) is reported as Committed, \$5.0 million (3.8%) is assigned, and \$16.7 million (12.9%) is unassigned and available for spending within the designated funds. Non-spendable, Restricted, Committed, and Assigned fund balance of \$113.2 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 decreased to \$16.7 million at December 31, 2025, from \$26.1 million at December 31, 2024. \$5 million of the general fund's fund balance is assigned for capital projects. Total assets of the General Fund were \$36.5 million at December 31, 2025, accounting for 22.9% of total governmental fund assets. This represents a decrease of \$265 thousand from 2024.

Governmental Funds Revenue/Expenditure Analysis

Total revenues for governmental funds were \$205.3 million in 2025; this represents an increase of \$14.1 million from 2024. The main driver of the increase was higher property tax revenues. During the same period, total expenditures increased to \$206.6 million, up from \$178.5 million in 2024. The main increase was in Public Safety. The major funds account for 72.6% of all governmental fund revenue (up from 65.5% in 2024) and 72.2% of all governmental fund expenditures, up from 60.8% in 2024. Major funds in 2025 were the General Fund, County Road Fund, Medic 1 Fund, Debt Service Fund, and Combined Capital Improvement Fund.

The net change in fund balance for the General Fund in 2025 was a negative \$9.1 million. Operating transfers out of general to other funds totaled approximately \$9.3 million in 2025. The net change in fund balance for the County Road fund was a positive \$2.5 million. The County Road fund expenditures increased in 2025 where intergovernmental and other revenues remained steady. Non-major governmental funds had an overall positive change in fund balances of \$5.6 million for 2025.

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Enterprise Funds Net Position Analysis

All enterprise funds of Skagit County are considered major funds for 2025. As of December 31, 2025, the enterprise funds reported combined net position of \$16.7 million (compared to \$17.7 million in 2024). This is the total of an \$18.0 million deficit in the Solid Waste Fund (down from a \$13.9 million deficit in 2024), a positive \$15.2 million in the Drainage Utility Fund (up from \$13.2 million from 2024), and a positive \$19.5 million in the Jail fund (down from \$18.4 million in 2024).

Comparative information from the proprietary funds' statement of Net Position is as follows:

Business-Type Activities - Enterprise Funds Statement of Net Position								
	Solid Waste		Drainage Utility		County Jail		Total	
	2025	2024	2025	2024	2025	2024	2025	2024
ASSETS								
Current Assets								
Cash and Cash Equivalents	\$ 11,319,175	\$ 12,057,773	\$ 2,621,622	\$ 1,101,664	\$ 5,848,780	\$ 4,524,784	\$ 19,789,577	\$ 17,684,221
Other Current Assets	1,417,134	1,087,319	788,054	706,739	2,174,611	2,242,491	4,379,799	4,036,549
Total Current Assets	12,736,309	13,145,092	3,409,676	1,808,403	8,023,391	6,767,275	24,169,376	21,720,770
Non-Current Assets								
Construction in Progress	137,333	-	3,763,675	4,083,648	55,216	-	3,956,224	4,083,648
Capital Assets	13,860,369	13,836,416	14,289,084	13,230,309	65,996,361	65,803,364	94,145,814	92,870,089
Less Accumulated Depreciation	(6,682,178)	(6,326,431)	(6,083,491)	(5,685,710)	(12,900,061)	(11,356,102)	(25,665,730)	(23,368,243)
Pension Asset	370,421	357,291	133,442	159,675	983,749	1,236,463	1,487,612	1,753,429
Total Non-Current Assets	7,685,945	7,867,276	12,102,710	11,787,922	54,135,265	55,683,725	73,923,920	75,338,923
Total Assets	20,422,254	21,012,368	15,512,386	13,596,325	62,158,656	62,451,000	98,093,296	97,059,693
Deferred Outflows of Resources	525,737	514,765	190,537	227,982	2,137,582	2,364,661	2,853,856	3,107,408
LIABILITIES								
Current Liabilities								
Accounts/Vouchers Payable	1,632,902	1,162,277	228,113	299,238	465,601	517,706	2,326,616	1,979,221
Other Current Liabilities	19,840,294	7,352,731	64,245	40,501	2,546,628	2,228,950	22,451,167	9,622,182
Total Current Liabilities	21,473,196	8,515,008	292,358	339,739	3,012,229	2,746,656	24,777,783	11,601,403
Non-Current Liabilities								
Bonds Payable	2,610,000	3,240,000	-	-	40,100,571	41,980,733	42,710,571	45,220,733
Other Non-Current Liabilities	14,597,988	23,374,985	100,838	155,186	747,484	755,702	15,446,310	24,285,873
Total Non-Current Liabilities	17,207,988	26,614,985	100,838	155,186	40,848,055	42,736,435	58,156,881	69,506,606
Total Liabilities	38,681,184	35,129,993	393,196	494,925	43,860,284	45,483,091	82,934,664	81,108,009
Deferred Inflows of Resources	306,147	265,946	75,866	109,853	890,028	955,426	1,272,041	1,331,225
NET POSITION								
Net Investment in Capital Assets	3,971,441	3,649,985	11,969,268	11,628,247	11,315,945	10,816,529	27,256,654	26,094,761
Restricted	7,032,124	357,291	133,442	159,675	1,006,764	1,276,246	8,172,330	1,793,212
Unrestricted	(29,042,905)	(17,876,082)	3,131,149	1,431,607	7,223,218	6,284,369	(18,688,538)	(10,160,106)
Total Net Position	\$ (18,039,340)	\$ (13,868,806)	\$ 15,233,859	\$ 13,219,529	\$ 19,545,927	\$ 18,377,144	\$ 16,740,446	\$ 17,727,867

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Enterprise Funds Revenue/Expenditure Analysis

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

Business-Type Activities - Enterprise Funds Changes in Net Position								
	Solid Waste		Drainage Utility		County Jail		Total	
	2025	2025	2025	2024	2025	2024	2025	2024
REVENUES								
Charges for Services	\$ 19,417,467	\$ 16,194,668	\$ 80,299	\$ 89,150	\$15,975,566	\$ 12,699,800	\$ 35,473,332	\$ 28,983,618
Intergovernmental	459,043	286,122	1,522,687	960,913	488,191	536,118	2,469,921	1,783,153
Non-operating Tax Revenue	-	-	3,089,248	1,726,728	7,489,209	7,143,018	10,578,457	8,869,746
Private Grants	-	-	117,964	190,737	-	-	117,964	190,737
Interest Revenue	81,094	87,407	-	-	148,144	166,191	229,238	253,598
Miscellaneous Revenue	108,311	24,704	29,165	5,751	439	179,852	137,915	210,307
Total Revenues	20,065,915	16,592,901	4,839,363	2,973,279	24,101,549	20,724,979	49,006,827	40,291,159
EXPENSES								
Personnel Services	2,303,932	2,558,061	957,990	884,391	12,543,630	11,643,807	15,805,552	15,086,259
Contractual Services	21,329,909	17,477,363	1,503,216	870,902	6,385,643	6,741,920	29,218,768	25,090,185
Other Supplies and Expenses	183,694	184,165	20,279	10,155	853,370	863,329	1,057,343	1,057,649
Depreciation	360,883	357,587	397,782	387,228	1,543,958	1,517,393	2,302,623	2,262,208
Interest Expense	58,031	66,558	-	-	1,615,394	1,694,144	1,673,425	1,760,702
Total Operating Expenditures	24,236,449	20,643,734	2,879,267	2,152,676	22,941,995	22,460,593	50,057,711	45,257,003
Income (Loss) Before Transfers	(4,170,534)	(4,050,833)	1,960,096	820,603	1,159,554	(1,735,614)	(1,050,884)	(4,965,844)
Extraordinary Items	-	-	-	-	-	-	-	-
Interfund Transfers	-	-	-	-	-	-	-	-
Change in Net Assets	(4,170,534)	(4,050,833)	1,960,096	820,603	1,159,554	(1,735,614)	(1,050,884)	(4,965,844)
Net Assets, January 1	(13,868,806)	(9,817,973)	13,219,529	12,398,926	18,377,144	20,112,758	17,727,867	22,693,711
Prior Period Adjustment	-	-	54,234	-	9,229	-	63,463	-
Net Assets, January 1 - Restated	(13,868,806)	(9,817,973)	13,273,763	12,398,926	18,386,373	20,112,758	17,791,330	22,693,711
Net Assets, December 31	<u>\$ (18,039,340)</u>	<u>\$ (13,868,806)</u>	<u>\$ 15,233,859</u>	<u>\$ 13,219,529</u>	<u>\$ 19,545,927</u>	<u>\$ 18,377,144</u>	<u>16,740,446</u>	<u>17,727,867</u>

Revenues from the Solid Waste fund represent 40.9% of the total revenues for enterprise funds in 2025, a slight decrease from 41.2% in 2024. Charges for services in the Solid Waste fund increased by 19.9% from prior year. Total expenses for the Solid Waste Fund were 48.4% of the total enterprise funds in 2025.

Revenues from the County Jail fund represent 49.2% of the total revenues for enterprise funds in 2025, down from 51.4% in 2024. Charges for services in the County Jail fund increased by 25.8% from prior year. Total expenses for the County Jail fund were 45.8% of the total expenses for enterprise funds in 2025.

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GENERAL FUND BUDGETARY HIGHLIGHTS

The change in the final budget amounts available for appropriations is primarily due to beginning fund balance being higher than initially budgeted.

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, 2025

	Original Budget	Final Budget	Actual	Changes Favorable (Unfavorable)
FUND BALANCE, JANUARY 1	\$ 12,069,647	\$ 14,924,707	\$ 31,117,967	\$ 16,193,260
RESOURCES (IN-FLOWS)				
Taxes	48,958,675	48,958,675	50,365,850	1,407,175
Licenses & Permits	496,000	496,000	495,006	(994)
Intergovernmental Revenue	8,146,205	8,155,705	7,756,870	(398,835)
Charges for Goods and Services	4,450,460	4,545,155	4,587,760	42,605
Fines and Forfeits	1,186,600	1,186,600	1,499,567	312,967
Interest Revenue	8,500,000	8,500,000	9,171,040	671,040
Miscellaneous Revenues	1,651,877	1,651,877	643,786	(1,008,091)
Transfers In	-	-	217,000	217,000
Total Resources (in-flows)	<u>73,389,817</u>	<u>73,494,012</u>	<u>74,736,879</u>	<u>1,242,867</u>
Amounts Available for Appropriation	<u>85,459,464</u>	<u>88,418,719</u>	<u>105,854,846</u>	<u>17,436,127</u>
CHARGES TO APPROPRIATIONS (OUT-FLOWS)				
General Government Services	27,652,557	27,804,137	24,701,682	3,102,455
Judicial	17,956,218	18,256,715	17,620,831	635,884
Public Safety	29,608,432	29,782,973	29,013,239	769,734
Economic Environment	585,648	592,802	533,445	59,357
Health and Human Services	818,151	851,151	812,564	38,587
Culture and Recreation	605,284	611,284	610,658	626
Capitalized Expenditures	70,000	1,065,876	1,293,056	(227,180)
Transfers Out	8,163,174	9,453,781	9,264,260	189,521
Amount Charged to Appropriations (out-flows)	<u>85,459,464</u>	<u>88,418,719</u>	<u>83,849,735</u>	<u>4,568,984</u>
FUND BALANCE, DECEMBER 31	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 22,005,111</u>	<u>\$ 12,867,143</u>

The largest unfavorable dollar variances for revenues are in miscellaneous revenues and intergovernmental revenues. Taxes received are higher than budgeted after running lower than budgeted in 2024. Actual expenditures were 5.2% less than budgeted. This is represented primarily by General Government Service expenditures running well below budget.

CAPITAL ASSETS AND LONG-TERM DEBT

Capital Assets

The County's net capital assets were \$419.2 million at December 31, 2025. This total includes construction in progress of \$49.1 million. Other capital assets include land, development rights, buildings, improvements,

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furniture and equipment, and infrastructure. Details of 2025 capital asset transactions are presented in Note VII of the notes to the financial statements.

During 2025, 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.

During 2023, GASB 96 was implemented resulting in an alternative way to account for software subscriptions. See Note XVI for details.

During 2022, GASB 87 was implemented, resulting in leases being capitalized and leases being recorded at net value for amounts owed long term for leases the County holds as lessor. See Note XIV and XV for details.

Long-Term Debt

At December 31, 2025, general obligation bonds payable as reported by governmental activities was \$9.3 million, a decrease of \$1.7 million. Business type activities reported general obligation bonds payable of \$45.1 million, a decrease of \$2.4 million from 2024. These decreases are due to on-going debt payments.

The County's remaining legal capacity for non-voted debt at December 31, 2025, was approximately \$471.3 million.

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

Net Pension Liability

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

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

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

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

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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.

See Note X for additional details on pension balances.

Other Post-Employment Benefits

With the implementation of GASB No. 75, the County has fully accrued the Other Post-Employment Benefits (OPEB). This GASB requires that the full OPEB liability be recorded as a long-term liability with a one-year current portion. No assets are set aside for these costs but are paid as incurred. See Note XI.

ECONOMIC FACTORS

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

There have been a series of voter initiatives over the last several years, as well as State, 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 2018, the 2007 bonds in the amount of \$2,645,000 were fully paid off with current resources. At the time, the retirement of the debt lowered the total bond debt to \$69.3 million.

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- 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 all related activities now reside within the County.
- During 2020, a world-wide breakout of COVID-19 affected millions and resulted in national as well as statewide and local shut down of businesses and schools and resulted in a downturn of many economic factors. It will be years before the full effect is realized.
- During 2021, bonds issued by the Solid Waste Fund were refunded with new debt with lower principal and a lower interest rate.
- During 2022, GASB 87 was implemented resulting in an alternative way to account for leases as lessee and lessor. The major differences affect total assets and liabilities.
- During 2023, GASB 96 was implemented resulting in an alternative way to account for software subscriptions. The major differences affect total assets and liabilities.
- In December 2025, Skagit County experienced record flooding along the Skagit River. Repairs and rehabilitation work have continued into 2026. This includes State Route 20, a major route through the county.
- During 2026, bonds issued by the Jail Fund were refunded with new debt with lower principal and a lower interest rate. See Note XXII Subsequent Event for more details.

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 Annual Comprehensive Financial Report (ACFR) for widespread distribution to users requiring less detailed information than is contained in the full ACFR. Basic Financial Statements include:

Government-wide Financial Statements

- (1) **Statement of Net Position** – presents information on all County governmental and business-type assets, liabilities and deferred inflows and outflows, with the difference reported as Net Position.
- (2) **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 assets, liabilities and deferred inflows and outflows for major funds and aggregated amounts for all other governmental funds. Includes **Reconciliation of the Balance Sheet to the Statement of Net Position**.
- (4) **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.
- (5) **Reconciliation of the Statement of Revenues, Expenditures and Changes in Fund Balances to the Government-wide Statement of Activities**.
- (6) **Statement of Net Position – Proprietary Funds** – presents information on all assets, liabilities and deferred inflows and outflows, 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.
- (7) **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.
- (8) **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.
- (9) **Statement of Fiduciary Net Position** – presents information on custodial fund assets and liabilities, with the difference reported as Net Position.
- (10) **Statement of Revenues, Expenses and Changes in Fiduciary Net Position** – presents information for each custodial fund and aggregated information.
- (11) **Notes to the 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 – Pension, OPEB information and Changes in Fund Balance – Budget (GAAP Basis) and Actual** – presents pension and OPEB information as well as budget information, along with actual results, on separate statements for each major special revenue fund which has a legally adopted budget. Departmental information is included for the General fund, in accordance with the County’s legally adopted budget.

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Statement of Net Position

December 31, 2025

	Primary Government		
	Governmental	Business-Type	
	Activities	Activities	Total
ASSETS			
CURRENT ASSETS			
Cash and cash equivalents	\$ 123,907,588	\$ 7,943,601	\$ 131,851,189
Investments	27,093,080	5,161,258	32,254,338
Taxes receivable	1,500,610	97,056	1,597,666
Accounts receivable	307,366	1,200,702	1,508,068
Court receivable	1,350,107	-	1,350,107
Leases receivable	748,348	97,713	846,061
Interest receivable	1,059,192	-	1,059,192
Interfund balances	286,930	(286,930)	-
Due from other governments	15,358,049	2,976,378	18,334,427
Inventories and prepayments	5,664,814	-	5,664,814
Notes receivable	815,000	-	815,000
Restricted Assets:			
Restricted cash	7,074,464	6,684,718	13,759,182
Restricted investments	3,466,512	-	3,466,512
TOTAL CURRENT ASSETS	188,632,060	23,874,496	212,506,556
NON-CURRENT ASSETS			
Notes receivable	3,400,000	-	3,400,000
Pension asset	14,815,734	1,487,612	16,303,346
Nondepreciable capital assets	229,625,126	12,956,260	242,581,386
Capital assets, net	111,933,286	59,432,128	171,365,414
Leased assets	4,258,116	47,920	4,306,036
Subscription assets	967,325	-	967,325
TOTAL NON-CURRENT ASSETS	364,999,587	73,923,920	438,923,507
TOTAL ASSETS	553,631,647	97,798,416	651,430,063
DEFERRED OUTFLOWS of RESOURCES			
Related to pension	19,917,400	2,722,962	22,640,362
Related to OPEB	815,572	130,894	946,466
TOTAL DEFERRED OUTFLOWS OF RESOURCES	20,732,972	2,853,856	23,586,828
LIABILITIES			
CURRENT LIABILITIES			
Accounts and vouchers payable	19,641,644	2,326,616	21,968,260
Claims and judgements payable	2,726,591	-	2,726,591
Accrued wages and benefits payable	3,963,822	575,171	4,538,993
Interest payable	27,019	4,020	31,039
Due to other governments	11,440	-	11,440
Compensated absences	352,164	48,271	400,435
OPEB liability	77,553	12,447	90,000
Bonds and loans payable	1,714,512	2,365,000	4,079,512
Environmental liabilities	-	12,050,000	12,050,000
TOTAL CURRENT LIABILITIES	28,514,745	17,381,525	45,896,270
NON-CURRENT LIABILITIES			
Unearned revenue	4,827,449	7,101,378	11,928,827
Compensated absences	4,678,757	641,332	5,320,089
Bonds and loans payable	7,616,134	42,710,571	50,326,705
Lease liabilities	4,452,635	47,279	4,499,914
Subscription liabilities	853,663	-	853,663
OPEB liability	1,921,065	308,319	2,229,384
Pension liabilities	3,521,076	222,830	3,743,906
Post closure landfill liability	-	1,769,804	1,769,804
Environmental liabilities	262,206	12,456,746	12,718,952
TOTAL NON-CURRENT LIABILITIES	28,132,985	65,258,259	93,391,244
TOTAL LIABILITIES	56,647,730	82,639,784	139,287,514
DEFERRED INFLOWS OF RESOURCES			
Related to leases	702,090	104,083	806,173
Related to pension	6,028,041	816,148	6,844,189
Related to OPEB	2,192,052	351,811	2,543,863
Related to deferred gain on refunded bonds	18,228	-	18,228
TOTAL DEFERRED INFLOWS OF RESOURCES	8,940,411	1,272,042	10,212,453
NET POSITION			
Net investment in capital assets	335,641,591	27,256,654	362,898,245
Restricted for:			
General government	27,155,206	-	27,155,206
Public safety	3,899,876	-	3,899,876
Transportation	19,700,785	-	19,700,785
Natural and economic environment	14,728,495	-	14,728,495
Health and human services	18,909,959	-	18,909,959
Culture and recreation	1,983,146	-	1,983,146
Solid Waste	-	7,032,124	7,032,124
Drainage Utility	-	133,442	133,442
County jail	-	1,006,764	1,006,764
Debt service	6,488,640	-	6,488,640
Unrestricted	80,268,781	(18,688,538)	61,580,243
TOTAL NET POSITION	\$ 508,776,479	\$ 16,740,446	\$ 525,516,925

SKAGIT COUNTY, WASHINGTON
Statement of Activities
For the Year Ended December 31, 2025

Functions/Programs	Expenses	Program Revenues			Net (Expenses) Revenue and Changes in Net Position		
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Governmental Activities	Business-type Activities	Total
Primary Government:							
Governmental activities							
General government	\$ 27,113,595	\$ 7,583,351	\$ 42,064	\$ 574,784	\$ (18,913,396)	\$ -	\$ (18,913,396)
Judicial	16,081,165	3,689,289	672,574	-	(11,719,302)	-	(11,719,302)
Public safety	50,480,613	2,465,498	697,703	785,611	(46,531,801)	-	(46,531,801)
Transportation	24,902,179	6,327,299	619,738	7,211,740	(10,743,402)	-	(10,743,402)
Natural and economic environment	12,349,918	2,629,087	869,229	14,926,311	6,074,709	-	6,074,709
Health and human services	30,515,541	10,325,229	11,702,129	18,631	(8,469,552)	-	(8,469,552)
Culture and recreation	6,467,028	1,339,879	-	183,968	(4,943,181)	-	(4,943,181)
Interest on long term debt	292,300	-	-	-	(292,300)	-	(292,300)
Total governmental activities	168,202,339	34,359,632	14,603,437	23,701,045	(95,538,225)	-	(95,538,225)
Business-type activities							
Solid Waste	24,236,448	19,417,467	459,043	-	-	(4,359,938)	(4,359,938)
Drainage Utility	2,879,266	80,299	1,288,745	351,906	-	(1,158,316)	(1,158,316)
County Jail	22,941,996	16,411,276	52,481	-	-	(6,478,239)	(6,478,239)
Total business-type activities	50,057,710	35,909,042	1,800,269	351,906	-	(11,996,493)	(11,996,493)
Total primary government	218,260,049	70,268,674	16,403,706	24,052,951	(95,538,225)	(11,996,493)	(107,534,718)
General Revenues							
Property taxes					66,966,064	-	66,966,064
Sales and use taxes					36,709,068	7,489,209	44,198,277
Excise taxes					1,095,909	-	1,095,909
Other taxes					6,709,469	3,089,248	9,798,717
Grants and contributions not restricted to specific					886,156	-	886,156
Interest and investment earnings					10,476,990	229,238	10,706,228
Settlement					328,473	-	328,473
Other revenues					10,100,582	137,915	10,238,497
Gain (loss) on disposition of capital assets					(101,400)	-	(101,400)
Transfers					-	-	-
Total general revenues					133,171,311	10,945,610	144,116,921
Change in net position					37,633,086	(1,050,883)	36,582,203
Net position, beginning of year, as previously presented					471,356,210	17,727,867	489,084,077
Error correction					(212,817)	63,463	(149,354)
Net position, beginning of year, as adjusted					471,143,393	17,791,330	488,934,723
Net position, end of year					\$ 508,776,479	\$ 16,740,447	\$ 525,516,926

See accompanying notes to the financial statements

SKAGIT COUNTY, WASHINGTON

Balance Sheet Government Funds As of December 31, 2025

	Major Funds					Other Governmental Funds	Total
	General Fund	County Road Fund	Medic 1 Fund	Debt Service Fund	Combined Capital Improvement Fund		
ASSETS							
Cash and cash equivalents	\$ 27,946,493	\$ 16,786,631	\$ 11,914,538	\$ -	\$ 20,767,928	\$ 30,808,551	\$ 108,224,141
Restricted cash	1,693,108	-	-	1,464,107	-	-	3,157,215
Investments	-	(72)	2,980,706	-	3,476,884	13,408,600	19,866,118
Restricted investments	-	2,770,973	-	695,539	-	-	3,466,512
Taxes receivable	654,673	399,138	280,824	240	-	165,736	1,500,611
Accounts receivable	62,648	54,790	(173)	119,494	-	59,713	296,472
Court receivable	1,350,107	-	-	-	-	-	1,350,107
Leases receivable	8,437	-	-	-	652,778	-	661,215
Interest receivable	1,059,192	-	-	-	-	-	1,059,192
Due from other funds	9,018	-	-	-	-	79,262	88,280
Due from other governments	3,416,556	4,151,833	-	-	1,897,998	5,891,661	15,358,048
Interfund loans receivable	80,500	-	-	-	-	5,500	86,000
Notes receivable	-	-	-	4,215,000	-	-	4,215,000
Inventories and prepayments	208,632	-	-	-	-	48,391	257,023
Total assets	\$ 36,489,364	\$ 24,163,293	\$ 15,175,895	\$ 6,494,380	\$ 26,795,588	\$ 50,467,414	\$ 159,585,934
LIABILITIES							
Accounts and vouchers payable	\$ 8,582,575	\$ 2,591,055	\$ 1,281,751	\$ -	\$ 1,436,118	\$ 4,550,507	\$ 18,442,006
Due to other funds	-	9,018	-	-	-	87,212	96,230
Due to other governments	7,628	-	1,537	-	-	2,248	11,413
Accrued wages and benefits payable	2,273,193	432,678	19,694	-	12,689	695,247	3,433,501
Unearned revenue	1,707,368	1,125,000	8,000	240	415,244	1,571,597	4,827,449
Interfund loans payable	-	-	-	5,500	80,500	-	86,000
Total liabilities	12,570,764	4,157,751	1,310,982	5,740	1,944,551	6,906,811	26,896,599
DEFERRED INFLOWS of RESOURCES							
Related to court fees	1,350,107	-	-	-	-	-	1,350,107
Related to property taxes	555,032	360,793	234,426	-	-	89,768	1,240,019
Related to leases	8,349	-	-	-	609,680	-	618,029
Total deferred inflows of resources	1,913,488	360,793	234,426	-	609,680	89,768	3,208,155
FUND BALANCES							
Nonspendable	208,632	-	-	-	-	48,391	257,023
Restricted	80,500	19,644,749	-	6,488,640	24,241,357	41,505,027	91,960,273
Committed	-	-	13,630,487	-	-	2,342,632	15,973,119
Assigned	5,000,000	-	-	-	-	-	5,000,000
Unassigned	16,715,979	-	-	-	-	(425,216)	16,290,763
Total fund balances	22,005,111	19,644,749	13,630,487	6,488,640	24,241,357	43,470,834	129,481,178
Total liabilities, deferred inflows of resources, and fund balances	\$ 36,489,363	\$ 24,163,293	\$ 15,175,895	\$ 6,494,380	\$ 26,795,588	\$ 50,467,413	\$ 159,585,932

Reconciliation of the Government Funds Balance Sheet To the Statement of Net Position

Net capital assets of governmental funds	330,561,440
Capital assets used in the activities of governmental funds are not financial resources and therefore are not reported in the funds.	
Balance of long-term assets and deferred outflows of the governmental funds	32,753,665
Long-term assets used in the activities of governmental funds are not financial resources and therefore are not reported in the funds.	
Balance of long-term liabilities and deferred inflows of the governmental funds	(30,897,902)
Liabilities not due and payable in the current period are not reported in the governmental funds.	
Deferred inflow of resources in the governmental funds which are recognized as revenue of the current period on the governmental statement of activities.	2,590,126
Net Position of the internal service funds	44,287,970
Internal service funds are included in governmental activities on the statement of net assets	
Total Net Position as reported on the Statement of Net Position	\$ 508,776,477

SKAGIT COUNTY, WASHINGTON
Statement of Revenues, Expenditures and Changes in Fund Balances
Government Funds
For the Year Ended December 31, 2025

	Major Funds						Combined Capital Improvement Fund	Other Governmental Funds	Total
	General Fund	Mental Health Fund	County Road Fund	American Rescue Plan Act	Medic 1 Fund	Debt Service Fund			
REVENUES									
Property taxes	\$ 31,020,028	\$ -	\$ 18,351,120	\$ -	\$ 15,668,124	\$ -	\$ -	\$ 1,848,349	\$ 66,887,621
Sales and use taxes	18,892,623	-	-	-	-	-	4,329,906	13,486,540	36,709,069
Excise taxes	453,199	-	364,938	-	229,028	-	-	48,743	1,095,908
Other taxes	-	-	-	-	-	-	4,203,053	2,506,417	6,709,470
Licenses and permits	495,006	-	279,811	-	-	-	-	2,476,840	3,251,657
Intergovernmental revenues	7,756,870	-	12,265,392	-	165,419	-	15,943,108	24,185,020	60,315,809
Charges for services	4,587,760	-	1,734,969	-	1,962	-	94,276	5,929,528	12,348,495
Fines and penalties	1,499,567	-	-	-	-	-	-	3,184,779	4,684,346
Interest and investment earnings	9,171,040	-	60,903	-	130,933	39,642	162,387	595,635	10,160,540
Settlement	12	-	477	-	-	-	-	327,984	328,473
Contributions and donations	200,896	-	-	-	-	-	20,000	495,348	716,244
Other revenues	442,878	-	207,684	-	7,851	175,869	155,482	687,371	1,677,135
Total revenues	74,519,879	-	33,265,294	-	16,203,317	215,511	24,908,212	55,772,554	204,884,767
EXPENDITURES									
Current:									
General government	24,701,682	-	66,097	-	-	391	-	1,615,475	26,383,645
Judicial	17,620,831	-	-	-	-	-	-	-	17,620,831
Public safety	29,013,239	-	-	-	13,703,998	-	-	8,651,286	51,368,523
Transportation	-	-	24,700,643	-	-	-	-	120,135	24,820,778
Natural and economic environment	533,445	-	-	-	-	-	2,689,661	9,766,869	12,989,975
Health and human services	812,564	-	-	-	-	-	-	30,983,528	31,796,092
Culture and recreation	610,658	-	-	-	-	-	1,130,220	4,577,762	6,318,640
Debt service:									
Principal	-	-	-	-	-	1,654,080	-	-	1,654,080
Interest on long term debt	-	-	-	-	-	359,712	-	-	359,712
Capital outlay	1,293,056	-	8,925,574	-	-	-	21,389,121	1,639,396	33,247,147
Total expenditures	74,585,475	-	33,692,314	-	13,703,998	2,014,183	25,209,002	57,354,451	206,559,423
Excess (deficit) of revenues over expenditures	(65,596)	-	(427,020)	-	2,499,319	(1,798,672)	(300,790)	(1,581,897)	(1,674,656)
OTHER FINANCING SOURCES (USES)									
Transfers in	217,000	-	1,000,000	-	-	764,763	1,517,500	8,014,260	11,513,523
Transfers out	(9,264,260)	-	-	-	-	-	(764,763)	(1,267,500)	(11,296,523)
Total other financing source (uses)	(9,047,260)	-	1,000,000	-	-	764,763	752,737	6,746,760	217,000
Net change in fund balance	(9,112,856)	-	572,980	-	2,499,319	(1,033,909)	451,947	5,164,863	(1,457,656)
Fund balances - beginning of year, as previously presented	31,117,967	9,665,475	19,071,769	-	-	-	-	66,221,906	126,077,117
Changes to or within the financial reporting entity	-	(9,665,475)	-	-	11,131,168	2,325,890	23,789,410	(27,580,993)	-
Error correction	-	-	-	-	-	5,196,659	-	(334,942)	4,861,717
Fund balances - beginning of year, as adjusted	31,117,967	-	19,071,769	-	11,131,168	7,522,549	23,789,410	38,305,971	130,938,834
Fund balances - end of year	<u>\$ 22,005,111</u>	<u>\$ -</u>	<u>\$ 19,644,749</u>	<u>\$ -</u>	<u>\$ 13,630,487</u>	<u>\$ 6,488,640</u>	<u>\$ 24,241,357</u>	<u>\$ 43,470,834</u>	<u>\$ 129,481,178</u>

SKAGIT COUNTY, WASHINGTON
Reconciliation of the Statement of Revenues, Expenditures
and Changes in Fund Balances of Government Funds
To the Statement of Activities
For the Year Ended December 31, 2025

Net change in fund balances as shown on the Governmental Funds Statement of Revenues, Expenditures, and Changes in Fund Balances

\$ (1,457,656)

Governmental funds report capital outlays as expenditures. However, in the statement of activities, the cost of these assets is allocated over their estimated useful lives and reported as depreciation/amortization expense. This is the amount by which capital outlays exceeded depreciation/amortization expense in the current period.

Capital outlays	33,247,148
Donated assets	179,990
Depreciation and amortization expense	(6,972,699)

Revenues in the statement of activities that do not provide current financial resources are not reported as revenues in the funds.

Property taxes	78,441
Other revenues	175,011

Bond and other debt proceeds provide current financial resources to governmental funds, but issuing debt increases long term liabilities in the Statement of Net Position. Repayment of bond and other debt principal is an expenditure in the governmental funds, but repayment reduces long term liabilities in the Statement of Net Position. Also, governmental funds report the effect of premiums, discounts, and similar items when debt is first issued, whereas these amounts are deferred and amortized in the statement of activities.

Change in accrued interest payable	2,957
Principal payments on long-term debt	1,654,080
Amortization of bond discounts and premiums	64,454
Deferred gain on refunded bond	18,228
Change in net leases	316,008

Some expenses reported in the statement of activities do not require the use of current financial resources and, therefore, are not reported as expenditures in the governmental funds.

Change in activity related to compensated absences	(374,358)
Change in activity related to pension	5,644,945
Change in activity related to OPEB	340,584

The internal service funds are used by management to charge the costs of fleet management and risk management to individual funds. The net revenue of certain activities of internal service funds is reported with governmental activities.

4,715,950

Change in Net Position as reflected in the Statement of Activities	\$ 37,633,083
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SKAGIT COUNTY, WASHINGTON

Statement of Net Position

Proprietary Funds

December 31, 2025

	Business - Type Activities				Governmental Activities
	Solid Waste Fund	Drainage Utility Fund	County Jail Fund	Total Enterprise Funds	*Internal Service Funds
ASSETS					
Current assets:					
Cash and cash equivalents	\$ 2,799,593	\$ 2,621,622	\$ 2,522,386	\$ 7,943,601	\$ 15,683,448
Restricted cash	6,661,703	-	23,015	6,684,718	3,917,249
Investments	1,857,879	-	3,303,379	5,161,258	7,226,961
Taxes receivable	-	97,056	-	97,056	-
Accounts receivable	1,146,738	32,648	21,316	1,200,702	10,895
Leases receivable	97,713	-	-	97,713	87,133
Due from other funds	-	-	7,950	7,950	294,880
Due from other governments	172,683	658,350	2,145,345	2,976,378	-
Inventories and prepayments	-	-	-	-	5,407,790
Total current assets	12,736,309	3,409,676	8,023,391	24,169,376	32,628,356
Noncurrent Assets					
Capital Assets					
Land	688,875	1,926,358	6,384,803	9,000,036	-
Construction in progress	137,333	3,763,675	55,216	3,956,224	-
Buildings	10,054,717	-	59,108,624	69,163,341	180,888
Improvements	1,460,387	12,161,544	-	13,621,931	-
Machinery and equipment	1,608,470	201,182	502,934	2,312,586	34,515,454
Less: accumulated depreciation	(6,682,178)	(6,083,491)	(12,900,061)	(25,665,730)	(19,471,881)
Leased assets	47,920	-	-	47,920	30,627
Subscription assets	-	-	-	-	967,325
Pension asset	370,421	133,442	983,749	1,487,612	1,163,530
Total noncurrent assets	7,685,945	12,102,710	54,135,265	73,923,920	17,385,943
Total assets	20,422,254	15,512,386	62,158,656	98,093,296	50,014,299
DEFERRED OUTFLOWS OF RESOURCES					
Related to pension	496,969	179,030	2,046,963	2,722,962	1,561,029
Related to OPEB	28,768	11,507	90,619	130,894	70,482
Total deferred outflows of resources	525,737	190,537	2,137,582	2,853,856	1,631,511
LIABILITIES					
Current liabilities:					
Accounts and vouchers payable	1,632,902	228,113	465,601	2,326,616	1,199,640
Claims and judgements payable	-	-	-	-	2,726,591
Due to other funds	-	-	294,880	294,880	-
Due to other governments	-	-	-	-	27
Accrued wages and benefits payable	87,295	36,795	451,081	575,171	530,321
Interest payable	4,020	-	-	4,020	-
Unearned revenue	7,054,746	23,617	23,015	7,101,378	-
Compensated absences	11,497	2,739	34,035	48,271	41,303
OPEB liability	2,736	1,094	8,617	12,447	6,702
Environmental liabilities	12,050,000	-	-	12,050,000	-
Bonds and loans payable	630,000	-	1,735,000	2,365,000	-
Total current liabilities	21,473,196	292,358	3,012,229	24,777,783	4,504,584
Noncurrent liabilities:					
Compensated absences	152,751	36,396	452,185	641,332	548,734
Post closure landfill liability	1,769,804	-	-	1,769,804	-
Environmental liabilities	12,456,746	-	-	12,456,746	262,206
Bonds and loans payable	2,610,000	-	40,100,571	42,710,571	-
Lease liabilities	47,279	-	-	47,279	31,745
Subscription liabilities	-	-	-	-	853,663
OPEB liability	67,762	27,105	213,452	308,319	166,018
Pension liabilities	103,646	37,337	81,847	222,830	325,565
Total noncurrent liabilities	17,207,988	100,838	40,848,055	58,156,881	2,187,931
Total liabilities	38,681,184	393,196	43,860,284	82,934,664	6,692,515
DEFERRED INFLOWS OF RESOURCES					
Related to pension	124,743	44,938	646,467	816,148	391,832
Related to OPEB	77,321	30,928	243,561	351,810	189,437
Related to leases	104,083	-	-	104,083	84,061
Total deferred inflows of resources	306,147	75,866	890,028	1,272,041	665,330
NET POSITION					
Net investment in capital assets	3,971,441	11,969,268	11,315,945	27,256,654	15,284,689
Restricted	7,032,124	133,442	1,006,764	8,172,330	5,080,779
Unrestricted	(29,042,905)	3,131,149	7,223,218	(18,688,538)	23,922,502
Total net position	\$ (18,039,340)	\$ 15,233,859	\$ 19,545,927	\$ 16,740,446	\$ 44,287,970

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, 2025

	Business - Type Activities				Governmental Activities
	Solid Waste Fund	Drainage Utility Fund	County Jail Fund	Total Enterprise Funds	*Internal Service Funds
Operating revenues:					
Charges for services	\$ 19,417,467	\$ 80,299	\$ 15,975,566	\$ 35,473,332	\$ 35,598,902
Other operating revenues	-	-	-	-	4,531,855
Total operating revenues	<u>19,417,467</u>	<u>80,299</u>	<u>15,975,566</u>	<u>35,473,332</u>	<u>40,130,757</u>
Operating expenses:					
Personnel services	2,303,932	957,990	12,543,630	15,805,552	7,712,949
Professional and contractual services	21,329,909	1,503,216	6,385,643	29,218,768	8,065,862
Supplies	183,694	20,279	853,370	1,057,343	3,394,321
Depreciation	360,883	397,782	1,543,958	2,302,623	3,201,008
Payment to claimants	-	-	-	-	13,083,913
Total operating expenses	<u>24,178,418</u>	<u>2,879,267</u>	<u>21,326,601</u>	<u>48,384,286</u>	<u>35,458,053</u>
Operating income (loss)	<u>(4,760,951)</u>	<u>(2,798,968)</u>	<u>(5,351,035)</u>	<u>(12,910,954)</u>	<u>4,672,704</u>
Nonoperating revenues (expenses):					
Intergovernmental revenues	459,043	1,522,687	488,191	2,469,921	42,064
Sales and use taxes	-	-	7,489,209	7,489,209	-
Other taxes	-	3,089,248	-	3,089,248	-
Contributions and donations	-	117,964	-	117,964	-
Interest and investment earnings	81,094	-	148,144	229,238	316,450
Other revenues	108,311	29,165	439	137,915	33,258
Gain (loss) on disposition of capital assets	-	-	-	-	(119,840)
Interest expense	(58,031)	-	(1,615,394)	(1,673,425)	(11,686)
Income(loss) before transfers	<u>590,417</u>	<u>4,759,064</u>	<u>6,510,589</u>	<u>11,860,070</u>	<u>260,246</u>
Transfers out	-	-	-	-	(217,000)
Changes in net position	<u>(4,170,534)</u>	<u>1,960,096</u>	<u>1,159,554</u>	<u>(1,050,884)</u>	<u>4,715,950</u>
Net position - beginning of year, as previously presented	(13,868,806)	13,219,529	18,377,144	17,727,867	39,522,397
Error correction	-	54,234	9,229	63,463	49,623
Net position - beginning of year, as adjusted	<u>(13,868,806)</u>	<u>13,273,763</u>	<u>18,386,373</u>	<u>17,791,330</u>	<u>39,572,020</u>
Net position - end of year	<u>\$ (18,039,340)</u>	<u>\$ 15,233,859</u>	<u>\$ 19,545,927</u>	<u>\$ 16,740,446</u>	<u>\$ 44,287,970</u>

See the 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, 2025

	Business - Type Activities				Governmental Activities
	Solid Waste Fund	Drainage Utility Fund	County Jail Fund	Total Enterprise Funds	*Internal Service Funds
Cash Flows from Operating Activities:					
Receipts from Customers	\$ 19,164,806	\$ 70,967	\$ 16,009,346	\$ 35,245,119	\$ 4,546,583
Payments for Interfund Services Provided	-	-	54,006	54,006	35,293,154
Payments to Employees	(2,463,924)	(982,520)	(12,182,887)	(15,629,331)	(8,034,681)
Payments to Suppliers	(19,065,444)	(1,334,599)	(5,621,822)	(26,021,865)	(2,928,363)
Payments to Claimants	-	-	-	-	(13,074,880)
Payments for Interfund Services Used	(1,925,634)	(266,909)	(1,669,297)	(3,861,840)	(8,282,836)
Miscellaneous Receipts	-	-	294,880	294,880	-
Net Cash Provided (Used)	<u>(4,290,196)</u>	<u>(2,513,061)</u>	<u>(3,115,774)</u>	<u>(9,919,031)</u>	<u>7,518,977</u>
Cash Flows From Non-Capital Financing Activities:					
Non-operating expenses	3,633,475	-	-	3,633,475	-
Non-operating receipts	587,745	4,717,587	7,941,165	13,246,497	-
Net Cash Provided (Used)	<u>4,221,220</u>	<u>4,717,587</u>	<u>7,941,165</u>	<u>16,879,972</u>	<u>-</u>
Cash Flows from Capital and Related Financing Activities:					
Purchases of capital, lease, and subscription assets	(66,776)	(738,802)	(248,213)	(1,053,791)	(4,553,923)
Proceeds from Sale of Capital Assets	(5,136)	-	1	(5,135)	235,957
Miscellaneous Revenue (Expense)	-	54,234	9,229	63,463	124,944
Principal Paid on Capital Debt	(620,000)	-	(1,795,162)	(2,415,162)	-
Interest Paid on Capital Debt	(58,801)	-	(1,615,394)	(1,674,195)	-
Net Cash Provided (Used)	<u>(750,713)</u>	<u>(684,568)</u>	<u>(3,649,539)</u>	<u>(5,084,820)</u>	<u>(4,193,022)</u>
Cash Flows from Investing Activities:					
Purchase of Investments	(946)	-	(231,727)	-	(3,679)
Interest Earnings	82,040	-	379,871	461,911	308,443
Net Cash Provided	<u>81,094</u>	<u>-</u>	<u>148,144</u>	<u>461,911</u>	<u>304,764</u>
Net Change in Cash and Cash Equivalents	(738,595)	1,519,958	1,323,996	2,105,359	3,630,719
Balance, January 1	12,057,770	1,101,664	4,524,784	17,684,218	23,196,940
Balance, December 31	<u>\$ 11,319,175</u>	<u>\$ 2,621,622</u>	<u>\$ 5,848,780</u>	<u>\$ 19,789,577</u>	<u>\$ 26,827,659</u>

Reconciliation of Operating Income (Loss) to Net Cash Provided by Operating Activities

Operating Income (Loss)	\$ (4,760,951)	\$ (2,798,968)	\$ (5,351,035)	\$ (12,910,954)	\$ 4,672,704
Adjustments to Reconcile Operating Income to Net Cash Provided (Used) by Operating Activities:					
Depreciation Expense	360,883	397,782	1,543,958	2,302,623	3,201,008
Miscellaneous Receipts	-	-	-	-	-
Changes in Assets and Liabilities:					
Receivables, Net	(276,763)	54,346	567,579	345,162	(400,712)
Inventories and prepayments	-	-	-	-	(230,596)
Accounts and Other Payables	386,635	(166,221)	123,724	344,138	276,573
Net Cash Provided (Used) by Operating Activities	<u>\$ (4,290,196)</u>	<u>\$ (2,513,061)</u>	<u>(\$3,115,774)</u>	<u>\$ (9,919,031)</u>	<u>\$ 7,518,977</u>

Non-cash Activities

None in the current year.

See accompanying notes to the financial statements

*See Internal Service Funds section

SKAGIT COUNTY, WASHINGTON**Statement of Fiduciary Net Position****As of December 31, 2025**

	Custodial Funds	Custodial Funds External Investment Pool
ASSETS		
Cash	\$ 47,686,638	\$ -
Investments	-	245,447,077
Taxes Receivable	4,832,457	-
Other Assets	2,724	-
Total Assets	<u>\$ 52,521,819</u>	<u>\$ 245,447,077</u>
LIABILITIES		
Payables	\$ 18,619,950	\$ -
Other Liabilities	7,149,351	-
Total Liabilities	<u>\$ 25,769,301</u>	<u>\$ -</u>
NET POSITION		
Restricted for Other Governments	<u>\$ 26,752,518</u>	<u>\$ 245,447,077</u>
Total Net Position	<u>\$ 26,752,518</u>	<u>\$ 245,447,077</u>

See accompanying notes to the financial statements

SKAGIT COUNTY, WASHINGTON
Statement of Changes in Fiduciary Net Position
For the year ended December 31, 2025

	Custodial Funds	Custodial Funds External Investment Pool
Additions		
Receipt from Investment trust	\$ 183,514,931	\$ -
Investment Purchases	-	158,813,736
Investment Revenue	-	18,866,214
Deposits made on Behalf of Junior Taxing Districts	196,361,354	-
Revenue Collected on Behalf of Other Governments		
Tax Collections	249,336,443	-
State Remittances	395,114,535	-
Other	12,129,781	-
Total Additions	<u>1,036,457,044</u>	<u>177,679,950</u>
Deductions		
Investment Withdrawals	158,813,735	-
Investment Sales	-	183,514,931
Investment Fees	-	4
Salaries Paid on Behalf of Other Governments	6,097,479	-
Benefits Paid on Behalf of Other Governments	2,492,605	-
Payments Made on Behalf of Junior Taxing districts	734,464,021	-
Payments of Revenue Collected on Behalf of Other Governments		
Tax Collections	27,322,866	-
State Remittances	103,392,849	-
Other	977,819	-
Total Deductions	<u>1,033,561,374</u>	<u>183,514,935</u>
Change in Net Position	2,895,670	(5,834,985)
Beginning Net Position	<u>23,856,848</u>	<u>251,282,062</u>
Ending Balance Net Position	<u><u>\$ 26,752,518</u></u>	<u><u>\$ 245,447,077</u></u>

See the accompanying notes to the financial statements

Skagit County, Washington

Notes to the Financial Statements

December 31, 2025

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. Significant accounting policies are described below.

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.

In determining the financial reporting entity, the County only considers those entities as component units where the County appoints a voting majority of the board of directors, where the County is able to impose its will, or where a financial benefit or burden exists.

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

- Housing Authority Board of Skagit County
- La Conner Regional Library Board
- Public Facilities District Board
- Central Skagit Rural Partial County Library District
- Upper Skagit Library District

Basis of Presentation 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 the non-fiduciary activities of the primary government. For the most part, the effect of interfund activity has been removed from these statements. Governmental activities, which normally are supported by taxes and intergovernmental revenues, are reported separately from business-type activities, which rely to a significant extent on fees and charges for support.

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.

Skagit County, Washington

Notes to the Financial Statements

December 31, 2025

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.

Natural and Economic Environment – Conservation and preservation of the environment, and animal control services. Community planning and development services, housing programs, and promotion of tourism.

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.

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 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, sales taxes, 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

Skagit County, Washington
Notes to the Financial Statements
December 31, 2025

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 three permanent major government funds. These funds are presented as major each year for consistency:

- 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 Debt Service Fund accounts for the accumulation of resources and the payment of expenditures, principal and interest for certain debt service arrangements.
- The Combined Capital Improvement Fund accounts for all capital projects funds in the county. This is a new major fund in 2025, and the five underlying funds were previously reported separately as the Facility Improvement Fund, the Capital Improvement Fund, the Distressed Public Improvement Fund, the Park Improvement Fund, and the Leased Facilities Fund. Definitions and combining schedules for the underlying funds are available in the "Individual and Combining Statements and Schedules" section.

Skagit County reports the following other major funds for the year ending December 31, 2025:

- The County Road Fund accounts for the design, construction, and maintenance of County Roads, including Guemes Island Ferry operations. The majority of revenues consist of property tax and grant revenue.
- The Medic 1 Fund finances the overall coordination of basic and advanced life support services within the County.

For the year ending December 31, 2025, all remaining non-major funds are special revenue funds.

Skagit County reports three major enterprise 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.

Skagit County, Washington
Notes to the Financial Statements
December 31, 2025

- Custodial funds account for assets (such as property taxes collected on behalf of other governments) that the County holds for others in a custodial capacity. Fiduciary funds include fire, school, port, cemetery, air pollution, city and town, library, dike and drain districts and amounts due to others.
- In the Custodial funds, the External Investment Pool Trust Funds hold the investments of the Custodial Funds, while the changes in net position only record the receipt and distribution of funds held for the benefit of others in a custodial 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 personnel services, contractual services, other supplies and expenses and depreciation of 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.

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 for consumption and resale, services and pass-through payments, and capital outlays. 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 monitoring 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.

Skagit County, Washington

Notes to the Financial Statements

December 31, 2025

Procedures for Adopting the Original Budget

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

- On or before the second Monday in July, County officials are requested to prepare estimates of revenues and expenditures for the next fiscal year.
- On or before the first Tuesday in September, the preliminary annual budget is submitted to the Board of County Commissioners.
- The Commissioners conduct public meetings on the proposed budget from September through October.
- The preliminary budget is made available to the public at least 2 weeks prior to the public hearing.
- The Commissioners hold a public hearing on the first Monday in December to receive testimony on the budget.
- The Commissioners adjust 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 funds had deficit fund balance/net position as of December 31, 2025:

The Solid Waste fund deficit was \$18,039,340. 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. It is expected that revenue and/or grants will eliminate the deficit in the future. See Note XVII for more information on environmental liabilities.

In addition, three funds in the fiduciary funds have deficit balances totaling \$8,503,359. These funds are custodial in nature and have no effect on the County's direct operations. Deficits include Trust funds (\$11,137) and State funds (\$4,414,928), both of which are clearing accounts, as well as Public Facilities District (\$4,077,294). These balances represent only what the County holds for the districts and is not a reflection of their activity as a whole.

Assets, Liabilities, and Equity

Cash and Cash Equivalents

Skagit County, Washington
Notes to the Financial Statements
December 31, 2025

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.

It is the County's policy to invest all temporary cash surpluses. At December 31, 2025, the treasurer was holding \$43,249,883 in short-term residual investments of surplus cash. This amount is classified on the balance sheet as cash and cash equivalents. The interest on these balances is allocated to the general fund.

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

Investments – See Note III

Receivables

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

Accounts Receivable consists of amounts owed from private individuals for goods or services. All receivables have been recorded net of any estimated uncollectible amounts. See Note V for further information on septic system loans recorded in accounts receivable. All receivables, with the exception of \$3,400,000 of the PFD note receivable, 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.

Amounts Due to/from Other Funds, and Interfund Loan and Receivables

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.

Activities between funds that are representative of lending/borrowing arrangements outstanding at the end of the fiscal year are referred to as interfund loans receivable/payable. All other outstanding balances between funds are reported as due to/from other funds. Any residual balances outstanding between the governmental activities and business-type activities are reported in the government wide financial statements as internal balances. A separate schedule of interfund loans receivable/payable is furnished in Note VI Interfund Receivables, Payables and Transfers.

Inventories and Prepayments

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

Skagit County, Washington
Notes to the Financial Statements
December 31, 2025

valued by the first-in first-out method at cost. The non-spendable fund balance for inventory is equal to the ending amount of inventory to indicate that a portion of the fund balance is not available for future expenditures. A comparison to market value is not considered necessary.

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

Restricted Assets and Liabilities – Government Funds

These accounts contain restricted resources for general, internal service, and enterprise funds:

	Government	Proprietary	Internal Service
Funds Held for Superior Court	\$ 1,693,108	\$ -	\$ -
Funds Held for Debt Service	2,159,645	-	-
Funds Held for Insurance Claims	-	-	3,917,249
Funds Held Until Contract Completed	-	6,684,718	-
Funds Held for County Road Fund	2,770,973	-	-
	<u>6,623,726</u>	<u>6,684,718</u>	<u>3,917,249</u>

Capital Assets – See Note VII

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.

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.

Skagit County, Washington
Notes to the Financial Statements
December 31, 2025

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

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

Leases (Lessee and Lessor)

Lessee: The County is a lessee for non-cancellable leases. The County recognizes a lease liability and an intangible right-to-use lease asset in the government-wide and proprietary fund financial statements. At this time there is no monetary minimum threshold for reporting a lease.

At the commencement of a lease, the County initially measures the lease liability at the present value of payments expected to be made during the lease term. Subsequently, the lease liability is reduced by the principal portion of lease payments made. The lease asset is initially measured as the initial amount of the lease liability, adjusted for lease payments made at or before the lease commencement date, plus certain initial direct costs. Subsequently, the lease asset is amortized using the effective interest method over its useful life.

Governmental funds recognize a capital outlay and other financing sources at the commencement of a new lease. Lease payments in governmental funds are reported as debt service principal and debt service interest expenditures.

Key estimates and judgements related to lease include how the county determines (1) the discount rate it uses to discount the expected lease payments to present value, (2) lease term, and (3) lease payments.

- The county uses the interest rate charged by the lessor as the discount rate. When the interest rate charged by the lessor is not provided, the county generally uses its incremental borrowing rate as the discount rate for leases.
- The lease term includes the non-cancellable period of the lease. Lease payments included in the measurement of the lease liability are composed of fixed payments and purchase option price that the county is reasonably certain to exercise.

The County monitors changes in circumstances that would require a remeasurement of its lease; and will remeasure the lease asset and liability if certain changes occur that are expected to significantly affect the amount of lease liability.

Lessor: The County is a lessor for non-cancellable leases. The County recognizes a lease receivable and a deferred inflow of resources in the government-wide and fund financial statements.

At the commencement of a lease, the County initially measures the lease receivable at the present value of payments expected to be received during the lease term. Subsequently the lease receivable is reduced by the principal portion of lease payments received. The deferred inflow of resources is initially measured

Skagit County, Washington
Notes to the Financial Statements
December 31, 2025

as the initial amount of the lease receivable, adjusted for lease payments received at or before the lease commencement date. Subsequently, the deferred inflow of resources is recognized as revenue over the life of the lease term using the effective interest method.

Key estimates and judgements related to lease include how the county determines (1) the discount rate it uses to discount the expected lease payments to present value, (2) lease term, and (3) lease payments.

- The county uses its estimated incremental borrowing rate as the discount rate for leases.
- The lease term includes the non-cancellable period of the lease. Lease receipts included in the measurement of the lease liability are composed of fixed payments from the lessee.

The County monitors changes in circumstances that would require a remeasurement of its lease and will remeasure the lease receivable and deferred inflows of resources if certain changes occur that are expected to significantly affect the amount of the lease receivable.

See Notes XIV, XV, and XVI.

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. Vacation vests after one year after which time it can be paid out upon the employee leaving. 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 current and 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 40 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. Generally, retirees may receive 50% of their accrued sick leave with payment into a VEBA account for up to 320 hours, and non-retirees receive 25% of their accrued sick leave with payment into a VEBA account for up to 80 hours.

Accounts Payable and Other Accrued Liabilities

Accounts Payable consists of amounts owed to private individuals for goods or services. Other accrued liabilities consist of accrued wages, and accrued benefits accounts.

Unearned Revenue

This account includes amounts reported in liabilities as unearned revenue on the balance sheet but not revenues in governmental funds income statement because the revenue recognition criteria have not been met.

Long-Term Obligations – See Notes VIII, XVIII, and XIX

Skagit County, Washington
Notes to the Financial Statements
December 31, 2025

Pensions

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

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 accounting principle resulted in the full estimated liability related to possible future benefits. The recorded ending liability at December 31, 2025, was \$2,319,384 that is included in short- and long-term liabilities.

Asset Retirement Obligations

The County implemented GASB Statement No. 83 *Certain Asset Retirement Obligations* during the year ended December 31, 2019. Liabilities have been recorded for assets that have a legally enforceable obligation upon retirement of that asset. See Note XVI.

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 Outflows and Deferred Inflows of resources, including what statement they reside:

		Balance Sheet	
		Government	Statement of Net
	Amount	Funds	Position
DEFERRED OUTFLOWS			
Related to pension	\$ 19,917,400		X
Related to OPEB	815,572		X
DEFERRED INFLOWS			
Related to property taxes	\$ 1,240,019	X	
Related to court fees	1,350,107	X	
Related to leases	618,029	X	X
Related to deferred gain on refunded bonds	18,228		X
Related to pension	6,028,041		X
Related to OPEB	2,192,052		X

Skagit County, Washington
Notes to the Financial Statements
December 31, 2025

Fund Balance

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.

The governmental statement of net position reports \$101,038,438 of restricted component of net position and is restricted by contract or enabling legislation.

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. The current assigned balance amounts to \$5,000,000 for various facilities and capital services projects.

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.

Skagit County, Washington
Notes to the Financial Statements
December 31, 2025

The following shows the composition of the fund balance of the government funds for the fiscal year ended December 31, 2025:

	General Fund	County Road Fund	Medic 1 Fund	Debt Service Fund	Combined Capital Improvement Fund	Other Government funds	Total
NONSPENDABLE							
Inventories and prepayments	\$ 208,632	\$ -	\$ -	\$ -	\$ -	\$ 48,391	\$ 257,023
RESTRICTED FOR							
General government	80,500	-	-	-	-	1,927,515	2,008,015
Public safety	-	-	-	-	-	3,899,876	3,899,876
Transportation	-	19,644,749	-	-	-	56,036	19,700,785
Natural and economic environment	-	-	-	-	-	14,728,495	14,728,495
Health and human services	-	-	-	-	-	18,909,959	18,909,959
Culture and recreation	-	-	-	-	-	1,983,146	1,983,146
Debt service	-	-	-	6,488,640	-	-	6,488,640
Capital projects	-	-	-	-	24,241,357	-	24,241,357
COMMITTED TO							
General government	-	-	-	-	-	567,288	567,288
Judicial	-	-	-	-	-	-	-
Public safety	-	-	13,630,487	-	-	67,993	13,698,480
Transportation	-	-	-	-	-	-	-
Natural and economic environment	-	-	-	-	-	482,186	482,186
Health and human services	-	-	-	-	-	120,807	120,807
Culture and recreation	-	-	-	-	-	1,104,358	1,104,358
ASSIGNED	5,000,000	-	-	-	-	-	5,000,000
UNASSIGNED	16,715,979	-	-	-	-	1	16,715,980
Total Fund Balances	\$ 22,005,111	\$ 19,644,749	\$ 13,630,487	\$ 6,488,640	\$ 24,241,357	\$ 43,896,051	\$ 129,906,395

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.

III. 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, County restricted and unrestricted cash and cash equivalents amounted to \$131,851,189. This in part consisted of certificates of deposit and money market accounts of \$28,395,489 and the treasurer's bank balance in the amount of \$24,428,459 after reconciling items. Other items in cash include petty cash and separate custodial funds. 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. Any balances held at Key Bank over the federal depository insurance are collateralized with certificates of deposits at various financial institutions in denominations of \$250,000 held by Key Bank. Custodial credit risk for deposits is the risk that, in the event of a failure of a depository financial institution, the County would not be able to recover deposits or will not be able to recover collateral securities that are in the possession of an outside party. The County deposits and certificates of deposit are mostly covered by federal deposit insurance (FDIC) or by collateral held in a multiple financial institution collateral pool administered by the Washington Public Deposit Protection Commission (PDC).

Skagit County, Washington

Notes to the Financial Statements

December 31, 2025

Investments

As required by Washington State law, all investments of Skagit County and applicable custodial 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. Investments are stated at fair value.

In November of 2023, the County initiated a pooled investment arrangement with local districts. The tables below reflect activity for the year ending December 31, 2025. Investments are managed by the County Treasurer, which reports investment activity to the County Finance Committee (FC) on a quarterly basis. Additionally, the County Treasurer investment activity is subject to an annual investment policy review, compliance oversight, monthly financial review, and annual financial reporting. The County has not provided nor obtained any legally binding guarantees during the year ended December 31, 2025, to support the value of shares in the Skagit Investment Pool (SKIP).

The SKIP is not registered with the Securities and Exchange Commission (SEC) as an investment company and is not subject to any formal oversight other than that provided by the FC. The FC serves the role of the County Finance Committee as defined in RCW 36.48.070. The FC is responsible for adopting investment objectives and policies, monitoring policy implementation, investment performance and approving the broker dealer/Advisor list as requested by the County Treasurer. The SKIP operates in accordance with the approved Investment Policy which has been prepared in accordance with State law. This policy is reviewed annually, and any modifications are approved by the Finance Committee (FC). The policy applies to all financial assets invested in the SKIP as defined in County Policy.

The Investment Policy Statement is designed to help the County meet the objectives of the SKIP. The objectives of the County's investment policy are to invest public funds in a manner which will preserve the safety and liquidity of all investments within the SKIP while obtaining a reasonable return within established investment guidelines. The portfolio is managed in a manner that is responsive to the public trust and consistent with state law. The SKIP is guided by the following principles:

1. The primary objective of the County's Investment of public funds is to safeguard investment principal.
2. The secondary objective is to maintain sufficient liquidity to ensure that funds are available to meet daily cash flow requirements.
3. The third objective is to achieve a market rate of return consistent with these objectives.

It is the policy of the County to safely invest public funds in accordance with governing statutes in a manner which will provide the best investment return. Investments are made by the designated personnel in accordance with the Investment Policy. The Treasurer has a banking custodial duty to return the principal to the entities when needed.

Money deposited by participants of the SKIP is treated as invested when deposited. The interest or earnings of income from the funds of any municipal corporation of which the governing body has not taken any action pertaining to the investment of funds and that have been invested in accordance with state statutes, shall be deposited in the current expense fund of the County and may be used for general County purposes. The investments made by the County Treasurer on behalf of the participants is involuntary participation in the SKIP as they are required to be invested by statute.

Skagit County, Washington
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The SKIP values pool participants' shares on an amortized cost basis and targets to maintain the stable value of the pool per share at \$1.00. Specifically, the pool distributes income to participants monthly based on their relative participation during the month that is calculated based on, (1) interest income based on stated rates (both paid and accrued), (2) amortization of discounts and premiums on a straight-line basis, (3) realized investment gains and losses calculated on an amortized cost basis, and (4) investment and administrative expenses. This method differs from the fair value method used to value investments in the financial statements because the amortized cost method is not designed to distribute to the participants all unrealized gains and losses in the fair values of the pool's investments. The Net Asset Value (NAV) on December 31, 2025, was 1.010. The average maturity on SKIP was 1.56 years on December 31, 2025.

The County Treasurer does not allow individual investment accounts except for Hospital District 1 as they are transitioning to becoming their own Treasurer.

SKIP Condensed Statements

Since a separate annual financial report on the SKIP has not been, and is not planned to be issued, the following additional disclosures are being provided in the County's financial statements.

Skagit County, Washington
Notes to the Financial Statements
December 31, 2025

is responsible for establishing the investment policy for the pool and reviews the policy annually and proposed changes are reviewed by the LGIP Advisory Committee.

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

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

Management intends to hold time deposits and securities until maturity. Realized gains or losses on investments sold or exchanged are recognized at the time the transactions are completed and unrealized gains or losses are reported at year end at the government wide level due to the temporary nature of the gain or loss.

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: 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;
or

Level 3: Unobservable inputs for an asset or liability.

As of December 31, 2025, the County held the following investments maturing as follows:

Investment Type	Fair Value	Less than 1 Year	1 to 2 Years	2 to 3 Years	More than 3 Years
		Maturity			
Pacific Premier	\$ 28,395,489	\$ 28,395,489	\$ -	\$ -	\$ -
Treasury Notes	107,212,700	30,172,300	-	19,501,200	57,539,200
Municipal Bonds	3,138,390	-	-	-	3,138,390
U.S. Agencies	154,488,340	58,354,870	48,125,800	28,214,170	19,793,500
Corporate Bonds	24,313,630	20,200,550	-	4,113,080	-
Supra	35,264,750	4,956,950	4,912,550	25,395,250	-
State Treasurer Pool	95,335,727	95,335,727	-	-	-
	\$ 448,149,026	\$ 237,415,886	\$ 53,038,350	\$ 77,223,700	\$ 80,471,090

As of December 31, 2025, the County held the following investments with their corresponding hierarchy:

Skagit County, Washington
Notes to the Financial Statements
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Investment Type	Fair Value	Fair Value Measurements Using		
		Quoted Prices in Active Markets for Identical Assets Level 1	Significant Other Observable Inputs Level 2	Significant Unobservable Inputs Level 3
Pacific Premier	\$ 28,395,489	28,395,489		
Treasury Notes	107,212,700	107,212,700		
Municipal Bonds	3,138,390		3,138,390	
U.S. Agencies	154,488,340		154,488,340	
Corporate Bonds	24,313,630		24,313,630	
SupraNational	35,264,750		35,264,750	
	<u>352,813,299</u>			
State Treasurer Pool	95,335,727	n/a		
	<u>448,149,026</u>			
Amounts included in Fiduciary Statements	<u>245,447,077</u>			
Net Investments	<u>\$ 202,701,949</u>			

Total fair value of investments includes amounts for Skagit County and for the Junior Taxing districts (Custodial Funds). A portion of the amounts considered cash and cash equivalents are included in the short-term investments (State Treasurer Pool) listed above.

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.

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. As of September 5, 2023, the limitations on investment in the Washington State LGIP changed to 100% of the total portfolio by resolution R20230177 to allow investment when there are no other viable alternatives. The SKIP's policy to limit the percentage of any one issuer or issue type is outlined below.

Skagit County, Washington
Notes to the Financial Statements
December 31, 2025

Issue Type	Maximum Holdings	Maximum per Issuer
US Treasury Obligations	100%	none
US Agency Obligations	100%	35%
Supranational Agency Notes	10%	5%
Municipal Obligations	30%	5%
Corporate Notes	25%	3%
Commercial Paper	25%	3%
Certificates of Deposit	30%	10%
Bank Savings Accounts	20%	10%
Banker's Acceptance	10%	5%
Registered Warrants	3%	none
Inter-fund Loans	3%	none
State LGIP	100%	none

Credit Risk

Credit risk is the risk that an issuer or other counterparty to an investment will not fulfill its obligations. The SKIP'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 SKIP's policy limits investments in commercial paper to ratings of A1 or P1 only.

As of December 31, 2025, the SKIP's investments in U.S. Agencies in the amount of \$154,488.340 (fair value) was rated AA+ by Standard & Poor's, and rated Aa1 by Moody's.

Details of ratings on investments in municipal bonds are as follows:

Entity	S&P/MOODY'S	Fair Value
CALIFORNIA STATE	AA/Aa1	\$3,138,390
		<u>\$3,138,390</u>

The SKIP also carried investments in the Washington State LGIP, which are unrated.

IV. 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 and revenue when levied. Property tax collected in advance of the fiscal year to which it applies is recorded as a deferred inflow. Refunds of taxes are recorded as reductions of revenue when they are measurable and due to be issued. No allowance for uncollectible taxes

Skagit County, Washington
Notes to the Financial Statements
December 31, 2025

is established because delinquent taxes are considered fully collectible. Prior year tax levies were recorded using the same principle, and delinquent taxes are evaluated annually.

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

Washington State law in RCW 84.55.010 limits growth of regular property taxes to 1 percent per year, after adjustments for new construction. If the assessed valuation increases by more than 1 percent due to re-valuation, the levy rate will be decreased.

The Washington State Constitution limits the total regular property taxes to 1 percent of the assessed valuation or \$10 per \$1,000 of value. If the taxes of all districts exceed this amount, each is proportionately reduced until the total is at or below the 1 percent limit.

The County may voluntarily levy taxes below the legal limit. Special levies approved by the voters are not subject to the above limitations.

2025 tax levy information is as follows:

	Levy in Dollars Assessed per Thousand	Total Value	Levy
County	0.9097	\$ 33,512,910,608	\$ 30,487,459
Medic 1 Services	0.4700	\$ 33,472,089,488	\$ 15,731,882
Roads	1.2479	\$ 15,777,575,135	\$ 19,690,208
Conservation Futures	0.0312	\$ 33,512,910,608	\$ 1,045,932

The County also has other levies for general governmental services and special revenue assessments. Medic 1 services are for the provision 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.

V. RECEIVABLES

Levied property taxes are reported as receivables and as deferred inflow of resources at the beginning of the year and those balances are reduced as cash is received to pay those taxes. Other receivables and revenue are recorded when revenues are earned. Also, see Note I. The Statement of Activities reports revenues on full accrual basis. Receivables for private septic system loans are at net and include an allowance for uncollectable amounts. All other receivables are presumed to be fully collectable. Detail of accounts receivable in the Statement of Net Position as of December 31, 2025, is as follows:

Net accounts receivable for private septic system loans	\$	119,494
Other accounts receivable		1,388,574
Total accounts receivable		<u>1,508,068</u>

Skagit County, Washington
Notes to the Financial Statements
December 31, 2025

VI. INTERFUND RECEIVABLES, PAYABLES AND TRANSFERS

Details of interfund payable/receivable balances of December 31, 2025, are as follows:

Due From Other funds					
Due to Other funds	General Fund	Other Governmental Funds	County Jail Fund	Internal Service Funds	Total
County Road Fund	\$ 9,018	\$ -	\$ -	\$ -	\$ 9,018
Other Governmental Funds	-	79,262	7,950	-	87,212
County Jail Fund	-	-	-	294,880	294,880
Total	\$ 9,018	\$ 79,262	\$ 7,950	\$ 294,880	\$ 391,110

These balances are the result of transactions involving the exchange of goods and services in the ordinary operations of the respective funds. Balances are expected to be repaid within one year.

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 Government-Wide financial statements.

Details of the interfund loans are as follows:

Borrowing Fund	Balance 12/31/2024	Additions	Repayments	Balance 12/31/2025
Housing Assistance Fund	\$ 116,460	\$ -	\$ (116,460)	\$ -
Debt Service Fund	5,500	-	-	5,500
Combined Capital Improvement Fund	-	80,500	-	80,500
Total	121,960	80,500	(116,460)	86,000

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

Details of 2025 transfers are as follows:

Transfers-in						
Transfers-out	General Fund	Transfers-in				Total
		County Road Fund	Debt Service Fund	Combined Capital Improvement Fund	Other Governmental Funds	
General Fund	\$ -	\$ -	\$ -	\$ 1,250,000	\$ 8,014,260	\$ 9,264,260
Combined Capital Improvement Fund	-	-	764,763	-	-	764,763
Other Governmental Funds	-	1,000,000	-	267,500	-	1,267,500
Internal Service Funds	217,000	-	-	-	-	217,000
Total	\$ 217,000	\$ 1,000,000	\$ 764,763	\$ 1,517,500	\$ 8,014,260	\$ 11,513,523

Skagit County, Washington
Notes to the Financial Statements
December 31, 2025

VII. Capital Assets

The summarized capital assets are reflected below. This includes summarized balances of leases and subscriptions recognized through GASB 87 and GASB 96, respectively. See Notes XIV through XVI for details on capital leases and subscriptions.

Summarized capital asset transactions for governmental activities for the year ending December 31, 2025, are as follows:

	Beginning Balance	Error Corrections Note XXI	Beginning Balance as adjusted	Increases	Decreases	Ending Balance
Governmental Activities						
Capital Assets, Non-depreciable						
Land	\$ 157,840,153	\$ 951,080	\$ 158,791,233	\$ 959,796	\$ -	\$ 159,751,029
Development rights	24,133,811		24,133,811	609,830	-	24,743,641
Construction in progress	22,517,564	174,284	22,691,848	27,910,072	(5,471,464)	45,130,456
Total capital assets, not-non depreciable	204,491,528			29,479,698	(5,471,464)	229,625,126
Depreciable Capital Assets						
Building and improvements	101,089,455	(1,052,862)	100,036,593	6,292,322	(1,012,482)	105,316,433
Machinery and equipment	44,331,878		44,331,878	7,083,060	(3,130,273)	48,284,665
Infrastructure	368,940,404		368,940,404	205,810	-	369,146,214
Leased assets	2,466,021		2,466,021	3,304,182	(637,136)	5,133,067
Subscription assets	1,008,847		1,008,847	761,106	(142,047)	1,627,906
Total capital assets, depreciable	517,836,605			17,646,480	(4,921,938)	529,508,285
Less: Accumulated Depreciation						
Building and improvements	(58,022,646)		(58,022,646)	(3,881,853)	1,133,323	(60,771,176)
Machinery and equipment	(19,063,889)			(2,880,741)	2,653,637	(19,290,993)
Infrastructure	(328,147,448)			(2,604,409)	-	(330,751,857)
Leased assets	(551,118)			(494,606)	170,773	(874,951)
Subscription assets	(437,443)			(312,100)	88,962	(660,581)
Total accumulated depreciation	(406,222,544)			(10,173,709)	4,046,695	(412,349,558)
Total capital assets, depreciable, net	111,614,061			7,472,771	(875,243)	117,158,727
Total governmental activities capital assets	\$ 316,105,589			\$ 36,952,469	\$ (6,346,707)	\$ 346,783,853

Depreciation and amortization expense by function for governmental activities are as follows:

General government	\$ 5,269,927
Judicial	3,503
Public safety	838,563
Transportation	3,498,407
Natural and economic environment	-
Health and human services	64,596
Culture and recreation	498,711
Total governmental activities depreciation/amortization expense	<u>\$ 10,173,707</u>

Skagit County, Washington
Notes to the Financial Statements
December 31, 2025

Summarized capital asset transactions for business type activities for the year ending December 31, 2025, are as follows:

	Beginning Balance	Error Corrections Note XXI	Beginning Balance as adjusted	Increases	Decreases	Ending Balance
Business - Type Activities						
Capital Assets, Non-depreciable						
Land	\$ 9,000,036		\$ 9,000,036	\$ -	\$ -	\$ 9,000,036
Development rights	-		-	-	-	-
Construction in progress	4,083,648	130,752	4,214,400	800,599	(1,058,775)	3,956,224
Total capital assets, not-non depreciable	13,083,684	130,752	13,214,436	800,599	(1,058,775)	12,956,260
Depreciable Capital Assets						
Building and improvements	81,726,497		81,726,497	1,058,775	-	82,785,272
Machinery and equipment	2,091,540		2,091,540	221,046	-	2,312,586
Leased assets	104,034		104,034	-	(37,283)	66,751
Total capital assets, depreciable	83,922,071	-	83,922,071	1,279,821	(37,283)	85,164,609
Less: Accumulated Depreciation						
Building and improvements	(21,871,636)		(21,871,636)	(2,123,908)	-	(23,995,544)
Machinery and equipment	(1,496,607)		(1,496,607)	(173,579)	-	(1,670,186)
Infrastructure	-		-	-	-	-
Leased assets	(52,017)		(52,017)	(5,136)	38,322	(18,831)
Total accumulated depreciation	(23,420,260)	-	(23,420,260)	(2,302,623)	38,322	(25,684,561)
Total capital assets, depreciable, net	60,501,811	-	60,501,811	(1,022,802.00)	1,039.00	59,480,048
Total business-type activities capital assets	\$ 73,585,495	\$ 130,752	\$ 73,716,247	\$ (222,203)	\$ (1,057,736)	\$ 72,436,308

Depreciation and amortization for business type activities is as follows:

Solid Waste	360,883
Drainage Utility	397,782
Jail	1,543,958
Total business type activities depreciation/amortization expense	<u>\$ 2,302,623</u>

VIII. 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. The full faith, credit and resources of the County are pledged for the payment of the principal and interest on all general obligation bonds. No default provision is incorporated in any of the bonds detailed below.

In addition, the bonds are not subject to acceleration upon occurrence of default. In the case of multiple defaults of payment of principal and interest, the registered owners would be required to bring separate actions for each payment not made.

The Jail Fund holds a debt service cash requirement in the amount of \$3.9 million but no property secures any of the bond debt.

Skagit County, Washington

Notes to the Financial Statements

December 31, 2025

Based on historical taxable retail sales countywide, the County expects the revenue from the jail tax to be sufficient to pay debt service on the bonds and provide additional funds for reserves and operations of the jail.

The County has maintained a cash balance in the Jail Fund with a required minimum funding threshold of \$3.9 million as of December 31st of each year. If the minimum threshold is not met in any year at December 31st, the cost to bring the cash balance up to the minimum threshold will be covered by the County and the Cities through an additional financial contribution in the following years.

Each governmental fund is responsible for the liquidation of its own long-term liabilities other than debt, pensions, OPEB and compensated absences.

Details of general obligation bonds outstanding as of December 31, 2025, are as follows:

Description	Original Borrowing	Interest Rates	Final Maturity	Interest Payments made in 2025	Principal Payments made in 2025	Outstanding at Year-end
In 2013, the County entered into an interlocal agreement with Skagit Regional Public facilities District (PFD) to refund their 2003 bond issue to take advantage of better rates. Of the bonds, \$7,640,000 is PFD's portion and \$965,000 is the County's portion. The County paid off their portion in 2017 and the remaining balance is the PFD's. 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. Principal and interest on the 2013 bond is insured by a financial guaranty insurance policy issued by CIGF Assurance North America, Inc if Skagit Regional Public Facilities District is unable to satisfy its obligation to the County. Principal payments are due annually on December 1. Interest payments at a variable rate between 2% and 4% are due June 1 and December 1.	\$ 8,605,000	2.00% - 4.00%	2026	\$ 32,819	\$ 775,000	\$ 815,000
In 2020, the County entered into an interlocal agreement with Skagit Regional Public Facilities District (PFD) for the purpose of capital improvements for PFD and take on a bond in order to take advantage of better rates. This was completed per C20200048. The County booked a receivable for the balance and will systematically reduce the debt over time from their dedicated sales tax revenue. Interest only payments until December 1, 2027 and payments are made June 1 and December 1 of each year until matured.	3,400,000	5.00%	2041	170,000	-	3,400,000
In 2014, bonds were issued to acquire a building for County use. Principal payments are due annually on December 1, interest payments are due on June 1 and December 1.	780,000	3.625% - 5.00%	2034	24,113	45,000	485,000
In 2016, bonds 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 June 1 and December 1.	7,645,000	2.00% - 4.00%	2036	80,650	615,000	2,410,000
Total bonds payable at December 31, 2025, for governmental activities				<u>\$ 307,582</u>	<u>\$ 1,435,000</u>	<u>\$ 7,110,000</u>
In 2021, bonds were issued to refund the 2010 bond of \$9,740,000 for the continued purpose of improving the County's solid waste transfer station and other capital improvements to the County facilities. Payoff of the 2010 bond was in the amount of \$6,170,000. Refunding was done to take advantage of the lower interest rates. Principal payments are due December 1 starting in 2022. Interest is due December 1 and June 1.	5,680,000	1.489%	2030	58,031	620,000	3,240,000
Proceeds in the amount of \$51,920,000 from the 2014 bond issue are for the purpose of planning, acquiring land, and construction of a 400 bed regional jail facility. Principal payments are due annually on December 1. Interest payments are due June 1 and December 1.	51,920,000	3.625% - 5.00%	2041	1,615,394	1,650,000	39,525,000
Total bonds payable at December 31, 2025, for business-type activities				<u>\$ 1,673,425</u>	<u>\$ 2,270,000</u>	<u>\$ 42,765,000</u>

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

Year Ending December 31	Government Activities			
	Government Activities		Business-Type Activities	
	Principal	Interest	Principal	Interest
2026	\$ 1,490,000	\$ 277,531	\$ 2,365,000	\$ 1,726,300
2027	365,000	232,763	2,460,000	1,630,169
2028	380,000	219,313	2,560,000	1,529,640
2029	390,000	203,263	2,670,000	1,424,286
2030	410,000	190,713	2,775,000	1,313,958
2031 - 2035	2,215,000	707,100	12,045,000	5,022,438
2036 - 2040	1,550,000	292,500	14,610,000	2,454,800
2041 - 2042	310,000	15,500	3,280,000	131,200
Totals	\$ 7,110,000	\$ 2,138,681	\$ 42,765,000	\$ 15,232,790

Loans Payable

The County has entered into several Department of Ecology (DOE) loans for the purpose of upgrading and repairing local sewer systems located in the County. As the County repays the State of Washington Department of Ecology, the homes which benefited from the upgrades will repay the County for the work done to upgrade their septic systems.

The County will be in default of its obligations under these DOE agreements when any loan repayment to DOE becomes sixty (60) days past due. In the event of default, the Department of Ecology may in its sole discretion declare the principal and interest due immediately. And in accordance with RCW 90.50A.060, any State funds otherwise due to the County may be withheld and applied to the repayment of these loans.

Details of loans payable as of December 31, 2025, are as follows:

Description	Original Borrowing	Interest Rates	Final Maturity	Interest Payments made in 2025	Principal Payments made in 2025	Outstanding at Year-end
Payable to the State of Washington Department of Ecology pursuant to a 2007 loan agreement. Payments began in 2012. The loan is unsecured and paid in part by residential septic loans.	\$ 2,111,001	2.40%	2021	\$ 17,729	\$ 119,956	\$ 644,879
Payable to the State of Washington Department of Ecology pursuant to a 2010 loan agreement in the amount of \$876,953. The loan is unsecured and paid in part by residential septic loans.	876,953	2.90%	2030	13,501	45,180	466,090
Payable to the State of Washington Department of Ecology pursuant to a 2015 loan agreement. The loan is unsecured and paid in part by residential septic loans.	259,103	2.60%	2035	4,715	12,589	170,918
Payable to the State of Washington Department of Ecology pursuant to a 2016 loan agreement. The loan is unsecured and paid in part by residential septic loans.	671,539	2.40%	2036	12,688	31,155	502,612
Payable to the State of Washington Department of Ecology pursuant to a 2019 loan agreement. The loan is unsecured and paid in part by residential septic loans.	218,652	2.00%	2039	3,497	10,201	166,442
Total loans payable at December 31, 2025, for governmental activities				\$ 52,130	\$ 219,080	\$ 1,950,940

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

Year Ending December 31	Principal	Interest
2026	\$ 224,512	\$ 46,698
2027	230,080	41,131
2028	235,786	35,425
2029	241,634	29,577
2030	247,627	23,584
2031 - 2035	547,308	61,641
2036 - 2040	223,993	10,202
	<u>\$ 1,950,940</u>	<u>\$ 248,258</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, 2025, the County's remaining capacity for non-voted debt was \$471,335,181, and debt capacity with an authorizing vote was \$800,272,360.

IX. CHANGES IN LONG TERM LIABILITIES

Details of changes in long-term liabilities in governmental activities for the year ended December 31, 2025, are as follows:

	Balance Beginning of the Year	Additions	Deletions	Balance End of Year	Amount Due Within One Year
Governmental Activities:					
Bonds payable					
General obligation bonds	\$ 8,545,000	\$ -	\$ 1,435,000	\$ 7,110,000	\$ 1,490,000
Unamortized discounts and premiums, net	334,162	-	64,456	269,706	-
Total bonds payable	8,879,162	-	1,499,456	7,379,706	1,490,000
Loans payable	2,170,020	-	219,080	1,950,940	224,512
Lease liabilities	1,939,077	2,513,558	-	4,452,635	-
Subscription liabilities	537,278	316,385	-	853,663	-
Compensated absences	4,253,921	777,000	-	5,030,921	352,164
OPEB liability	2,532,043	-	533,425	1,998,618	77,553
Pension liabilities	5,195,776	-	1,674,700	3,521,076	-
Environmental liabilities	262,206	-	-	262,206	-
Total long-term liabilities, governmental activities	<u>\$ 25,769,483</u>	<u>\$ 3,606,943</u>	<u>\$ 3,926,661</u>	<u>\$ 25,449,765</u>	<u>\$ 2,144,229</u>

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Internal Service Funds predominately serve the governmental funds. Accordingly, long-term liabilities for them are included in the above amounts. At year-end, Internal Service Funds compensated absences, pension liability, and OPEB liability are included in the above amounts in the amount of \$1,088,321. Also, for the governmental activities, claims and judgments and compensated absences are generally liquidated by the general fund.

Details of changes in long-term liabilities in business-type activities for the year ended December 31, 2025, are as follows:

	Balance Beginning of the Year	Additions	Deletions	Balance End of Year	Amount Due Within One Year
Business-Type Activities					
Bonds payable					
General obligation bonds	\$ 45,035,000	\$ -	\$ 2,270,000	\$ 42,765,000	\$ 2,365,000
Unamortized discounts and premiums, net	2,455,734	-	145,163	2,310,571	-
Total bonds payable	47,490,734	-	2,415,163	45,075,571	2,365,000
Lease liabilities	51,900	-	4,621	47,279	-
Compensated absences	574,899	114,704	-	689,603	48,272
OPEB liability	288,303	32,463	-	320,766	12,447
Pension liabilities	499,012	-	276,182	222,830	-
Post closure landfill liability	1,802,893	-	33,089	1,769,804	-
Environmental liabilities	20,840,182	3,666,564	-	24,506,746	12,050,000
Total long-term liabilities, business-type activities	\$ 71,547,923	\$ 3,813,731	\$ 2,729,055	\$ 72,632,599	\$ 14,475,719

X. PENSION PLANS

The following table represents the aggregate pension amounts for all plans for the year 2025:

Aggregate Pension Amounts - All Plans	
Pension Liabilities	(3,743,906)
Pension Asset	16,303,346
Deferred Outflows of Resources	22,640,362
Deferred Inflows of Resources	(6,844,189)
Pension Expense/Expenditures	(1,131,166)

State Sponsored Pension Plans

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

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The Department of Retirement Systems (DRS), a department within the primary government of the State of Washington, issues a publicly available annual comprehensive financial report (ACFR) that includes financial statements and required supplementary information for each plan.

The DRS ACFR may be downloaded from the DRS website at www.drs.wa.gov.

Public Employees' Retirement System (PERS)

PERS members include elected officials; state employees; employees of local governments; and higher education employees not participating in higher education retirement programs.

PERS is composed of and reported as three separate plans for accounting purposes: Plan 1, Plan 2/3 and Plan 3. Plan 1 accounts for the defined benefits of Plan 1 members. Plan 2/3 accounts for the defined benefits of Plan 2 members and the defined benefit portion of benefits for Plan 3 members. Plan 3 accounts for the defined contribution portion of benefits for Plan 3 members. Although employees can be a member of only Plan 2 or Plan 3, the defined benefits of Plan 2 and Plan 3 are accounted for in the same pension trust fund. All assets of Plan 2/3 may legally be used to pay the defined benefits of any Plan 2 or Plan 3 members or beneficiaries.

PERS Plan 1 provides retirement, disability and death benefits. Retirement benefits are determined as 2% of the member's average final compensation (AFC) times the member's years of service. The AFC is the average of the member's 24 highest consecutive service months. Members are eligible for retirement from active status at any age with at least 30 years of service, at age 55 with at least 25 years of service, or at age 60 with at least five years of service. PERS Plan 1 retirement benefits are actuarially reduced if a survivor benefit is chosen. Members retiring from active status prior to the age of 65 may also receive actuarially reduced benefits. Other benefits include an optional cost-of-living adjustment (COLA). PERS 1 members were vested after the completion of five years of eligible service. The plan was closed to new entrants on September 30, 1977.

PERS Plan 2/3 provides retirement, disability and death benefits. Retirement benefits are determined as 2% of the member's AFC times the member's years of service for Plan 2 and 1% of AFC for Plan 3. The AFC is the average of the member's 60 highest-paid consecutive service months. Members are eligible for retirement with a full benefit at 65 with at least five years of service credit. Retirement before age 65 is considered an early retirement. PERS Plan 2/3 members who have at least 20 years of service credit and are 55 years of age or older, are eligible for early retirement with a benefit that is reduced by a factor that varies according to age for each year before age 65. PERS Plan 2/3 retirement benefits are actuarially reduced if a survivor benefit is chosen. Other PERS Plan 2/3 benefits include a COLA based on the CPI, capped at 3% annually. PERS 2 members are vested after completing five years of eligible service. Plan 3 members are vested in the defined benefit portion of their plan after ten years of service; or after five years of service if 12 months of that service are earned after age 44.

PERS Plan 3 defined contribution benefits are totally dependent on employee contributions and investment earnings on those contributions. Members are eligible to withdraw their defined contributions upon separation. Members have multiple withdrawal options, including purchase of an annuity. PERS Plan 3 members are immediately vested in the defined contribution portion of their plan.

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PERS Contributions

The PERS Plan 1 member contribution rate is established by State statute at 6%. The PERS 1 employer and PERS 2/3 employer and employee contribution rates are developed by the Office of the State Actuary, adopted by the Pension Funding Council, and subject to change by the legislature. The PERS Plan 2/3 employer rate includes a component to address the PERS Plan 1 Unfunded Actuarial Accrued Liability (UAAL).

As established by Chapter 41.34 RCW, Plan 3 defined contribution rates are set at a minimum of 5% and a maximum of 15%. PERS Plan 3 members choose their contribution rate from six options when joining membership and can change rates only when changing employers. Employers do not contribute to the defined contribution benefits.

The PERS Plans defined benefit required contribution rates (expressed as a percentage of covered payroll) for the fiscal year were as follows:

PERS					
Actual Contribution Rates:	PERS 1		PERS 2/3		
January-June 2025	Employer	Employee	Employer 2/3	Employee 2*	Employee 3**
PERS Plan	6.36%		6.36%	6.36%	Varies: 5% - 15%
PERS Plan 1 UAAL	2.55%		2.55%		
Administrative Fee	0.20%		0.20%		
Total	9.11%	6.00%	9.11%	6.36%	
July-December 2025					
PERS Plan	5.38%		5.38%	5.38%	Varies: 5% - 15%
PERS Plan 1 UAAL	0.00%		0.00%		
Administrative Fee	0.20%		0.20%		
Total	5.58%	6.00%	5.58%	5.38%	

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

PLAN	JBM Employee Contribution Rate
PERS 1	12.26%
PERS 2	15.90% Jan-Jun; 13.45% Jul-Dec
PERS 3	7.50% minimum

The county's actual PERS plan contributions were \$639,750 to PERS Plan 1 and \$3,269,240 to PERS Plan 2/3 for the year ended December 31, 2025.

Public Safety Employees' Retirement System (PSERS)

PSERS Plan 2 was created by the 2004 Legislature and became effective July 1, 2006.

PSERS membership includes certain public employees whose jobs contain a high degree of physical risk to their own personal safety. In addition to meeting strict statutory work requirements, membership is further restricted to specific employers including:

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- Washington State Counties,
- Washington State Cities (except for Seattle, Spokane, and Tacoma),
- Correctional entities formed by PSERS employers under the Interlocal Cooperation Act
- A limited number of state agencies

PSERS Plan 2 provides retirement, disability and death benefits. Retirement benefits are determined as 2% of the AFC times the member's years of service. The AFC is based on the member's 60 consecutive highest creditable months of service. 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. 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. Retirement before age 60 is considered an early retirement. PSERS members who retire before turning 60 receive reduced benefits. If retirement is at age 53 or older with at least 20 years of service, a 3% per year reduction for each year between the age at retirement and age 60 applies. PSERS Plan 2 retirement benefits are actuarially reduced if a survivor benefit is chosen. Other benefits include a COLA, capped at 3% annually. 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 the State Actuary to fully fund Plan 2. The rates are adopted by the Pension Funding Council and are subject to change by the Legislature. The Plan 2 employer rates include components to address the PERS Plan 1 UAAL.

The PSERS Plan 2 required contribution rates (expressed as a percentage of current year covered payroll) for the fiscal year were as follows:

PSERS Plan 2		
Actual Contribution Rates:		
January-June 2025	Employer	Employee
PSERS Plan 2	6.76%	6.76%
PERS Plan 1 UAAL	2.55%	
Administrative Fee	0.20%	
Total	9.51%	6.76%
September –December 2025		
PSERS Plan 2	6.91%	6.91%
PERS Plan 1 UAAL	0.00%	
Administrative Fee	0.20%	
Total	7.11%	6.91%

The county's actual plan contributions were \$722,550 to PSERS Plan 2 for the year ended December 31, 2025.

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

LEOFF was established in 1970, and its retirement benefit provisions are contained in Chapter 41.26 RCW. LEOFF membership includes all of the state's full-time, fully compensated, local law enforcement commissioned officers, fire fighters and, as of July 24, 2005, emergency medical technicians.

LEOFF is a cost-sharing, multiple-employer retirement system composed of two separate pension plans for both membership and accounting purposes. Both LEOFF plans are defined benefit plans.

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

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

The FAS is the basic monthly salary received at the time of retirement, provided a member has held the same position or rank for 12 months preceding the date of retirement. Otherwise, it is the average of the highest-paid consecutive 24 months' 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 a COLA. LEOFF 1 members were vested after the completion of five years of eligible service. The plan was closed to new entrants on September 30, 1977.

Contributions

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

LEOFF Plan 2 provides retirement, disability and death benefits. Retirement benefits are determined as 2% of the FAS per year of service (the FAS is based on the highest-paid consecutive 60 months). Members are eligible for retirement with a full benefit at 53 with at least five years of service credit. Members who retire prior to the age of 53 receive reduced benefits. If the member has at least 20 years of service and is age 50 – 52, the reduction is 3% for each year prior to age 53. Otherwise, the benefits are actuarially reduced for each year prior to age 53. LEOFF 2 retirement benefits are also actuarially reduced to reflect the choice of a survivor benefit. Other benefits include a COLA (based on the CPI), capped at 3% annually. LEOFF 2 members are vested after the completion of five years of eligible service.

The LEOFF Plan 2 employer and employee contribution rates are developed by the Office of the State Actuary to fully fund Plan 2. The rates are adopted by the LEOFF Plan 2 Retirement Board and are subject to change by the Legislature.

Effective July 1, 2017, when a LEOFF employer charges a fee or recovers costs for services rendered by a LEOFF 2 member to a non-LEOFF employer, the LEOFF employer must cover both the employer and state contributions on the LEOFF 2 basic salary earned for those services. The state contribution rate (expressed as a percentage of covered payroll) was 3.41%.

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

LEOFF Plan 2		
Actual Contribution Rates:		
January-December 2025	Employer	Employee
State and Local Government	5.12%	8.53%
Administrative Fee	0.20%	0.20%
Total	5.32%	8.73%

The county's actual contributions to the plan were \$448,677 for the year ended December 31, 2025.

The Legislature, by means of a special funding arrangement, appropriates money from the state General Fund to supplement the current service liability and fund the prior service costs of Plan 2 in accordance with the recommendations of the Office of the State Actuary and the LEOFF Plan 2 Retirement Board. This special funding situation is not mandated by the state constitution and could be changed by statute. For the state fiscal year ending June 30, 2025, the state contributed \$106,578,576 to LEOFF Plan 2. The amount recognized by the county as its proportionate share of this amount is \$306,461.

Actuarial Assumptions

The total pension liability (TPL) for each of the DRS plans was determined by an actuarial valuation completed as of June 30, 2024 with the results rolled forward to June 30, 2025. The actuarial assumptions used in the valuation were based on the results of the Office of the State Actuary's (OSA) 2013-2018 Demographic Experience Study and the 2023 Economic Experience Study.

Additional assumptions for subsequent events and law changes are current as of the 2024 actuarial valuation report.

- Inflation: 2.75% total economic inflation; 3.25% salary inflation
- Salary increases: In addition to the base 3.25% salary inflation assumption, salaries are also expected to grow by service-based salary increases.
- Investment rate of return: 7%

Mortality rates were developed using the Society of Actuaries' Pub. H-2010 mortality rates, which vary by member status (e.g. active, retiree, or survivor), as the base table. OSA applied age offsets for each system, as appropriate, to better tailor the mortality rates to the demographics of each plan. OSA applied the long-term MP-2017 generational improvement scale, also developed by the Society of Actuaries, to project mortality rates for every year after the 2010 base table. Mortality rates are applied on a generational basis; meaning, each member is assumed to receive additional mortality improvements in each future year throughout their lifetime.

Change in Assumptions and Methods: OSA improved their modeling of benefits paid to retirees and beneficiaries in their month of death to better match current administrations.

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Discount Rate

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

To determine that rate, an asset sufficiency test was completed to test whether each pension plan's fiduciary net position was sufficient to make all projected future benefit payments for current plan members. Based on OSA's assumptions, the pension plans' fiduciary net position was projected to be available to make all projected future benefit payments of current plan members. Therefore, the long-term expected rate of return of 7.0% was used to determine the total liability.

Long-Term Expected Rate of Return

OSA selected a 7% long-term expected rate of return on pension plan investments. In selecting this assumption, OSA reviewed the historical experience data, considered the historical conditions that produced past annual investment returns, and considered Capital Market Assumptions (CMAs) and simulated expected investment returns provided by the Washington State Investment Board (WSIB). The WSIB uses the CMA's and their target asset allocation to simulate future investment returns at various future times.

Estimated Rates of Return by Asset Class

The table below summarizes the best estimates of arithmetic real rates of return for each major asset class included in the pension plan's target asset allocation as of June 30, 2024. The inflation component used to create the table is 2.5% and represents the WSIB's most recent long-term estimate of broad economic inflation.

Asset Class	Target Allocation	% Long-Term Expected Real Rate of Return Arithmetic
Fixed Income	19%	2.10%
Tangible Assets	8%	4.50%
Real Estate	18%	4.80%
Global Equity	30%	5.60%
Private Equity	25%	8.60%
	100%	

Sensitivity of the Net Pension Liability/(Asset)

The table below presents the county's proportionate share* of the net pension liability calculated using the discount rate of 7%, as well as what the 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%) or 1-percentage point higher (8%) than the current rate.

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	1% Decrease (6.0%)	Current Discount Rate (7.0%)	1% Increase (8.0%)
PERS 1	5,607,754	\$ 3,323,307	1,319,791
PERS 2/3	19,040,620	(11,733,520)	(37,007,679)
PSERS 2	2,683,520	(297,885)	(2,656,817)
LEOFF 1	(786,145)	(878,635)	(959,291)
LEOFF 2	2,552,067	(3,393,309)	(8,256,449)

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, 2025, the county reported its proportionate share of the net pension liabilities and assets as follows:

	Liability (or Asset)
PERS 1	\$ 3,323,307
PERS 2/3	(11,733,520)
PSERS 2	(297,885)
LEOFF 1	(878,635)
LEOFF 2	(3,393,309)

The amount of the asset reported above for LEOFF Plans 1 and 2 reflects a reduction for State pension support provided to the county. The amount recognized by the county as its proportionate share of the net pension asset, the related State support, and the total portion of the net pension asset that was associated with the county were as follows:

	LEOFF 1 Asset	LEOFF 2 Asset
Employer's proportionate share	(878,635)	(3,393,309)
State's proportionate share of the net pension asset associated with the employer	(5,943,066)	(2,177,917)
TOTAL	(6,821,701)	(5,571,226)

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

	Proportionate Share 6/30/2024	Proportionate Share 6/30/2025	Change in Proportion
PERS 1	0.2968300%	0.2818760%	-0.0149540%
PERS 2/3	0.3286080%	0.3074680%	-0.0211400%
PSERS 2	0.8646360%	0.7865270%	-0.0781090%
LEOFF 1	0.0273880%	0.0277300%	0.0003420%
LEOFF 2	0.1384110%	0.1751370%	0.0367260%

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Employer contribution transmittals received and processed by the DRS for the fiscal year ended June 30, 2025, are used as the basis for determining each employer's proportionate share of the collective pension amounts reported by the DRS in the Schedules of Employer and Nonemployer Allocations for all plans except LEOFF 1.

LEOFF Plan 1 allocation percentages are based on the total historical employer contributions to LEOFF 1 from 1971 through 2000 and the retirement benefit payments in fiscal year 2025. Historical data was obtained from a 2011 study by the Office of the State Actuary (OSA). The state of Washington contributed 87.12% of LEOFF 1 employer contributions and all other employers contributed the remaining 12.88% of employer contributions. LEOFF 1 is fully funded, and no further employer contributions have been required since June 2000. If the plan becomes underfunded, funding of the remaining liability will require new legislation. The allocation method the plan chose reflects the projected long-term contribution effort based on historical data.

In fiscal year 2025, the state of Washington contributed 39% of LEOFF 2 employer contributions pursuant to RCW 41.26.725 and all other employers contributed the remaining 61% of employer contributions.

Pension Expense

For the year ended December 31, 2025, the county's recognized pension expense as follows:

	Pension Expense
PERS 1	\$ (1,104,890)
PERS 2/3	(339,120)
PSERS 2	670,405
LEOFF 1	(112,451)
LEOFF 2	(245,110)

Deferred Outflows of Resources and Deferred Inflows of Resources

At December 31, 2025, the county reported deferred outflows of resources and deferred inflows of resources related to pensions from the following:

Deferred Outflows of Resources	PERS 1	PERS 2/3	PSERS 2	LEOFF 1	LEOFF 2
Differences between expected and actual experience	\$ -	\$ 8,578,850	\$ 1,164,785	\$ -	\$ 2,953,985
Net difference between projected and actual investment earnings on pension plan investments	-	-	-	-	-
Changes of assumptions	-	4,534,564	306,684	-	1,202,857
Changes in proportion and differences between contributions and proportionate share of	-	1,076,906	130,312	-	596,324
Contributions subsequent to the measurement date	257,100	1,297,763	316,563	-	223,669
Total	\$ 257,100	\$ 15,488,083	\$ 1,918,344	\$ -	\$ 4,976,835

Deferred Inflows of Resources	PERS 1	PERS 2/3	PSERS 2	LEOFF 1	LEOFF 2
Differences between expected and actual experience	\$ -	\$ -	\$ (169,088)	\$ -	\$ (15,360)
Net difference between projected and actual investment earnings on pension plan investments	(228,465)	(2,642,299)	(227,528)	(16,739)	(483,206)
Changes of assumptions	-	(324,008)	(105,493)	-	(206,317)
Changes in proportion and differences between contributions and proportionate share of	-	(759,387)	(101,788)	-	(1,564,510)
Contributions subsequent to the measurement date	-	-	-	-	-
Total	\$ (228,465)	\$ (3,725,694)	\$ (603,897)	\$ (16,739)	\$ (2,269,393)

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Deferred outflows of resources relates to pensions resulting from the county's contributions subsequent to December 31, 2025. Other amounts reported as deferred outflows and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

Year ended December 31:	PERS 1	PERS 2/3	PSERS 2	LEOFF 1	LEOFF 2
2026	\$ 218,005	\$ 4,099,108	\$ 184,432	\$ 16,703	\$ 656,643
2027	(158,812)	1,638,861	43,504	(11,755)	162,676
2028	(164,924)	1,618,855	45,586	(12,425)	180,533
2029	(122,734)	649,090	71,516	(9,262)	253,230
2030	-	1,566,687	145,298	-	431,136
Thereafter	-	892,025	507,548	-	799,555

XI. DEFINED BENEFIT OTHER POST EMPLOYMENT BENEFIT (OPEB) PLANS

Plan Description

The following table represents the aggregate OPEB amounts for all plans subject to the requirements of GASB Statement 75 for the year 2024:

Aggregate OPEB Amounts - All Plans	
OPEB liabilities	\$ (2,319,384)
OPEB assets	\$ -
Deferred outflows of resources	\$ 946,466
Deferred inflows of resources	\$ (2,543,863)
OPEB expenses/expenditures	\$ 303,846

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, 2025, there were 9 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.

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Retiree Contributions - Medical Plan		
	LEOFF	Non-LEOFF
Pre-Medicare		
Member	N/A	\$ 10,981
Spouse	N/A	\$ 12,697
Post-Medicare	N/A	\$ 6,799

The following employees were covered by the benefit terms at December 31, 2025:

Inactive LEOFF employees or beneficiaries currently receiving benefits	9
Inactive non-LEOFF employees or beneficiaries currently receiving benefits	4
Inactive employees entitled to but not yet receiving benefits	-
Active employees	658
Total participants	671

Eligible employees must meet the following minimum requirements:

- Prior to the age of 65 to be eligible at the time of enrollment, must be withdrawing a PER pension monthly and the medical premium will be deducted by DRS into an HMA.
- Employees must be enrolled in the County offered health care plan prior to separation from the County
- The employee is asked give notice for the election for extended health care coverage 30 days in advance of separation. In no case more than 10 days after separation.
- Retirees who are eligible for Medicare must be enrolled when eligible for Medicare A and B. At that time the County become secondary to Medicare.

The LEOFF portion of the County plan is closed to any new enrollments and as such has no current requirements for coverage.

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. Those criteria include:

- No assets accumulate in a trust and as such cannot be irrevocable.
- There are no assets that are dedicated to providing OPEB to plan members in accordance to benefit terms.
- There are no assets that would be legally protected from creditors.

The County has not contributed any amounts to finance future benefits under the plan for either current or future employees.

The County Human Resources Department administers both portion of the OPEB plan and authorizes all payments.

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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.

Foster & Foster Consulting Actuaries, Inc. completed the mid-year actuary study for the December 31, 2025, reporting requirements with a valuation date of December 31, 2025, and a measurement date of December 31, 2025. The actuarial valuation method was entry age normal actuarial method. The amortization period was a closed 30-year period. The Discount rate was 4.43% per annum, based on the S&P Municipal Bond 20 High Grade Index as of the week of December 31, 2025. Health care trend is at 7% decreasing to 6.5% and then decreasing by .10% per year to 4.5% and then level thereafter. Actuarial assumptions are based upon an experience study conducted in 2020 using Washington State Public Retirement Systems demographic experience from 2013-2018. Mortality assumptions are based upon Pub.H-2010 mortality tables adjusted for future mortality improvements using MP-2017 fully generational improvement scale.

Changes in assumptions made for the 2025 valuation include:

- Changing the assumed discount rate to 4.43%.

Annual OPEB costs of \$136,979 along with deferred experience changes of \$(448,404) and deferred assumption changes of \$17,539 resulted in a reduced OPEB obligation of \$(2,319,384).

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 discount rate baseline.

	Baseline 1% Decrease	Discount Rate Baseline	Baseline 1% Increase
Total OPEB liability, beginning of year	\$ 3,098,656	\$ 2,820,347	\$ 2,581,381
Service Cost	23,791	20,221	17,133
Interest	128,745	116,758	106,465
Benefit Payments	(206,895)	(206,895)	(206,895)
Changes of Benefit terms	-	-	-
Differences Between Expected and Actual Experience	(519,840)	(448,406)	(387,825)
Changes of Assumptions or Other Input	18,963	17,359	15,906
Total OPEB liability, end of year	\$ 2,543,420	\$ 2,319,384	\$ 2,126,165

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	1% Decrease	Current Discount Rate Baseline	1% Increase
	3.43%	4.43%	5.43%
Total OPEB liability	\$ 2,543,420	\$ 2,319,384	\$ 2,126,165

	1% Decrease (6.0% decreasing to 3.5%)	Health Care Cost Trend Rates (7.0% decreasing to 4.5%)	1% Increase (8.0% Decreasing to 5.5%)
Total OPEB liability	\$ 2,128,357	\$ 2,319,384	\$ 2,537,234

Changes in the Total OPEB Liability

As of December 31, 2025, the most recent actuarial valuation date, the plan was zero percent funded. See RSI section for the Schedule of Funding Progress.

The updated measurement date of the total OPEB liability is December 31, 2025, with a reporting date of December 31, 2025. The actuarial valuation results are based on the December 31, 2025, 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.

At December 31, 2025, 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	840,509	(1,170,634)
Changes of assumptions	105,957	(1,373,229)
Payments subsequent to the measurement date	-	-
Total Deferred inflows/outflows of resources	\$ 946,466	\$ (2,543,863)

Changes of assumptions and experience losses are amortized over the average remaining service period of actives and in-actives (no future service is assumed for in-actives for this calculation)

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

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Year ended December 31	
2026	\$ (233,930)
2027	(233,930)
2028	(233,930)
2029	(233,932)
2030	(302,451)
Thereafter	(359,224)

For each of the subsequent five years, and in the aggregate thereafter, the net amount of the employer's balances of deferred outflows of resources and deferred inflows of resources in the table above that will be recognized in the employer's OPEB expense.

XII. 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, 2025, 24 counties participate in the WCRP.

The Pool allows members to jointly establish a plan of self-insurance, and provides related services, such as risk management, education, and claims administration. The Pool's liability program provides coverage for general liability, public officials liability, police professional liability, employment practices liability, and automobile liability. Allocated Loss Adjustment Expense (ALAE) is combined with losses for purposes of the Pool retention, excess insurance, and deductibles. County deductibles range from \$10,000 to \$500,000. For losses occurring in 2025, Skagit County selected a per-occurrence deductible of \$100,000.

Members make an annual contribution to fund the Pool. The Pool acquires excess and reinsurance for further protection from larger losses. For the first \$10,000,000 of coverage, the Pool acquires reinsurance. The reinsurance agreements are written with Self-Insured Retentions ("SIRs") equal to the amount of the layer of coverage below. For the Pool's 2022-23, and 2023-24 Fiscal Years, the Pool's SIR was \$3,000,000. The other reinsurance agreements respond up to the applicable policy limits and the agreements contain aggregate limits for the maximum annual reimbursements to the Pool of \$20,000,000 (lowest reinsured layer) and \$20,000,000 (second layer). The Pool purchases excess coverage for an additional \$10,000,000 with an aggregate limit of \$20,000,000 (first layer), \$10,000,000 (second layer), \$10,000,000 (third layer), and \$7,500,000 (fourth layer). Since the Pool is a cooperative program, there is a joint liability among the participating members. For the 2023-24 Fiscal Year, 15 of the Pool's 24 member counties, group purchase an additional \$5,000,000 policy in excess of the pooled \$20,000,000. Skagit County does purchase the optional coverage.

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

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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 staff members responsible for evaluating each claim for coverage, establishing reserves and investigating claims for any risk-shared liability. The Pool does not contract with any third-party administrators for claims adjustment or loss prevention services.

During 2024-25, Skagit County was also one of twenty-four (24) 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 \$200 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. This group-purchased cyber coverage provides limits of \$2,000,000 per claim and \$5,000,000 in the aggregate. For 2025, the Pool's SIR for cyber claims was \$500,000 from January 1 through December 31, with Skagit County having no deductible.

Skagit County was also one of 22 counties that participated in a group purchased crime policy, which included limits of \$2,000,000 and with a county deductible of \$25,000.

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 review the Pool's financial health, b) approve case settlements exceeding the applicable member's deductible by more than \$100,000, c) authorize by two-thirds majority vote commencement of lawsuits in the name of the Pool.

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, 2025, 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	Current Year			
	Beginning Balance	Claims & Changes in Estimate	Claim Payments	Year End Balance
2025	\$ 420,910	224,798	72,258	\$ 717,966
2024	594,184	(312,704)	139,430	420,910
2023	422,122	76,409	95,653	594,184

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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 crew members, are covered to statutory limits. Industrial insurance (L&I) rates are occupation and experienced based, with base premiums adjusted for individual entity claims experience.

Skagit County is self-insured for unemployment claims. These claims are processed by the Washington State Department of Employment Security, and the county is billed for them on a quarterly basis. The County has established an Unemployment Compensation Fund which charges other County funds based on estimates of future claims and pays the claims when they are billed. The Unemployment Compensation Fund had Net Position of \$1,387,818 as of December 31, 2025.

The County is self-insured for dental insurance claims. Washington Dental Services serves as the third-party administrator and bills the County for claims paid. Dental claims activity for 2025 and the preceding two years are as follows:

Fiscal Year	Beginning Balance	Current Year		Year End Balance
		Claims & Changes in Estimate	Claim Payments	
2025	\$ 135,082	129,367	113,156	\$ 151,293
2024	127,678	885,434	878,030	135,082
2023	121,522	836,062	829,906	127,678

The County is self-insured for medical insurance coverage for eligible employees. The claims processing is administered by Health Management Administrators (HMA). The County's health benefits broker, Gallagher Benefit Services, 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.

Medical claims activity for 2025 and the preceding two years are as follows:

Fiscal Year	Beginning Balance	Current Year		Year End Balance
		Claims & Changes in Estimate	Claim Payments	
2025	\$2,081,936	8,551,223	8,793,206	\$1,839,953
2024	1,974,762	13,453,071	13,345,897	2,081,936
2023	1,930,130	12,586,050	12,541,418	1,974,762

XIII. 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 VIII, 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.

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In January of 2013, the County entered into an Interlocal agreement contract number C20130043 with the Skagit Regional Public Facilities District whereby the County agreed to issue bonds to refund the PFD 2003 bond issue in order to take advantage of better rates. In February of 2013, the County issued \$8.6 million GO Refunding bonds to refund both the County's 2003 bond issue as well as the Public Facilities District's 2003 bond issue. The PFD's portion of the refunding bonds was \$7,985,000. The balance of the PFD portion of the bond on December 31, 2025, was \$815,000, all of which 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.

In addition, in 2020, the County entered into an Interlocal agreement amendment A20200045 to contract number C20130043 with the Skagit Regional Public Facilities District whereby the County agreed to issue bonds to assist PFD in issuing bonds in order to take advantage of better rates. In 2020, the County issued \$3.4 million GO bonds for Public Facilities District. The PFD's portion of the bond was all \$3.4 million less issuance costs. The stated interest rate received on the bonds, which pay interest only through 2026 and principal and interest through 2041, is 5%. 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.

XIV. LEASES (LESSEE)

LESSEE

For the year ended December 31, 2025, the financial statements include the adoption of GASB Statement No. 87, Leases. The primary objective of this statement is to enhance the relevance and consistency of information about governments' leasing activities. This statement establishes a single model for lease accounting based on the principle that leases are financings of the right to use an underlying asset. Under this Statement, a lessee is required to recognize a lease liability and an intangible right-to-use lease asset, and a lessor is required to recognize a lease receivable and a deferred inflow of resources. For additional information, refer to the disclosures below.

Summarized balances of leases by underlying asset class are as follows:

Asset Class	Governmental Activities		Business-Type Activities	
	Lease Asset Value	Accumulated Amortization	Lease Asset Value	Accumulated Amortization
Land	\$ 118,570	\$ 57,699	\$ 66,751	\$ 18,831
Buildings	5,014,497	817,252		
Total leases	\$ 5,133,067	\$ 874,951	\$ 66,751	\$ 18,831

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As of December 31, 2025, Skagit County had 10 active leases. The leases have payments that range from \$350 to \$19,494 and interest rates that range from 0.2380% to 3.4450%. As of December 31, 2025, the total combined value of the lease liability is \$335,582. The combined value of the right to use asset as of December 31, 2025 of \$5,199,817 with accumulated amortization of \$893,782 is included within the Lease Class activities table found below. The leases had \$0 of Variable Payments and \$0 of Other Payments, not included in the Lease Liability, within the Fiscal Year.

Lease liabilities are expected to mature on the following schedule:

Fiscal Year	Governmental Activities			Business-Type Activities		
	Principal Payments	Interest Payments	Total Payments	Principal Payments	Interest Payments	Total Payments
2026	\$ 330,843	\$ 143,060	\$ 473,903	\$ 4,739	\$ 1,207	\$ 5,946
2027	343,977	132,348	476,325	4,860	1,086	5,946
2028	361,514	121,199	482,713	4,984	962	5,946
2029	367,879	109,211	477,090	5,112	834	5,946
2030	323,310	98,171	421,481	5,242	704	5,946
2031 - 2035	1,653,412	327,234	1,980,646	22,342	1,443	23,785
2036 - 2038	1,071,700	54,096	1,125,796	-	-	-
Totals	\$ 4,452,635	\$ 985,319	\$ 5,437,954	\$ 47,279	\$ 6,236	\$ 53,515

XV. LEASES (LESSOR)

For the year ended December 31, 2025, the financial statements include the adoption of GASB Statement No. 87, Leases. The primary objective of this statement is to enhance the relevance and consistency of information about governments' leasing activities. This statement establishes a single model for lease accounting based on the principle that leases are financings of the right to use an underlying asset. Under this Statement, a lessee is required to recognize a lease liability and an intangible right-to-use lease asset, and a lessor is required to recognize a lease receivable and a deferred inflow of resources. For additional information, refer to the disclosures below.

As of December 31, 2025, Skagit County had 5 active leases. The leases have receipts that range from \$500 to \$84,840 and interest rates that range from 0.5520% to 1.5180%. As of December 31, 2025, the total combined value of the lease receivable is \$846,061, and the combined value of the deferred inflow of resources is \$806,173. The leases had \$0 of Variable Receipts and \$0 of Other Receipts, not included in the Lease Receivable, within the Fiscal Year.

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Lease receivables are expected to be received per the following schedule:

Fiscal Year	Governmental Activities			Business-Type Activities		
	Receivable Payments	Interest Payments	Total Payments	Receivable Payments	Interest Payments	Total Payments
2026	\$ 94,069	\$ 8,836	\$ 102,905	\$ 6,317	\$ 1,483	\$ 7,800
2027	98,075	7,645	105,720	6,413	1,387	7,800
2028	102,181	6,404	108,585	6,510	1,290	7,800
2029	106,425	5,111	111,536	6,609	1,191	7,800
2030	110,361	3,764	114,125	6,709	1,091	7,800
2031 - 2035	228,658	4,198	232,856	35,104	3,896	39,000
2036 - 2040	8,579	64	8,643	30,051	1,149	31,200
	\$ 748,348	\$ 36,022	\$ 784,370	\$ 97,713	\$ 11,487	\$ 109,200

XVI. SUBSCRIPTION BASED INFORMATION TECHNOLOGY ARRANGEMENTS (SBITA)

For the year ended December 31, 2025, the financial statements include the adoption of GASB Statement No. 96, Subscription-Based Information Technology Arrangements. The primary objective of this statement is to enhance the relevance and consistency of information about governments' subscription activities. This statement establishes a single model for subscription accounting based on the principle that subscriptions are financings of the right to use an underlying asset. Under this Statement, an organization is required to recognize a subscription liability and an intangible right-to-use subscription asset. For additional information, refer to the disclosures below.

Asset Class	Subscription Asset Value	Accumulated Amortization
Software	\$ 1,627,906	\$ 660,581
Total subscription assets	\$ 1,627,906	\$ 660,581

As of December 31, 2025, Skagit County, WA had 9 active subscriptions. The subscriptions have payments that range from \$4,000 to \$111,522 and interest rates that range from 0.0000% to 2.5427%. As of December 31, 2025, the total combined value of the subscription liability is \$853,663, and the total combined value of the short-term subscription liability is \$350,317. The combined value of the right to use asset, as of December 31, 2025 of \$1,627,906 with accumulated amortization of \$660,581 is included within the Subscription Class activities table found below. The subscriptions had \$0 of Variable Payments and \$0 of Other Payments, not included in the Subscription Liability, within the Fiscal Year.

Fiscal Year	Subscription Payments	Interest Payments	Total Payments
2026	372,886	21,114	394,000
2027	293,716	11,984	305,700
2028	119,959	5,180	125,139
2029	67,102	1,617	68,718
Totals	853,663	39,894	893,557

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XVII. CONSTRUCTION

At December 31, 2025, 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 12/31/2025	Balance Unexpended
Construction Contracts			
Clean Water	\$117,880.00	\$50,000.00	\$67,880.00
Road Fund	\$14,152,879.50	\$5,320,094.66	\$8,832,784.84

XVIII. LANDFILL POST CLOSURE COSTS AND POLLUTION REMEDIATION OBLIGATIONS

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. The landfills included are Inman Landfill, Sauk Landfill and Gibraltar Landfill. The total liability as of December 31, 2025, amounts to \$1,819,804, of which \$50,000 is estimated to be current. This balance is recognized in environmental liabilities in the Solid Waste Fund.

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 an environmental liability of \$24.0 million, of which \$12 million is estimated to be current, 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, 2025, the County is in Phase II Remedial Investigation, Feasibility Study, and a Cleanup Action Plan and the recognition of the liability.

Sinnes Road Landfill

The Solid Waste Fund recognized an environmental liability of \$463,479 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, 2025, the County is in the remedial action stage, with long-term monitoring and maintenance to be determined.

Skagit County, Washington
Notes to the Financial Statements
December 31, 2025

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, 2025, no further action has been taken either by the Department of Ecology or the County. No estimate can be made at December 31, 2025, and at that point in time is still considered immaterial resulting in no liability.

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.

County likely has some liability related to this landfill. The County's remediation activities to date have consisted of occasional monitoring of nearby wells and surface water. In 1996, the County agreed to a settlement with nearby property owners that included the removal of exposed refuse, and capping and sealing the area of encroachment. No estimate can be made at December 31, 2025, and at that point in time is still considered immaterial resulting in no liability.

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.

XIX. ASSET RETIREMENT OBLIGATIONS

With the implementation of GASB 83 in 2019, the County's three fuel tanks upon retirement in compliance with state regulations would require cleanup in the current estimated amount of \$262,206, if and when they are determined to be retired. This balance is recognized in environmental liabilities in the Solid Waste Fund. Estimates were performed by third parties on the assumption that there will be no change to the tanks at retirement. The date of retirement cannot be estimated at this time, and the ultimate cost will be paid from Internal Service funds.

In addition, the County currently owns a gravel pit that meets the requirements of GASB 83. The gravel pit is not expected to be retired in less than 100 years, so an estimate of any costs associated with its retirement is not possible at this time.

XX. CERTAIN RISK DISCLOSURES

The County receives a large amount of funds from federal and state grants. Over the past few months, the County has received notification that programs have been reduced or eliminated at the federal and state level. Continued receipt of grants and passthrough funds is uncertain as of the date of publication of these financial statements. Further reductions cannot be estimated at this time. The County is actively monitoring the situation and adjusting budgets as necessary to best serve the residents of Skagit County. We are using the funds available to us as efficiently as possible.

Skagit County, Washington
Notes to the Financial Statements
December 31, 2025

XXI. ACCOUNTING CHANGES AND ERROR CORRECTIONS

The following adjustments to beginning equity were recognized in the current year:

	12/31/2024 Net position/fund balance as previously reported	Accounting change: Previously non-major funds now presented as major funds	Accounting change: Previously major funds now presented as non-major funds	Error correction	12/31/2024 Net position/fund balance as restated/adjusted
Government-wide					
Governmental activities	\$ 471,356,210	\$ -	\$ -	\$ (212,817)	\$ 471,143,393
Business-type activities	17,727,867	-	-	63,463	17,791,330
Total government-wide	\$ 489,084,077	\$ -	\$ -	\$ (149,354)	\$ 488,934,723
Governmental funds					
General Fund	\$ 31,117,967	\$ -	\$ -	\$ -	\$ 31,117,967
Mental Health Fund	9,665,475	-	(9,665,475)	-	-
County Road Fund	19,071,769	-	-	-	19,071,769
American Rescue Plan Act	-	-	-	-	-
Medic 1 Fund	-	11,131,168	-	-	11,131,168
Debt Service Fund	-	2,325,890	-	5,196,659	7,522,549
Combined Capital Improvement Fund	-	23,789,410	-	-	23,789,410
Other non-major governmental funds	66,221,906	(37,246,468)	9,665,475	(334,942)	38,305,971
Total governmental funds	\$ 126,077,117	\$ -	\$ -	\$ 4,861,717	\$ 130,938,834
Proprietary funds					
Enterprise funds					
Solid Waste Fund	\$ (13,868,806)	\$ -	\$ -	\$ -	\$ (13,868,806)
Drainage Utility Fund	13,219,529	-	-	54,234	13,273,763
County Jail Fund	18,377,144	-	-	9,229	18,386,373
Total Enterprise Funds	\$ 17,727,867	\$ -	\$ -	\$ 63,463	\$ 17,791,330
Internal Service Funds	\$ 39,522,397	\$ -	\$ -	\$ 49,623	\$ 39,572,020

Details for the above error corrections are as follows:

Governmental fund accounting changes

The Mental Health fund was a major fund in 2024, but it did not meet the quantitative threshold to be considered major in 2025. As such, this fund is presented as non-major in 2025.	(9,665,475)
The American Rescue Plan Act fund was a major fund in 2024, but it did not meet the quantitative threshold to be considered major in 2025. As such, this fund is presented as non-major in 2025.	-
The Medic 1 fund was a non-major fund in 2024. While this fund did not meet the quantitative threshold for a major fund, it was qualitatively assessed as a major fund in 2025.	11,131,168
The Debt Service fund was a non-major fund in 2025. While this fund did not meet the quantitative threshold for a major fund, it was qualitatively assessed as a major fund in 2025.	2,325,890
The Combined Capital Improvement Fund is a new major fund in 2025 comprised of all five capital projects funds that were individually assessed as non-major in 2024.	23,789,410
The above funds that were previously reported as non-major funds were removed from other non-major governmental funds in 2025.	(37,246,468)
The above funds that were previously reported as major funds were added to other non-major governmental funds in 2025.	9,665,475
	<u>-</u>

Governmental activities error corrections

Buildings and land disposed of prior to 1/1/2025 were discovered in late 2025 and removed from the beginning 2024 expenses were recognized as construction-in-progress in 2025.	(1,052,862)
Land donated in 2022 and 2024 was not recognized as a capital asset until 2025.	174,284
Planning & Development error correction; see below.	951,080
Internal Service Fund error correction; see below.	(334,942)
	49,623
	<u>(212,817)</u>

Skagit County, Washington
Notes to the Financial Statements
December 31, 2025

Governmental fund error corrections

Receivable balances related to long-term debt were recorded as government-wide adjustments prior to 2025, understating receivable balances in the Debt Service Fund.	5,196,659
In the Planning & Development Services fund, grant revenues previously recognized in 2024 were earned in 2025 and added to grant revenue.	(334,942)
	<u>4,861,717</u>

Business-type activities / enterprise fund error corrections

In the Drainage Utility, grant revenue was improperly recognized in 2024 and was added to grant revenue in 2025.	(76,517)
In the Drainage Utility, 2024 expenses were not recognized as construction-in-progress until 2025.	130,752
Errors were noted in County Jail accounts payable balances from 2017 to 2024; adjustments were posted to beginning accounts payable in 2025.	9,229
	<u>63,463</u>

Internal service fund error corrections

In the Central Services fund, grant revenue earned in 2024 but received in 2025 was adjusted out of grant revenue in 2025.	49,623
	<u>49,623</u>

XXII. SUBSEQUENT EVENT

On June 2, 2026, the County completed the refunding of the 2014 Limited Tax General Obligation Bonds with an aggregate principal amount of \$40,040,000. The refunding was executed through the issuance of the 2026 Limited Tax General Obligation Refunding Bonds totaling \$36,135,000, bearing a true interest cost of 3.403% and maturing on December 1, 2041. The net present value of the savings for this transaction is 4.44% or \$1,777,150.

Required Supplementary Information



SKAGIT COUNTY, WASHINGTON
Revenues Budgetary Comparison Schedule
General Fund
For the Year Ended December 31, 2025

	Budgeted Amounts		Variance - Original to Final Budget	Actual	Variance - Over (Under) Final Budget
	Original Budget	Final Budget			
Property taxes	31,018,469	31,018,469	-	31,020,028	1,559
Sales and use taxes	17,564,206	17,564,206	-	18,892,623	1,328,417
Excise taxes	376,000	376,000	-	453,199	77,199
Total Taxes	48,958,675	48,958,675	-	50,365,850	1,407,175
Licenses and permits	496,000	496,000	-	495,006	(994)
Total Licenses and Permits	496,000	496,000	-	495,006	(994)
Intergovernmental revenues	8,146,205	8,155,705	9,500	7,756,870	(398,835)
Total Intergovernmental Revenue	8,146,205	8,155,705	9,500	7,756,870	(398,835)
General Government	2,048,000	2,122,580	74,580	2,551,763	429,183
Judicial	1,624,060	1,624,060	-	1,612,683	(11,377)
Public Safety	706,400	726,515	20,115	362,386	(364,129)
Health and Human Services	-	-	-	40,363	40,363
Natural and Economic Environment	-	-	-	13,005	13,005
Transportation	-	-	-	-	-
Interfund Charges for Services	72,000	72,000	-	7,560	(64,440)
Total Charges for Goods and Services	4,450,460	4,545,155	94,695	4,587,760	42,605
Traffic Infraction Penalties	900,000	900,000	-	1,139,467	239,467
Other Court Fines and Penalties	236,600	236,600	-	270,717	34,117
Non-Court Fines and Penalties	50,000	50,000	-	89,383	39,383
Total Fines and Penalties	1,186,600	1,186,600	-	1,499,567	312,967
Interest and Investment Earnings	8,500,000	8,500,000	-	9,171,040	671,040
Contributions and Donations	200,896	200,896	-	200,896	-
Settlement	-	-	-	12	12
Other Revenues	1,450,981	1,450,981	-	442,878	(1,008,103)
Total Miscellaneous Revenues	10,151,877	10,151,877	-	9,814,826	671,040
Total Revenues	73,389,817	73,494,012	104,195	74,519,879	2,033,958
Transfers In	-	-	-	217,000	217,000

SKAGIT COUNTY, WASHINGTON
Expenditures Budgetary Comparison Schedule
General Fund
For the Year Ending December 31, 2025

Budgeted Amounts					
	Original Budget	Final Budget	Variance - Original to Final Budget	Actual	Variance - Over (Under) Final Budget
General Government					
<u>Assessor</u>					
Salaries, Wages, and Benefits	2,382,784	2,382,784	-	2,347,421	(35,363)
Supplies	10,500	10,500	-	6,817	(3,683)
Other Services and Charges	56,250	56,250	-	37,452	(18,798)
Interfund Services	16,133	16,133	-	16,019	(114)
Total Assessor	2,465,667	2,465,667	-	2,407,709	(57,958)
<u>Auditor</u>					
Salaries, Wages, and Benefits	1,353,954	1,427,534	73,580	1,376,206	(51,328)
Supplies	11,350	11,350	-	9,076	(2,274)
Other Services and Charges	21,150	22,150	1,000	12,054	(10,096)
Total Auditor	1,386,454	1,461,034	74,580	1,397,336	(63,698)
<u>Board of Equalization</u>					
Salaries, Wages, and Benefits	70,893	70,893	-	52,490	(18,403)
Supplies	-	-	-	-	-
Other Services and Charges	300	300	-	-	(300)
Total Board of Equalization	71,193	71,193	-	52,490	(18,703)
<u>Commissioners</u>					
Salaries, Wages, and Benefits	921,577	921,577	-	902,844	(18,733)
Supplies	2,000	2,000	-	857	(1,143)
Other Services and Charges	36,350	36,350	-	32,413	(3,937)
Total Commissioners	959,927	959,927	-	936,114	(23,813)
<u>Administrative Services</u>					
Salaries, Wages, and Benefits	2,142,671	2,192,596	49,925	2,092,453	(100,143)
Supplies	10,400	10,400	-	10,812	412
Other Services and Charges	171,130	211,130	40,000	189,850	(21,280)
Total Administrative Services	2,324,201	2,414,126	89,925	2,293,115	(121,011)
<u>General Maintenance</u>					
Salaries, Wages, and Benefits	1,784,413	1,784,413	-	1,733,983	(50,430)
Supplies	195,700	195,700	-	178,561	(17,139)
Other Services and Charges	1,439,984	1,439,984	-	1,524,747	84,763
Interfund Services	69,807	69,807	-	50,357	(19,450)
Total General Maintenance	3,489,904	3,489,904	-	3,487,648	(2,256)

SKAGIT COUNTY, WASHINGTON
Expenditures Budgetary Comparison Schedule
General Fund
For the Year Ending December 31, 2025

Budgeted Amounts					
	Original Budget	Final Budget	Variance - Original to Final Budget	Actual	Variance - Over (Under) Final Budget
<u>Prosecuting Attorney</u>					
Salaries, Wages, and Benefits	6,515,338	6,515,338	-	6,466,002	(49,336)
Supplies	12,000	12,000	-	11,651	(349)
Other Services and Charges	178,000	178,000	-	152,753	(25,247)
Interfund Services	2,485	2,485	-	2,440	(45)
Total Prosecuting Attorney	6,707,823	6,707,823	-	6,632,846	(74,978)
<u>Treasurer</u>					
Salaries, Wages, and Benefits	1,237,264	1,257,264	20,000	1,251,678	(5,586)
Supplies	11,000	9,000	(2,000)	4,492	(4,508)
Other Services and Charges	291,450	273,450	(18,000)	241,706	(31,744)
Total Treasurer	1,539,714	1,539,714	-	1,497,876	(41,838)
<u>Non Departmental Expenditures</u>					
Salaries, Wages, and Benefits	97,391	97,391	-	95,064	(2,327)
Supplies	-	-	-	1,472	1,472
Other Services and Charges	4,325,146	4,275,221	(49,925)	649,866	(3,625,355)
Interfund Services	4,285,137	4,322,137	37,000	5,250,147	928,010
Total Non Departmental Expenditures	8,707,674	8,694,749	(12,925)	5,996,549	(2,698,200)
Total General Government	\$ 27,652,557	\$ 27,804,137	\$ 151,580	\$ 24,701,682	\$ (3,102,455)
 <u>Judicial</u>					
<u>County Clerk</u>					
Salaries, Wages, and Benefits	2,135,568	2,135,568	-	2,047,781	(87,787)
Supplies	17,500	17,500	-	12,637	(4,863)
Other Services and Charges	25,750	25,750	-	16,002	(9,748)
Interfund Services	2,176	2,176	-	2,131	(45)
Total County Clerk	2,180,994	2,180,994	-	2,078,551	(102,443)
<u>District Court</u>					
Salaries, Wages, and Benefits	3,826,885	3,828,096	1,211	3,762,467	(65,629)
Supplies	26,000	26,000	-	25,676	(324)
Other Services and Charges	206,450	206,450	-	169,195	(37,255)
Interfund Payments for Services	8,895	10,218	1,323	10,321	103
Total District Court	4,068,230	4,070,764	2,534	3,967,660	(103,104)
<u>Public Defender</u>					
Salaries, Wages, and Benefits	5,414,458	5,414,458	-	5,192,659	(221,799)
Supplies	9,600	9,600	-	12,014	2,414
Other Services and Charges	552,409	552,409	-	511,141	(41,268)
Interfund Payments for Services	8,399	8,399	-	8,635	236
Total Public Defender	5,984,866	5,984,866	-	5,724,448	(260,418)
<u>Superior Courts</u>					
Salaries, Wages, and Benefits	2,800,202	2,800,202	-	2,699,367	(100,835)
Supplies	21,900	26,400	4,500	29,323	2,923
Other Services and Charges	698,115	834,215	136,100	783,257	(50,958)
Total Superior Courts	3,520,217	3,660,817	140,600	3,511,947	(148,870)

SKAGIT COUNTY, WASHINGTON
Expenditures Budgetary Comparison Schedule
General Fund
For the Year Ending December 31, 2025

	Budgeted Amounts		Variance - Original to Final Budget	Actual	Variance - Over (Under) Final Budget
	Original Budget	Final Budget			
<u>Assigned Counsel</u>					
Salaries, Wages, and Benefits	331,990	339,353	7,363	334,506	(4,847)
Supplies	2,500	2,500	-	1,836	(664)
Other Services and Charges	1,785,000	1,935,000	150,000	1,920,886	(14,114)
Total Assigned Counsel	2,119,490	2,276,853	157,363	2,257,228	(19,625)
<u>Mediation Services</u>					
Other Services and Charges	82,421	82,421	-	80,997	(1,424)
Total Mediation Services	82,421	82,421	-	80,997	(1,424)
Total Judicial	\$ 17,956,218	\$ 18,256,715	\$ 300,497	\$ 17,620,831	\$ (635,884)
 <u>Public Safety</u>					
<u>District Court Probation</u>					
Salaries, Wages, and Benefits	835,742	835,742	-	816,051	(19,691)
Supplies	5,000	5,000	-	5,000	0
Other Services and Charges	12,750	12,750	-	28,281	15,531
Total District Court Probation	853,492	853,492	-	849,332	(4,160)
<u>Non-Departmental - Interfund Costs</u>					
Interfund Payments for Services	9,898,165	9,898,165	-	9,898,165	-
Total Non-Departmental	9,898,165	9,898,165	-	9,898,165	-
 <u>Office of Juvenile Court</u>					
Salaries, Wages, and Benefits	3,066,969	3,125,394	58,425	3,070,300	(55,094)
Supplies	48,550	47,050	(1,500)	47,913	863
Other Services and Charges	158,142	132,242	(25,900)	116,565	(15,677)
Interfund Payments for Services	1,034	1,034	-	1,446	412
Total Office of Juvenile Court	3,274,695	3,305,720	31,025	3,236,224	(69,496)
 <u>Civil Service Commission</u>					
Salaries, Wages, and Benefits	91,340	93,340	2,000	92,384	(956)
Supplies	250	250	-	66	(184)
Other Services and Charges	1,200	1,200	-	1,382	182
Total Civil Service Commission	92,790	94,790	2,000	93,832	(958)
 <u>Sheriff</u>					
Salaries, Wages, and Benefits	12,212,429	12,208,034	(4,395)	11,800,582	(407,452)
Supplies	224,131	289,979	65,848	205,618	(84,361)
Other Services and Charges	536,210	616,273	80,063	1,268,093	651,820
Interfund Payments for Services	2,516,520	2,516,520	-	1,661,393	(855,127)
Total Sheriff	15,489,290	15,630,806	141,516	14,935,685	(695,121)
Total Public Safety	\$ 29,608,432	\$ 29,782,973	\$ 174,541	\$ 29,013,239	\$ (769,734)

SKAGIT COUNTY, WASHINGTON
Expenditures Budgetary Comparison Schedule
General Fund
For the Year Ending December 31, 2025

Budgeted Amounts					
	Original Budget	Final Budget	Variance - Original to Final Budget	Actual	Variance - Over (Under) Final Budget
<i>Natural and Economic Environment</i>					
<u>Boundary Review Board</u>					
Salaries, Wages, and Benefits	-	-	-	-	-
Supplies	-	-	-	-	-
Other Services and Charges	200	200	-	-	(200)
Total Boundary Review Board	200	200	-	-	(200)
<u>Hearing Examiner</u>					
Salaries, Wages, and Benefits	23,425	23,425	-	15,620	(7,805)
Supplies	-	-	-	-	-
Other Services and Charges	134,400	134,400	-	123,600	(10,800)
Total Hearing Examiner	157,825	157,825	-	139,220	(18,605)
<u>Animal Control</u>					
Salaries, Wages, and Benefits	118,780	118,826	46	124,948	6,122
Supplies	3,121	3,121	-	562	(2,559)
Other Services and Charges	30,221	30,221	-	27,050	(3,171)
Interfund Payments for Service	12,624	12,624	-	20,995	8,371
Total Animal Control	164,746	164,792	46	173,556	8,764
<u>Noxious Weed Control</u>					
Salaries, Wages, and Benefits	220,549	224,062	3,513	187,829	(36,233)
Supplies	10,083	10,083	-	1,586	(8,497)
Other Services and Charges	15,174	15,174	-	14,581	(593)
Interfund Payments for Service	17,071	20,666	3,595	16,673	(3,993)
Total Noxious Weed Control	262,877	269,985	7,108	220,670	(49,315)
<i>Total Economic Environment</i>	\$ 585,648	\$ 592,802	\$ 7,154	\$ 533,445	\$ (59,357)
<i>Health and Human Services</i>					
<u>Coroner</u>					
Salaries, Wages, and Benefits	612,523	612,523	-	602,639	(9,884)
Supplies	33,972	33,972	-	23,371	(10,601)
Other Services and Charges	151,500	184,500	33,000	166,018	(18,482)
Interfund Payments for Service	20,156	20,156	-	20,535	379
Total Coroner Extension	818,151	851,151	33,000	812,564	(38,587)
<i>Total Health and Human Services</i>	\$ 818,151	\$ 851,151	\$ 33,000	\$ 812,564	\$ (38,587)

SKAGIT COUNTY, WASHINGTON
Expenditures Budgetary Comparison Schedule
General Fund
For the Year Ending December 31, 2025

Budgeted Amounts					
	Original Budget	Final Budget	Variance - Original to Final Budget	Actual	Variance - Over (Under) Final Budget
<u>Culture and Recreation</u>					
<u>Cooperative Extension</u>					
Salaries, Wages, and Benefits	-	-	-	-	-
Supplies	-	-	-	-	-
Other Services and Charges	443,284	449,284	6,000	448,658	(626)
Total Cooperative Extension	443,284	449,284	6,000	448,658	(626)
<u>Historical Museum</u>					
Salaries, Wages, and Benefits	-	-	-	-	-
Supplies	-	-	-	-	-
Other Services and Charges	-	-	-	-	-
Interfund Payments for Service	162,000	162,000	-	162,000	-
Total Historical Museum	162,000	162,000	-	162,000	-
Total Culture and Recreation	\$ 605,284	\$ 611,284	\$ 6,000	\$ 610,658	\$ (626)
<u>Capital Outlay</u>					
Capital Outlay	70,000	1,065,876	995,876	1,293,056	227,180
Total Capital Outlay	70,000	1,065,876	995,876	1,293,056	227,180
EXPENDITURES	\$ 77,296,290	\$ 78,964,938	\$ 1,668,648	\$ 74,585,475	\$ (4,379,463)
TRANSFERS OUT	\$ 8,163,174	\$ 9,453,781	\$ 1,290,607	\$ 9,264,260	\$ (189,521)

SKAGIT COUNTY, WASHINGTON
Revenues, Expenditures and Changes in Fund Balances -Budgetary Comparison Schedule
County Road Fund
For the Year Ended December 31, 2025

	Budgeted Amounts			Actual	Variance - Over (Under) Final Budget
	Original	Final	Variance - Original to Final		
Budgeted Fund Balance, January 1	\$ 5,015,236	\$ 4,744,396	\$ (270,840)	\$ 19,071,769	
Resources (in-flows)					
Property taxes	17,986,453	17,986,453	-	18,351,120	364,667
Excise taxes	220,000	220,000	-	364,938	144,938
Licenses and permits	176,500	176,500	-	279,811	103,311
Intergovernmental revenues	24,197,845	26,476,445	2,278,600	12,265,392	(14,211,053)
Charges for services	2,359,369	2,359,369	-	1,734,969	(624,400)
Interest and investment earnings	-	50,000	50,000	60,903	10,903
Settlement	-	-	-	477	477
Other revenues	101,850	146,850	45,000	207,684	60,834
Transfers In	138,518	138,518	-	1,000,000	861,482
Total Resources (in-flows)	45,180,535	47,554,135	2,373,600	34,265,294	(14,150,323)
Amounts Available for Appropriation	50,195,771	52,298,531	2,102,760	53,337,063	
Charges to Appropriations (out-flows)					
General government	-	-	-	66,097	66,097
Transportation	37,959,151	43,539,498	5,580,347	24,700,643	(18,838,855)
Capital outlay	12,236,620	8,759,033	(3,477,587)	8,925,574	166,541
Transfers Out	-	-	-	-	-
Amount Charged to Appropriations (out-flows)	50,195,771	52,298,531	2,102,760	33,692,314	(18,606,217)
Budgeted Fund Balance, December 31	\$ -	\$ -	\$ -	\$ 19,644,749	

SKAGIT COUNTY, WASHINGTON
Revenues, Expenditures and Changes in Fund Balances - Budgetary Comparison Schedule
Medic I Fund
For the Year Ended December 31, 2025

	Budgeted Amounts			Actual	Variance
	Original	Final	Variance		
Budgeted Fund Balance, January 1	\$ (1,679,465)	\$ (1,679,465)	\$ -	\$ 11,131,168	
Resources (in-flows)					
Property taxes	15,400,000	15,400,000	-	15,668,124	(15,400,000)
Excise taxes	155,000	155,000	-	229,028	(155,000)
Intergovernmental revenues	185,000	185,000	-	165,419	(185,000)
Charges for services	-	-	-	1,962	-
Interest and investment earnings	150,000	150,000	-	130,933	(150,000)
Other revenues	20,000	20,000	-	7,851	(20,000)
Transfers In	-	-	-	-	-
Total Resources (in-flows)	15,910,000	15,910,000	-	16,203,317	(15,910,000)
Amounts Available for Appropriation	14,230,535	14,230,535	-	-	
Charges to Appropriations (out-flows)					
Public safety	14,230,535	14,230,535	-	13,703,998	(14,230,535)
Transfers Out	-	-	-	-	-
Amount Charged to Appropriations (out-flows)	14,230,535	14,230,535	-	13,703,998	(14,230,535)
Budgeted Fund Balance, December 31	\$ -	\$ -	\$ -	\$ 13,630,487	

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, 2025
Last 10 Fiscal Years*

	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025
Employer's proportion of the net pension liability (asset)	0.295309%	0.291391%	0.290049%	0.289737%	0.270192%	0.273315%	0.272267%	0.281525%	0.296830%	0.281876%
Employer's proportionate share of the net pension liability	<u>\$ 15,859,484</u>	<u>\$ 13,826,730</u>	<u>\$ 12,953,687</u>	<u>\$ 11,141,416</u>	<u>\$ 9,539,237</u>	<u>\$ 3,337,816</u>	<u>\$ 7,580,912</u>	<u>\$ 6,426,461</u>	<u>\$ 5,274,188</u>	<u>\$ 3,323,307</u>
Total	\$ 15,859,484	\$ 13,826,730	\$ 12,953,687	\$ 11,141,416	\$ 9,539,237	\$ 3,337,816	\$ 7,580,912	\$ 6,426,461	\$ 5,274,188	\$ 3,323,307
Covered payroll	\$ 30,517,442	\$ 32,670,636	\$ 33,431,853	\$ 35,081,964	\$ 40,338,531	\$ 41,801,684	\$ 43,842,319	\$ 37,094,367	\$ 41,510,185	\$ 52,317,552
Employer's proportionate share of the net pension liability as a percentage of covered payroll	51.97%	42.32%	38.75%	31.76%	23.65%	7.98%	17.29%	17.32%	12.71%	6.35%
Plan fiduciary net position as a percentage of the total pension liability	57.03%	61.24%	63.22%	67.12%	68.64%	88.74%	76.56%	80.16%	84.05%	89.07%

PERS Plan 2/3
As of June 30, 2025
Last 10 Fiscal Years*

	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025
Employer's proportion of the net pension liability (asset)	0.333619%	0.326842%	0.316830%	0.317589%	0.301145%	0.305188%	0.307491%	0.309538%	0.328608%	0.307468%
Employer's proportionate share of the net pension liability	<u>\$ 16,797,453</u>	<u>\$ 11,356,197</u>	<u>\$ 5,409,590</u>	<u>\$ 3,084,869</u>	<u>\$ 3,851,473</u>	<u>\$ (30,401,635)</u>	<u>\$ (11,404,168)</u>	<u>\$ (12,686,981)</u>	<u>\$ (10,832,803)</u>	<u>\$ (11,733,520)</u>
Total	\$ 16,797,453	\$ 11,356,197	\$ 5,409,590	\$ 3,084,869	\$ 3,851,473	\$ (30,401,635)	\$ (11,404,168)	\$ (12,686,981)	\$ (10,832,803)	\$ (11,733,520)
Covered payroll	\$ 29,912,652	\$ 32,054,586	\$ 32,863,462	\$ 34,550,719	\$ 34,963,998	\$ 36,607,511	\$ 38,499,755	\$ 42,937,462	\$ 51,194,563	\$ 52,210,800
Employer's proportionate share of the net pension liability as a percentage of covered payroll	56.16%	35.43%	16.46%	8.93%	11.02%	-83.05%	-29.62%	-29.55%	-21.16%	-22.47%
Plan fiduciary net position as a percentage of the total pension liability	85.82%	90.97%	95.77%	97.77%	97.22%	120.29%	106.73%	107.02%	105.17%	105.53%

PSERS 2
As of June 30, 2025
Last 10 Fiscal Years*

	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025
Employer's proportion of the net pension liability (asset)	0.841384%	0.946246%	1.111731%	1.045611%	0.835741%	0.722424%	0.783520%	0.884453%	0.864636%	0.864636%
Employer's proportionate share of the net pension liability	<u>\$ 357,571</u>	<u>\$ 185,398</u>	<u>\$ 13,774</u>	<u>\$ (135,971)</u>	<u>\$ (114,998)</u>	<u>\$ (1,659,690)</u>	<u>\$ (560,217)</u>	<u>\$ (937,865)</u>	<u>\$ (368,707)</u>	<u>\$ (368,707)</u>
Total	\$ 357,571	\$ 185,398	\$ 13,774	\$ (135,971)	\$ (114,998)	\$ (1,659,690)	\$ (560,217)	\$ (937,865)	\$ (368,707)	\$ (368,707)
Covered payroll	\$ 2,632,585	\$ 3,350,233	\$ 4,360,703	\$ 4,815,457	\$ 5,132,829	\$ 4,930,219	\$ 5,292,035	\$ 6,823,776	\$ 8,067,893	\$ 8,601,183
Employer's proportionate share of the net pension liability as a percentage of covered payroll	13.58%	5.53%	0.32%	-2.82%	-2.24%	-33.66%	-10.59%	-13.74%	-4.57%	-4.29%
Plan fiduciary net position as a percentage of the total pension liability	90.41%	96.26%	99.79%	101.85%	101.68%	123.67%	105.96%	107.90%	102.61%	101.95%

* The schedules above are intended to show information for 10 years; additional years*

Required Supplementary Information
Schedule of Proportionate Share of the Net Pension Liability

LEOFF 1
As of June 30, 2025
Last 10 Fiscal Years*

	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025
Employer's proportion of the net pension liability	0.024782%	0.024623%	0.024853%	0.024187%	0.024645%	0.025253%	0.025947%	0.027202%	0.027388%	0.027730%
State's proportionate share of the net pension liability (asset) associated with the employer	\$ (1,727,015)	\$ (2,526,920)	\$ (3,051,951)	\$ (3,233,741)	\$ (3,148,110)	\$ (8,451,533)	\$ (3,826,519)	\$ (5,460,976)	\$ (5,268,354)	\$ (5,943,066)
Employer's proportionate share of the net pension liability (asset)	(255,325)	(373,585)	(451,207)	(478,083)	(465,423)	(865,057)	\$ (744,319)	\$ (807,362)	\$ (778,884)	\$ (878,635)
Total	\$ (1,982,340)	\$ (2,900,505)	\$ (3,503,158)	\$ (3,711,824)	\$ (3,613,533)	\$ (9,316,590)	\$ (4,570,838)	\$ (6,268,338)	\$ (6,047,238)	\$ (6,821,701)
Covered payroll	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Employer's proportionate share of the net pension liability as a percentage of covered payroll	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
Plan fiduciary net position as a percentage of the total pension liability	123.74%	135.96%	144.42%	148.78%	146.88%	187.45%	169.62%	175.99%	168.48%	178.02%

LEOFF 2
As of June 30, 2025
Last 10 Fiscal Years*

	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025
Employer's proportion of the net pension liability (asset)	0.155763%	0.147592%	0.144900%	0.138256%	0.134879%	0.145505%	0.140800%	0.155164%	0.138411%	0.175137%
State's proportionate share of the net pension liability (asset) associated with the employer	\$ (590,623)	\$ (1,328,563)	\$ (1,899,361)	\$ (2,097,514)	\$ (1,759,270)	\$ (5,452,161)	\$ (2,717,698)	\$ (2,376,678)	\$ (1,682,126)	\$ (2,177,917)
Employer's proportionate share of the net pension liability	(905,964)	(2,048,099)	(2,941,786)	(3,202,967)	\$ (2,751,335)	\$ (8,451,533)	\$ (3,826,519)	\$ (3,721,761)	\$ (2,592,085)	\$ (3,393,309)
Total	\$ (1,496,587)	\$ (3,376,662)	\$ (4,841,147)	\$ (5,300,481)	\$ (4,510,605)	\$ (13,903,694)	\$ (6,544,217)	\$ (6,098,439)	\$ (4,274,211)	\$ (5,571,226)
Covered payroll	\$ 4,541,586	\$ 4,616,954	\$ 4,782,683	\$ 4,855,128	\$ 3,017,989	\$ 3,367,892	\$ 3,415,036	\$ 4,117,748	\$ 4,029,690	\$ 8,433,785
Employer's proportionate share of the net pension liability as a percentage of covered payroll	-19.95%	-44.36%	-61.51%	-65.97%	-91.16%	-250.94%	-112.05%	-90.38%	-64.32%	-40.23%
Plan fiduciary net position as a percentage of the total pension liability	106.04%	113.36%	118.50%	119.43%	115.83%	142.00%	116.09%	113.17%	109.27%	108.79%

* The schedules above are intended to show information for 10 years; additional years' information will be displayed as it becomes

**Required Supplementary Information
Schedule of Employer Contributions**

**PERS Plan 1
As of December 31, 2025
Last 10 Fiscal Years***

	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025
Contractually required contributions	\$ 1,575,731	\$ 1,913,293	\$ 2,079,436	\$ 2,015,379	\$ 1,939,997	\$ 2,051,210	\$ 1,635,971	\$ 1,648,366	\$ 1,399,319	\$ 639,750
Contributions in relation to the contractually required contributions	1,646,845	1,752,794	1,719,829	2,015,379	1,939,997	2,051,210	1,635,971	1,648,366	1,399,319	639,750
Contribution deficiency (excess)	-	-	-	-	-	-	-	-	-	-
Covered payroll	29,597,991	32,640,636	34,433,998	34,866,195	36,351,463	30,785,705	38,686,315	48,168,205	50,451,668	52,317,552
Contributions as a percentage of covered payroll	5.32%	5.86%	6.04%	5.78%	5.34%	6.66%	4.23%	3.42%	2.77%	1.22%

**PERS Plan 2/3
As of December 31, 2025
Last 10 Fiscal Years***

	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025
Contractually required contributions	\$ 1,808,119	\$ 2,184,277	\$ 2,545,282	\$ 2,652,844	\$ 2,799,797	\$ 2,899,313	\$ 2,448,585	\$ 3,139,209	\$ 3,302,064	\$ 3,269,240
Contributions in relation to the contractually required contributions	1,809,119	2,184,277	2,545,282	2,652,844	2,799,797	2,899,313	2,448,585	3,139,209	3,302,064	3,269,240
Contribution deficiency (excess)	(1,000)	-	-	-	-	-	-	-	-	-
Covered payroll	29,036,861	32,054,586	33,888,256	34,437,739	36,109,607	30,396,504	38,448,672	47,955,780	50,336,347	52,210,800
Contributions as a percentage of covered payroll	6.23%	6.81%	7.51%	7.70%	7.75%	9.54%	6.37%	6.55%	6.56%	6.26%

**PSERS 2
As of December 31, 2025
Last 10 Fiscal Years***

	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025
Contractually required contributions	\$ 179,027	\$ 280,973	\$ 247,384	\$ 363,521	\$ 369,565	\$ 354,977	\$ 343,981	\$ 745,251	\$ 872,098	\$ 722,550
Contributions in relation to the contractually required contributions	179,027	280,973	247,384	363,521	369,565	354,977	343,981	745,251	872,098	722,550
Contribution deficiency (excess)	-	-	-	-	-	-	-	-	-	-
Covered payroll	2,717,069	3,982,876	4,610,178	5,096,791	4,937,589	5,151,438	5,309,796	7,283,016	9,011,678	8,601,183
Contributions as a percentage of covered payroll	6.59%	7.05%	5.37%	7.13%	7.48%	6.89%	6.48%	10.23%	9.68%	8.40%

**LEOFF 2
As of December 31, 2025
Last 10 Fiscal Years***

	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025
Contractually required contributions	\$ 219,207	\$ 257,132	\$ 247,384	\$ 260,547	\$ 259,246	\$ 289,302	\$ 291,303	\$ 352,627	\$ 449,526	\$ 448,677
Contributions in relation to the contractually required contributions	219,207	257,132	247,384	260,547	259,246	289,302	291,303	352,627	449,526	448,677
Contribution deficiency (excess)	-	-	-	-	-	-	-	-	-	-
Covered payroll	4,340,739	4,616,954	4,742,103	5,006,630	5,376,212	5,626,584	6,413,655	6,646,034	8,449,891	8,433,785
Contributions as a percentage of covered payroll	5.05%	5.57%	5.22%	5.20%	4.82%	5.14%	4.54%	5.31%	5.32%	5.32%

* The schedules above are intended to show information for 10 years; additional years' information will be displayed as it becomes available.

Skagit County
Schedule of Changes in Total OPEB Liability and Related Ratios
OPEB Plan
For the year ended December 31, 2025 (plan's measurement date 12/31/2025)
Last 10 Fiscal Years*

	2018	2019	2020	2021	2022	2023	2024	2025	2026	2027
Total OPEB liability - beginning	\$ 4,364,512	\$ 4,461,998	\$ 5,425,871	\$ 5,666,954	\$ 2,902,403	\$ 2,318,726	\$ 2,939,364	\$ 2,820,345		
Service cost	88,660	206,608	216,938	224,010	25,056	17,813	20,356	20,221		
Interest	134,163	147,503	178,910	186,985	55,682	94,504	114,448	116,758		
Changes in benefit terms	-	-	-	-				(206,895)		
Differences between expected and actual experience	-	950,726	-	(1,400,986)	101,004	591,962	(3,536)	-		
Changes of assumptions	-	(196,997)	-	(1,688,130)	(503,747)	124,210	(73,612)	(448,406)		
Benefit payments	(125,337)	(143,967)	(154,765)	(86,430)	(261,672)	(207,854)	(176,675)	17,359		
Other changes										
Total OPEB liability - ending	<u>\$ 4,461,998</u>	<u>\$ 5,425,871</u>	<u>\$ 5,666,954</u>	<u>\$ 2,902,403</u>	<u>\$ 2,318,726</u>	<u>\$ 2,939,364</u>	<u>\$ 2,820,345</u>	<u>\$ 2,319,382</u>		
Covered-employee payroll	\$ 40,828,035	\$ 42,461,156	\$ 44,159,603	\$ 48,951,245	\$ 48,951,245	\$ 61,634,225	\$ 61,634,225	\$ 63,533,332		
Total OPEB liability as a % of covered payroll	10.93%	12.78%	12.83%	5.93%	4.74%	4.77%	4.58%	4.58%		

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.
There are no current factors that would significantly affect trends in the amounts reported.

Individual and Combining Statements and Schedules



SKAGIT COUNTY, WASHINGTON
COMBINING BALANCE SHEET
NONMAJOR GOVERNMENTAL FUNDS
AS OF DECEMBER 31, 2025

	Non-Major Funds Special Revenue	Total
ASSETS		
Cash and cash equivalents	\$ 30,808,551	\$ 30,808,551
Restricted cash	-	-
Investments	13,408,600	13,408,600
Taxes receivable	165,736	165,736
Accounts receivable	59,713	59,713
Court receivable	-	-
Leases receivable	-	-
Interest receivable	-	-
Due from other funds	79,262	79,262
Due from other governments	5,891,661	5,891,661
Interfund loans receivable	5,500	5,500
Inventories and prepayments	48,391	48,391
Total assets	<u>\$ 50,467,414</u>	<u>\$ 50,467,414</u>
DEFERRED OUTFLOWS		
	<u>-</u>	<u>-</u>
LIABILITIES		
Accounts and vouchers payable	\$ 4,550,507	\$ 4,550,507
Due to other funds	87,212	87,212
Due to other governments	2,248	2,248
Accrued wages and benefits payable	695,247	695,247
Unearned revenue	1,571,597	1,571,597
Interfund loans payable	-	-
Total liabilities	<u>6,906,811</u>	<u>6,906,811</u>
DEFERRED INFLOWS of RESOURCES		
Related to court fees	-	-
Related to leases	-	-
Related to property taxes	89,768	89,768
Total deferred inflows of resources	<u>89,768</u>	<u>89,768</u>
FUND BALANCES		
Nonspendable	48,391	48,391
Restricted	41,505,027	41,505,027
Committed	2,342,634	2,342,634
Assigned	-	-
Unassigned	(425,216)	(425,216)
Total fund balances	<u>43,470,836</u>	<u>43,470,836</u>
Total liabilities, deferred inflows of resources, and fund balances	<u>\$ 50,467,415</u>	<u>\$ 50,467,415</u>

SKAGIT COUNTY, WASHINGTON
COMBINING STATEMENT OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCE
NONMAJOR GOVERNMENTAL FUNDS
FOR THE YEAR ENDED DECEMBER 31, 2025

	<u>Non-Major Funds</u> <u>Special Revenue</u>	<u>Total</u>
REVENUES		
Property taxes	\$ 1,848,349	\$ 1,848,349
Sales and use taxes	13,486,540	13,486,540
Excise taxes	48,743	48,743
Other taxes	2,506,417	2,506,417
Licenses and permits	2,476,840	2,476,840
Intergovernmental revenues	24,185,020	24,185,020
Charges for services	5,929,528	5,929,528
Fines and penalties	3,184,779	3,184,779
Interest and investment earnings	595,635	595,635
Settlement	327,984	327,984
Contributions and donations	495,348	495,348
Other revenues	687,371	687,371
Total revenues	<u>55,772,554</u>	<u>55,772,554</u>
EXPENDITURES		
Current:		
General government	\$ 1,615,475	\$ 1,615,475
Judicial	-	-
Public safety	8,651,286	8,651,286
Transportation	120,135	120,135
Natural and economic environment	9,766,869	9,766,869
Health and human services	30,983,528	30,983,528
Culture and recreation	4,577,762	4,577,762
Debt service:		
Principal	-	-
Interest on long term debt	-	-
Capital outlay	1,639,396	1,639,396
Total expenditures	<u>57,354,451</u>	<u>57,354,451</u>
Excess (deficit) of revenues over expenditures	<u>(1,581,897)</u>	<u>(1,581,897)</u>
OTHER FINANCING SOURCES (USES)		
Issuance of long term debt	-	-
Transfers in	8,014,260	8,014,260
Transfers out	(1,267,500)	(1,267,500)
Total other financing source (uses)	<u>6,746,760</u>	<u>6,746,760</u>
Net change in fund balance	5,164,863	5,164,863
Fund balances - beginning of year	38,640,913	38,640,913
Fund balances - end of year	<u>\$ 43,805,776</u>	<u>\$ 43,805,776</u>

SKAGIT COUNTY, WASHINGTON

NONMAJOR SPECIAL REVENUE FUNDS

AS OF DECEMBER 31, 2025

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.

Tourism – A fund to advertise and draw tourists to the Skagit area enhancing the local economy.

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.

Mental Health Fund – A fund for expenditures relating to support services provided to citizens with mental and developmental disabilities. The majority of revenues consist of sales tax and grant revenue.

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

American Rescue Plan Act Fund – A fund created to facilitate and maintain funds received from the Treasury Department as part of the economic stimulus bill signed by President Biden on March 11, 2021, to provide funding for COVID-19 response and recovery. In 2025, this fund is tracking funds received from the Local Assistance and Tribal Consistency Fund (LATCF).

SKAGIT COUNTY, WASHINGTON
NONMAJOR SPECIAL REVENUE FUNDS
AS OF DECEMBER 31, 2025

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

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

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, 2025

	Public Health Fund	Special Paths Fund	Tourism Fund
ASSETS			
Cash and cash equivalents	\$ 3,183,029	\$ 72,235	\$ 144,384
Restricted cash	-	-	-
Investments	123,796	27	-
Taxes receivable	-	-	-
Accounts receivable	-	-	-
Leases receivable	-	-	-
Due from other funds	79,262	-	-
Due from other governments	337,205	-	-
Interfund loans receivable	-	-	-
Inventories and prepayments	24,677	-	-
Total assets	<u>\$ 3,747,969</u>	<u>\$ 72,262</u>	<u>\$ 144,384</u>
LIABILITIES			
Accounts and vouchers payable	\$ 76,859	\$ 13,189	\$ 129,708
Due to other funds	-	-	-
Accrued wages and benefits payable	170,247	3,038	-
Unearned revenue	-	-	-
Total liabilities	<u>247,106</u>	<u>16,227</u>	<u>129,708</u>
DEFERRED INFLOWS of RESOURCES			
Related to leases	-	-	-
Related to property taxes	-	-	-
Total deferred inflows of resources	<u>-</u>	<u>-</u>	<u>-</u>
FUND BALANCES			
Nonspendable	24,677	-	-
Restricted	3,476,189	56,036	-
Committed	-	-	14,676
Assigned	-	-	-
Unassigned	-	-	-
Total fund balances	<u>3,500,866</u>	<u>56,036</u>	<u>14,676</u>
Total liabilities, deferred inflows of resources, and fund balances	<u>\$ 3,747,972</u>	<u>\$ 72,263</u>	<u>\$ 144,384</u>

SKAGIT COUNTY, WASHINGTON
COMBINING BALANCE SHEET
NONMAJOR SPECIAL REVENUE FUNDS
AS OF DECEMBER 31, 2025

	Emergency Management Fund	County Fair Fund	Veterans' Relief Fund
ASSETS			
Cash and cash equivalents	\$ 88,610	\$ 453,205	\$ 730,506
Restricted cash	-	-	-
Investments	-	-	-
Taxes receivable	-	-	7,787
Accounts receivable	-	-	-
Leases receivable	-	-	-
Due from other funds	-	-	-
Due from other governments	90,943	-	-
Interfund loans receivable	-	-	-
Inventories and prepayments	-	-	5,797
Total assets	<u>\$ 179,553</u>	<u>\$ 453,205</u>	<u>\$ 744,090</u>
LIABILITIES			
Accounts and vouchers payable	\$ 33,148	\$ 5,251	\$ 38,178
Due to other funds	675	-	-
Accrued wages and benefits payable	77,738	15,189	11,176
Unearned revenue	-	3,000	-
Total liabilities	<u>111,561</u>	<u>23,440</u>	<u>49,354</u>
DEFERRED INFLOWS of RESOURCES			
Related to leases	-	-	-
Related to property taxes	-	-	6,547
Total deferred inflows of resources	<u>-</u>	<u>-</u>	<u>6,547</u>
FUND BALANCES			
Nonspendable	-	-	5,797
Restricted	-	-	682,392
Committed	67,993	429,765	-
Assigned	-	-	-
Unassigned	-	-	-
Total fund balances	<u>67,993</u>	<u>429,765</u>	<u>688,189</u>
Total liabilities, deferred inflows of resources, and fund balances	<u>\$ 179,554</u>	<u>\$ 453,205</u>	<u>\$ 744,090</u>

SKAGIT COUNTY, WASHINGTON
COMBINING BALANCE SHEET
NONMAJOR SPECIAL REVENUE FUNDS
AS OF DECEMBER 31, 2025

	Law Library Fund	Treasurer O&M Fund	Document Preservation Fund
ASSETS			
Cash and cash equivalents	\$ 40,519	\$ 32,996	\$ 408,016
Restricted cash	-	-	-
Investments	-	401,820	403,337
Taxes receivable	-	-	-
Accounts receivable	-	-	27
Leases receivable	-	-	-
Due from other funds	-	-	-
Due from other governments	-	-	-
Interfund loans receivable	-	-	-
Inventories and prepayments	-	-	-
Total assets	<u>\$ 40,519</u>	<u>\$ 434,816</u>	<u>\$ 811,380</u>
LIABILITIES			
Accounts and vouchers payable	\$ 13,353	\$ 571	\$ 1,182
Due to other funds	-	-	-
Accrued wages and benefits payable	2,619	-	3,438
Unearned revenue	-	-	-
Total liabilities	<u>15,972</u>	<u>571</u>	<u>4,620</u>
DEFERRED INFLOWS of RESOURCES			
Related to leases	-	-	-
Related to property taxes	-	-	-
Total deferred inflows of resources	<u>-</u>	<u>-</u>	<u>-</u>
FUND BALANCES			
Nonspendable	-	-	-
Restricted	24,547	434,246	806,762
Committed	-	-	-
Assigned	-	-	-
Unassigned	-	-	-
Total fund balances	<u>24,547</u>	<u>434,246</u>	<u>806,762</u>
Total liabilities, deferred inflows of resources, and fund balances	<u>\$ 40,519</u>	<u>\$ 434,817</u>	<u>\$ 811,382</u>

SKAGIT COUNTY, WASHINGTON
COMBINING BALANCE SHEET
NONMAJOR SPECIAL REVENUE FUNDS
AS OF DECEMBER 31, 2025

	Election Fund	Parks and Recreation Fund	Substance Abuse Fund
ASSETS			
Cash and cash equivalents	\$ 570,558	\$ 726,450	\$ 2,540,029
Restricted cash	-	-	-
Investments	1,403	172,701	-
Taxes receivable	-	-	-
Accounts receivable	59,631	-	-
Leases receivable	-	-	-
Due from other funds	-	-	-
Due from other governments	-	-	257,263
Interfund loans receivable	-	-	-
Inventories and prepayments	12,562	-	-
Total assets	<u>\$ 644,154</u>	<u>\$ 899,151</u>	<u>\$ 2,797,292</u>
LIABILITIES			
Accounts and vouchers payable	\$ 48,932	\$ 50,614	\$ 78,854
Due to other funds	-	-	-
Accrued wages and benefits payable	15,369	44,119	727
Unearned revenue	-	144,500	-
Total liabilities	<u>64,301</u>	<u>239,233</u>	<u>79,581</u>
DEFERRED INFLOWS of RESOURCES			
Related to leases	-	-	-
Related to property taxes	-	-	-
Total deferred inflows of resources	<u>-</u>	<u>-</u>	<u>-</u>
FUND BALANCES			
Nonspendable	12,562	-	-
Restricted	-	-	2,717,709
Committed	567,290	659,917	-
Assigned	-	-	-
Unassigned	-	-	-
Total fund balances	<u>579,852</u>	<u>659,917</u>	<u>2,717,709</u>
Total liabilities, deferred inflows of resources, and fund balances	<u>\$ 644,153</u>	<u>\$ 899,150</u>	<u>\$ 2,797,290</u>

SKAGIT COUNTY, WASHINGTON
COMBINING BALANCE SHEET
NONMAJOR SPECIAL REVENUE FUNDS
AS OF DECEMBER 31, 2025

	Mental Health Fund	Community Services Fund	Convention Center Fund
ASSETS			
Cash and cash equivalents	\$ 2,000,087	\$ 1,358,677	\$ 1,896,266
Restricted cash	-	-	-
Investments	8,052,933	-	161,181
Taxes receivable	8,879	-	-
Accounts receivable	-	-	-
Leases receivable	-	-	-
Due from other funds	-	-	-
Due from other governments	1,355,456	51,236	83,318
Interfund loans receivable	-	-	-
Inventories and prepayments	5,355	-	-
Total assets	<u>\$ 11,422,710</u>	<u>\$ 1,409,913</u>	<u>\$ 2,140,765</u>
LIABILITIES			
Accounts and vouchers payable	\$ 970,958	\$ 147,248	\$ 156,862
Due to other funds	9,374	-	-
Accrued wages and benefits payable	92,339	54,594	758
Unearned revenue	-	-	-
Total liabilities	<u>1,074,919</u>	<u>201,842</u>	<u>157,620</u>
DEFERRED INFLOWS of RESOURCES			
Related to leases	-	-	-
Related to property taxes	7,461	-	-
Total deferred inflows of resources	<u>7,461</u>	<u>-</u>	<u>-</u>
FUND BALANCES			
Nonspendable	5,355	-	-
Restricted	10,334,975	1,087,264	1,983,146
Committed	-	120,807	-
Assigned	-	-	-
Unassigned	-	-	-
Total fund balances	<u>10,340,330</u>	<u>1,208,071</u>	<u>1,983,146</u>
Total liabilities, deferred inflows of resources, and fund balances	<u>\$ 11,422,710</u>	<u>\$ 1,409,913</u>	<u>\$ 2,140,766</u>

SKAGIT COUNTY, WASHINGTON
COMBINING BALANCE SHEET
NONMAJOR SPECIAL REVENUE FUNDS
AS OF DECEMBER 31, 2025

	Clean Water Fund	American Rescue Plan Act	Conservation Futures Fund
ASSETS			
Cash and cash equivalents	\$ 2,720,092	\$ 712,992	\$ 2,957,114
Restricted cash	-	-	-
Investments	-	-	670,570
Taxes receivable	57,343	-	21,912
Accounts receivable	-	-	-
Leases receivable	-	-	-
Due from other funds	-	-	-
Due from other governments	93,408	-	-
Interfund loans receivable	-	-	-
Inventories and prepayments	-	-	-
Total assets	<u>\$ 2,870,843</u>	<u>\$ 712,992</u>	<u>\$ 3,649,596</u>
LIABILITIES			
Accounts and vouchers payable	\$ 111,585	\$ -	\$ 19,473
Due to other funds	77,164	-	-
Accrued wages and benefits payable	26,127	-	4,008
Unearned revenue	-	1,138,208	39,922
Total liabilities	<u>214,876</u>	<u>1,138,208</u>	<u>63,403</u>
DEFERRED INFLOWS of RESOURCES			
Related to leases	-	-	-
Related to property taxes	57,343	-	18,417
Total deferred inflows of resources	<u>57,343</u>	<u>-</u>	<u>18,417</u>
FUND BALANCES			
Nonspendable	-	-	-
Restricted	2,598,626	-	3,567,775
Committed	-	-	-
Assigned	-	-	-
Unassigned	-	(425,216)	-
Total fund balances	<u>2,598,626</u>	<u>(425,216)</u>	<u>3,567,775</u>
Total liabilities, deferred inflows of resources, and fund balances	<u>\$ 2,870,845</u>	<u>\$ 712,992</u>	<u>\$ 3,649,595</u>

SKAGIT COUNTY, WASHINGTON
COMBINING BALANCE SHEET
NONMAJOR SPECIAL REVENUE FUNDS
AS OF DECEMBER 31, 2025

	Crime Victim Fund	Communication System Fund	Water Quality Fund
ASSETS			
Cash and cash equivalents	\$ 150,950	\$ -	\$ 384,227
Restricted cash	-	-	-
Investments	147,175	-	153,244
Taxes receivable	-	-	64,608
Accounts receivable	-	-	-
Leases receivable	-	-	-
Due from other funds	-	-	-
Due from other governments	-	996,432	1,378
Interfund loans receivable	-	-	-
Inventories and prepayments	-	-	-
Total assets	<u>\$ 298,125</u>	<u>\$ 996,432</u>	<u>\$ 603,457</u>
LIABILITIES			
Accounts and vouchers payable	\$ -	\$ 11,424	\$ (25)
Due to other funds	-	-	-
Accrued wages and benefits payable	3,723	-	-
Unearned revenue	-	-	64,608
Total liabilities	<u>3,723</u>	<u>11,424</u>	<u>64,583</u>
DEFERRED INFLOWS of RESOURCES			
Related to leases	-	-	-
Related to property taxes	-	-	-
Total deferred inflows of resources	<u>-</u>	<u>-</u>	<u>-</u>
FUND BALANCES			
Nonspendable	-	-	-
Restricted	294,403	985,007	538,873
Committed	-	-	-
Assigned	-	-	-
Unassigned	-	-	-
Total fund balances	<u>294,403</u>	<u>985,007</u>	<u>538,873</u>
Total liabilities, deferred inflows of resources, and fund balances	<u>\$ 298,126</u>	<u>\$ 996,431</u>	<u>\$ 603,456</u>

SKAGIT COUNTY, WASHINGTON
COMBINING BALANCE SHEET
NONMAJOR SPECIAL REVENUE FUNDS
AS OF DECEMBER 31, 2025

	Planning and Development Fund	Lake Management District 1 Fund	Lake Management District 2 Fund
ASSETS			
Cash and cash equivalents	\$ 2,769,238	\$ 37,072	\$ 46,564
Restricted cash	-	-	-
Investments	-	-	-
Taxes receivable	-	497	504
Accounts receivable	-	-	-
Leases receivable	-	-	-
Due from other funds	-	-	-
Due from other governments	38,657	-	-
Interfund loans receivable	-	-	-
Inventories and prepayments	-	-	-
Total assets	<u>\$ 2,807,895</u>	<u>\$ 37,569</u>	<u>\$ 47,068</u>
LIABILITIES			
Accounts and vouchers payable	\$ 12,857	\$ 5,426	\$ 356
Due to other funds	-	-	-
Accrued wages and benefits payable	147,518	-	-
Unearned revenue	64,014	497	504
Total liabilities	<u>224,389</u>	<u>5,923</u>	<u>860</u>
DEFERRED INFLOWS of RESOURCES			
Related to leases	-	-	-
Related to property taxes	-	-	-
Total deferred inflows of resources	<u>-</u>	<u>-</u>	<u>-</u>
FUND BALANCES			
Nonspendable	-	-	-
Restricted	2,583,507	31,646	46,207
Committed	-	-	-
Assigned	-	-	-
Unassigned	-	-	-
Total fund balances	<u>2,583,507</u>	<u>31,646</u>	<u>46,207</u>
Total liabilities, deferred inflows of resources, and fund balances	<u>\$ 2,807,896</u>	<u>\$ 37,569</u>	<u>\$ 47,067</u>

SKAGIT COUNTY, WASHINGTON
COMBINING BALANCE SHEET
NONMAJOR SPECIAL REVENUE FUNDS
AS OF DECEMBER 31, 2025

	Lake Management District 3 Fund	Lake Management District 4 Fund	Edison Clean Water Fund
ASSETS			
Cash and cash equivalents	\$ 32,438	\$ 8,670	\$ 229,654
Restricted cash	-	-	-
Investments	-	-	247,493
Taxes receivable	332	182	3,693
Accounts receivable	-	-	-
Leases receivable	-	-	-
Due from other funds	-	-	-
Due from other governments	-	-	12,683
Interfund loans receivable	-	-	5,500
Inventories and prepayments	-	-	-
Total assets	<u>\$ 32,770</u>	<u>\$ 8,852</u>	<u>\$ 499,023</u>
LIABILITIES			
Accounts and vouchers payable	\$ 1,814	\$ -	\$ 7,154
Due to other funds	-	-	-
Accrued wages and benefits payable	-	-	489
Unearned revenue	332	182	3,693
Total liabilities	<u>2,146</u>	<u>182</u>	<u>11,336</u>
DEFERRED INFLOWS of RESOURCES			
Related to leases	-	-	-
Related to property taxes	-	-	-
Total deferred inflows of resources	<u>-</u>	<u>-</u>	<u>-</u>
FUND BALANCES			
Nonspendable	-	-	-
Restricted	30,623	8,670	5,500
Committed	-	-	482,186
Assigned	-	-	-
Unassigned	-	-	-
Total fund balances	<u>30,623</u>	<u>8,670</u>	<u>487,686</u>
Total liabilities, deferred inflows of resources, and fund balances	<u>\$ 32,769</u>	<u>\$ 8,852</u>	<u>\$ 499,022</u>

SKAGIT COUNTY, WASHINGTON
COMBINING BALANCE SHEET
NONMAJOR SPECIAL REVENUE FUNDS
AS OF DECEMBER 31, 2025

	Drug Enforcement Fund	Boating Safety Fund	Low Income Housing Fund
ASSETS			
Cash and cash equivalents	\$ 28,149	\$ 109,519	\$ 5,133,474
Restricted cash	-	-	-
Investments	42,004	72,975	-
Taxes receivable	-	-	-
Accounts receivable	-	-	-
Leases receivable	-	-	-
Due from other funds	-	-	-
Due from other governments	-	-	346,914
Interfund loans receivable	-	-	-
Inventories and prepayments	-	-	-
Total assets	<u>\$ 70,153</u>	<u>\$ 182,494</u>	<u>\$ 5,480,388</u>
LIABILITIES			
Accounts and vouchers payable	\$ -	\$ 111	\$ 162,633
Due to other funds	-	-	-
Accrued wages and benefits payable	-	-	688
Unearned revenue	-	-	-
Total liabilities	<u>-</u>	<u>111</u>	<u>163,321</u>
DEFERRED INFLOWS of RESOURCES			
Related to leases	-	-	-
Related to property taxes	-	-	-
Total deferred inflows of resources	<u>-</u>	<u>-</u>	<u>-</u>
FUND BALANCES			
Nonspendable	-	-	-
Restricted	70,152	182,382	5,317,068
Committed	-	-	-
Assigned	-	-	-
Unassigned	-	-	-
Total fund balances	<u>70,152</u>	<u>182,382</u>	<u>5,317,068</u>
Total liabilities, deferred inflows of resources, and fund balances	<u>\$ 70,152</u>	<u>\$ 182,493</u>	<u>\$ 5,480,389</u>

SKAGIT COUNTY, WASHINGTON
COMBINING BALANCE SHEET
NONMAJOR SPECIAL REVENUE FUNDS
AS OF DECEMBER 31, 2025

	Title III Projects Fund	Treasurer REET Fund	Housing Assistance Fund
ASSETS			
Cash and cash equivalents	\$ 14,141	\$ 40,221	\$ 284,726
Restricted cash	-	-	-
Investments	-	313,195	14
Taxes receivable	-	-	-
Accounts receivable	-	-	55
Leases receivable	-	-	-
Due from other funds	-	-	-
Due from other governments	-	-	2,111,259
Interfund loans receivable	-	-	-
Inventories and prepayments	-	-	-
Total assets	<u>\$ 14,141</u>	<u>\$ 353,416</u>	<u>\$ 2,396,054</u>
LIABILITIES			
Accounts and vouchers payable	\$ -	\$ -	\$ 1,772,811
Due to other funds	-	-	-
Accrued wages and benefits payable	-	-	11,814
Unearned revenue	-	-	-
Total liabilities	<u>-</u>	<u>-</u>	<u>1,784,625</u>
DEFERRED INFLOWS of RESOURCES			
Related to leases	-	-	-
Related to property taxes	-	-	-
Total deferred inflows of resources	<u>-</u>	<u>-</u>	<u>-</u>
FUND BALANCES			
Nonspendable	-	-	-
Restricted	14,140	353,417	611,430
Committed	-	-	-
Assigned	-	-	-
Unassigned	-	-	-
Total fund balances	<u>14,140</u>	<u>353,417</u>	<u>611,430</u>
Total liabilities, deferred inflows of resources, and fund balances	<u>\$ 14,140</u>	<u>\$ 353,417</u>	<u>\$ 2,396,055</u>

SKAGIT COUNTY, WASHINGTON
COMBINING BALANCE SHEET
NONMAJOR SPECIAL REVENUE FUNDS
AS OF DECEMBER 31, 2025

	Housing Revolving Loan Fund	Interlocal Investigation Fund	Total
ASSETS			
Cash and cash equivalents	\$ -	\$ 903,744	\$ 30,808,552
Restricted cash	-	-	-
Investments	-	2,444,732	13,408,600
Taxes receivable	-	-	165,737
Accounts receivable	-	-	59,713
Leases receivable	-	-	-
Due from other funds	-	-	79,262
Due from other governments	-	115,508	5,891,660
Interfund loans receivable	-	-	5,500
Inventories and prepayments	-	-	48,391
Total assets	<u>\$ -</u>	<u>\$ 3,463,984</u>	<u>\$ 50,467,415</u>
LIABILITIES			
Accounts and vouchers payable	\$ -	\$ 679,981	\$ 4,550,507
Due to other funds	-	-	87,213
Accrued wages and benefits payable	-	9,530	695,248
Unearned revenue	-	112,137	1,571,597
Total liabilities	<u>-</u>	<u>801,648</u>	<u>6,906,813</u>
DEFERRED INFLOWS of RESOURCES			
Related to leases	-	-	-
Related to property taxes	-	-	89,768
Total deferred inflows of resources	<u>-</u>	<u>-</u>	<u>89,768</u>
FUND BALANCES			
Nonspendable	-	-	48,391
Restricted	-	2,662,335	41,505,027
Committed	-	-	2,342,634
Assigned	-	-	-
Unassigned	-	-	(425,216)
Total fund balances	<u>-</u>	<u>2,662,335</u>	<u>43,470,836</u>
Total liabilities, deferred inflows of resources, and fund balances	<u>\$ -</u>	<u>\$ 3,463,983</u>	<u>\$ 50,467,417</u>

SKAGIT COUNTY, WASHINGTON
COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND
CHANGES IN FUND BALANCE
NONMAJOR SPECIAL REVENUE FUNDS
FOR THE YEAR ENDED DECEMBER 31, 2025

	Public Health Fund	Special Paths Fund	Tourism Fund	Emergency Management Fund
REVENUES				
Property taxes	\$ -	\$ -	\$ -	\$ -
Sales and use taxes	-	-	-	-
Excise taxes	-	-	-	-
Other taxes	-	-	514,701	-
Licenses and permits	817,994	-	-	-
Intergovernmental revenues	5,561,024	158,415	-	1,383,700
Charges for services	903,107	-	-	-
Fines and penalties	3,178	-	-	-
Interest and investment earnings	5,399	1	1,546	-
Settlement	-	-	-	-
Contributions and donations	-	-	-	-
Other revenues	4,967	-	-	10,005
Total revenues	<u>7,295,669</u>	<u>158,416</u>	<u>516,247</u>	<u>1,393,705</u>
EXPENDITURES				
Current:				
General government	\$ -	\$ -	\$ -	\$ -
Judicial	-	-	-	-
Public safety	-	-	-	1,276,253
Transportation	-	120,135	-	-
Natural and economic environment	-	-	-	-
Health and human services	7,497,472	-	-	-
Culture and recreation	-	-	642,165	-
Debt service:				
Principal	-	-	-	-
Interest on long term debt	-	-	-	-
Capital outlay	-	-	-	779,804
Total expenditures	<u>7,497,472</u>	<u>120,135</u>	<u>642,165</u>	<u>2,056,057</u>
Excess (deficit) of revenues over expenditures	<u>(201,803)</u>	<u>38,281</u>	<u>(125,918)</u>	<u>(662,352)</u>
OTHER FINANCING SOURCES (USES)				
Issuance of long term debt	-	-	-	-
Transfers in	1,000,000	-	-	559,125
Transfers out	-	-	-	-
Total other financing source (uses)	<u>1,000,000</u>	<u>-</u>	<u>-</u>	<u>559,125</u>
Net change in fund balance	798,197	38,281	(125,918)	(103,227)
Fund balances - beginning of year, as previously presented	2,702,669	17,755	140,594	171,220
Error correction	-	-	-	-
Fund balances - beginning of year, as adjusted	2,702,669	17,755	140,594	171,220
Fund balances - end of year	<u>\$ 3,500,866</u>	<u>\$ 56,036</u>	<u>\$ 14,676</u>	<u>\$ 67,993</u>

SKAGIT COUNTY, WASHINGTON
COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND
CHANGES IN FUND BALANCE
NONMAJOR SPECIAL REVENUE FUNDS
FOR THE YEAR ENDED DECEMBER 31, 2025

	County Fair Fund	Veterans' Relief Fund	Law Library Fund	Treasurer O&M Fund
REVENUES				
Property taxes	\$ -	\$ 378,664	\$ -	\$ -
Sales and use taxes	-	-	-	-
Excise taxes	-	5,527	-	-
Other taxes	-	-	-	-
Licenses and permits	-	-	-	-
Intergovernmental revenues	61,718	3,983	-	-
Charges for services	524,677	-	45,785	75,138
Fines and penalties	-	-	-	-
Interest and investment earnings	-	22	-	16,135
Settlement	-	-	-	-
Contributions and donations	52,675	-	6	-
Other revenues	163,026	139	3,878	-
Total revenues	<u>802,096</u>	<u>388,335</u>	<u>49,669</u>	<u>91,273</u>
EXPENDITURES				
Current:				
General government	\$ -	\$ -	\$ 155,596	\$ 56,944
Judicial	-	-	-	-
Public safety	-	-	-	-
Transportation	-	-	-	-
Natural and economic environment	-	-	-	-
Health and human services	-	545,800	-	-
Culture and recreation	869,696	-	-	-
Debt service:				
Principal	-	-	-	-
Interest on long term debt	-	-	-	-
Capital outlay	-	-	-	-
Total expenditures	<u>869,696</u>	<u>545,800</u>	<u>155,596</u>	<u>56,944</u>
Excess (deficit) of revenues over expenditures	<u>(67,600)</u>	<u>(157,465)</u>	<u>(105,927)</u>	<u>34,329</u>
OTHER FINANCING SOURCES (USES)				
Issuance of long term debt	-	-	-	-
Transfers in	-	-	118,294	-
Transfers out	(267,500)	-	-	-
Total other financing source (uses)	<u>(267,500)</u>	<u>-</u>	<u>118,294</u>	<u>-</u>
Net change in fund balance	(335,100)	(157,465)	12,367	34,329
Fund balances - beginning of year, as previously presented	764,865	845,654	12,180	399,917
Error correction	-	-	-	-
Fund balances - beginning of year, as adjusted	764,865	845,654	12,180	399,917
Fund balances - end of year	<u>\$ 429,765</u>	<u>\$ 688,189</u>	<u>\$ 24,547</u>	<u>\$ 434,246</u>

SKAGIT COUNTY, WASHINGTON
COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND
CHANGES IN FUND BALANCE
NONMAJOR SPECIAL REVENUE FUNDS
FOR THE YEAR ENDED DECEMBER 31, 2025

	Document Preservation Fund	Election Fund	Parks and Recreation Fund	Substance Abuse Fund
REVENUES				
Property taxes	\$ -	\$ -	\$ -	\$ -
Sales and use taxes	-	-	-	-
Excise taxes	-	-	-	21,775
Other taxes	-	-	-	-
Licenses and permits	-	-	-	-
Intergovernmental revenues	43,845	-	-	805,295
Charges for services	62,065	557,437	654,794	107,320
Fines and penalties	-	-	-	-
Interest and investment earnings	17,592	61	7,532	1,262
Settlement	-	-	-	327,984
Contributions and donations	-	11,336	19,649	-
Other revenues	-	-	446,310	(3,341)
Total revenues	<u>123,502</u>	<u>568,834</u>	<u>1,128,285</u>	<u>1,260,295</u>
EXPENDITURES				
Current:				
General government	\$ 134,605	\$ 1,092,128	\$ -	\$ -
Judicial	-	-	-	-
Public safety	-	-	-	-
Transportation	-	-	-	-
Natural and economic environment	-	-	-	-
Health and human services	-	-	-	836,969
Culture and recreation	-	-	2,302,364	-
Debt service:				
Principal	-	-	-	-
Interest on long term debt	-	-	-	-
Capital outlay	-	-	-	-
Total expenditures	<u>134,605</u>	<u>1,092,128</u>	<u>2,302,364</u>	<u>836,969</u>
Excess (deficit) of revenues over expenditures	<u>(11,103)</u>	<u>(523,294)</u>	<u>(1,174,079)</u>	<u>423,326</u>
OTHER FINANCING SOURCES (USES)				
Issuance of long term debt	-	-	-	-
Transfers in	-	114,000	1,376,248	-
Transfers out	-	-	-	-
Total other financing source (uses)	<u>-</u>	<u>114,000</u>	<u>1,376,248</u>	<u>-</u>
Net change in fund balance	(11,103)	(409,294)	202,169	423,326
Fund balances - beginning of year, as previously presented	817,865	989,146	457,748	2,294,383
Error correction	-	-	-	-
Fund balances - beginning of year, as adjusted	817,865	989,146	457,748	2,294,383
Fund balances - end of year	<u>\$ 806,762</u>	<u>\$ 579,852</u>	<u>\$ 659,917</u>	<u>\$ 2,717,709</u>

SKAGIT COUNTY, WASHINGTON
COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND
CHANGES IN FUND BALANCE
NONMAJOR SPECIAL REVENUE FUNDS
FOR THE YEAR ENDED DECEMBER 31, 2025

	Mental Health Fund	Community Services Fund	Convention Center Fund	Clean Water Fund
REVENUES				
Property taxes	\$ 424,737	\$ -	\$ -	\$ -
Sales and use taxes	4,770,630	-	887,229	-
Excise taxes	6,197	-	-	-
Other taxes	-	-	-	1,743,377
Licenses and permits	-	-	-	-
Intergovernmental revenues	3,889,722	934,491	-	552,289
Charges for services	1,309,942	-	-	-
Fines and penalties	-	-	-	-
Interest and investment earnings	351,255	-	7,030	-
Settlement	-	-	-	-
Contributions and donations	-	382,555	-	-
Other revenues	281	13,503	-	350
Total revenues	<u>10,752,764</u>	<u>1,330,549</u>	<u>894,259</u>	<u>2,296,016</u>
EXPENDITURES				
Current:				
General government	\$ -	\$ -	\$ -	\$ -
Judicial	-	-	-	-
Public safety	-	-	-	-
Transportation	-	-	-	-
Natural and economic environment	-	-	-	1,893,225
Health and human services	10,077,909	2,874,268	-	-
Culture and recreation	-	-	763,538	-
Debt service:				
Principal	-	-	-	-
Interest on long term debt	-	-	-	-
Capital outlay	-	-	-	-
Total expenditures	<u>10,077,909</u>	<u>2,874,268</u>	<u>763,538</u>	<u>1,893,225</u>
Excess (deficit) of revenues over expenditures	<u>674,855</u>	<u>(1,543,719)</u>	<u>130,721</u>	<u>402,791</u>
OTHER FINANCING SOURCES (USES)				
Issuance of long term debt	-	-	-	-
Transfers in	-	1,766,760	-	-
Transfers out	-	-	-	-
Total other financing source (uses)	<u>-</u>	<u>1,766,760</u>	<u>-</u>	<u>-</u>
Net change in fund balance	674,855	223,041	130,721	402,791
Fund balances - beginning of year, as previously presented	9,665,475	985,030	1,852,425	2,195,835
Error correction	-	-	-	-
Fund balances - beginning of year, as adjusted	9,665,475	985,030	1,852,425	2,195,835
Fund balances - end of year	<u>\$ 10,340,330</u>	<u>\$ 1,208,071</u>	<u>\$ 1,983,146</u>	<u>\$ 2,598,626</u>

SKAGIT COUNTY, WASHINGTON
COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND
CHANGES IN FUND BALANCE
NONMAJOR SPECIAL REVENUE FUNDS
FOR THE YEAR ENDED DECEMBER 31, 2025

	American Rescue Plan Act	Conservation Futures Fund	Crime Victim Fund	Communication System Fund
REVENUES				
Property taxes	\$ -	\$ 1,044,949	\$ -	\$ -
Sales and use taxes	-	-	-	6,159,124
Excise taxes	-	15,245	-	-
Other taxes	-	-	-	-
Licenses and permits	-	-	-	-
Intergovernmental revenues	574,784	10,985	61,249	59,826
Charges for services	-	-	64,654	-
Fines and penalties	-	-	-	-
Interest and investment earnings	-	29,309	6,419	4,753
Settlement	-	-	-	-
Contributions and donations	-	10,128	-	-
Other revenues	-	1,315	-	-
Total revenues	<u>574,784</u>	<u>1,111,931</u>	<u>132,322</u>	<u>6,223,703</u>
EXPENDITURES				
Current:				
General government	\$ -	\$ -	\$ 150,740	\$ -
Judicial	-	-	-	-
Public safety	-	-	-	6,203,687
Transportation	-	-	-	-
Natural and economic environment	-	288,714	-	-
Health and human services	-	-	-	-
Culture and recreation	-	-	-	-
Debt service:				
Principal	-	-	-	-
Interest on long term debt	-	-	-	-
Capital outlay	-	609,830	-	-
Total expenditures	<u>-</u>	<u>898,544</u>	<u>150,740</u>	<u>6,203,687</u>
Excess (deficit) of revenues over expenditures	<u>574,784</u>	<u>213,387</u>	<u>(18,418)</u>	<u>20,016</u>
OTHER FINANCING SOURCES (USES)				
Issuance of long term debt	-	-	-	-
Transfers in	-	-	-	-
Transfers out	(1,000,000)	-	-	-
Total other financing source (uses)	<u>(1,000,000)</u>	<u>-</u>	<u>-</u>	<u>-</u>
Net change in fund balance	(425,216)	213,387	(18,418)	20,016
Fund balances - beginning of year, as previously presented	-	3,354,388	312,821	964,991
Error correction	-	-	-	-
Fund balances - beginning of year, as adjusted	-	3,354,388	312,821	964,991
Fund balances - end of year	<u>\$ (425,216)</u>	<u>\$ 3,567,775</u>	<u>\$ 294,403</u>	<u>\$ 985,007</u>

SKAGIT COUNTY, WASHINGTON
COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND
CHANGES IN FUND BALANCE
NONMAJOR SPECIAL REVENUE FUNDS
FOR THE YEAR ENDED DECEMBER 31, 2025

	Water Quality Fund	Planning and Development Fund	Lake Management District 1 Fund	Lake Management District 2 Fund
REVENUES				
Property taxes	\$ -	\$ -	\$ -	\$ -
Sales and use taxes	-	-	-	-
Excise taxes	-	-	-	-
Other taxes	-	-	64,566	15,282
Licenses and permits	-	1,658,846	-	-
Intergovernmental revenues	-	744,020	-	-
Charges for services	-	737,209	-	-
Fines and penalties	-	6,000	-	-
Interest and investment earnings	6,633	-	-	-
Settlement	-	-	-	-
Contributions and donations	-	-	-	-
Other revenues	-	835	-	-
Total revenues	<u>6,633</u>	<u>3,146,910</u>	<u>64,566</u>	<u>15,282</u>
EXPENDITURES				
Current:				
General government	\$ -	\$ -	\$ -	\$ -
Judicial	-	-	-	-
Public safety	-	-	-	-
Transportation	-	-	-	-
Natural and economic environment	27	5,670,980	78,191	17,480
Health and human services	-	-	-	-
Culture and recreation	-	-	-	-
Debt service:				
Principal	-	-	-	-
Interest on long term debt	-	-	-	-
Capital outlay	-	-	-	-
Total expenditures	<u>27</u>	<u>5,670,980</u>	<u>78,191</u>	<u>17,480</u>
Excess (deficit) of revenues over expenditures	<u>6,606</u>	<u>(2,524,070)</u>	<u>(13,625)</u>	<u>(2,198)</u>
OTHER FINANCING SOURCES (USES)				
Issuance of long term debt	-	-	-	-
Transfers in	-	3,079,833	-	-
Transfers out	-	-	-	-
Total other financing source (uses)	<u>-</u>	<u>3,079,833</u>	<u>-</u>	<u>-</u>
Net change in fund balance	6,606	555,763	(13,625)	(2,198)
Fund balances - beginning of year, as previously presented	532,267	2,362,686	45,271	48,405
Error correction	-	(334,942)	-	-
Fund balances - beginning of year, as adjusted	532,267	2,027,744	45,271	48,405
Fund balances - end of year	<u>\$ 538,873</u>	<u>\$ 2,583,507</u>	<u>\$ 31,646</u>	<u>\$ 46,207</u>

SKAGIT COUNTY, WASHINGTON
COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND
CHANGES IN FUND BALANCE
NONMAJOR SPECIAL REVENUE FUNDS
FOR THE YEAR ENDED DECEMBER 31, 2025

	Lake Management District 3 Fund	Lake Management District 4 Fund	Edison Clean Water Fund	Drug Enforcement Fund
REVENUES				
Property taxes	\$ -	\$ -	\$ -	\$ -
Sales and use taxes	-	-	-	-
Excise taxes	-	-	-	-
Other taxes	50,943	20,513	97,034	-
Licenses and permits	-	-	-	-
Intergovernmental revenues	-	-	50,952	-
Charges for services	-	-	-	-
Fines and penalties	-	-	-	-
Interest and investment earnings	-	-	10,794	2,113
Settlement	-	-	-	-
Contributions and donations	-	-	-	19,000
Other revenues	-	-	-	-
Total revenues	<u>50,943</u>	<u>20,513</u>	<u>158,780</u>	<u>21,113</u>
EXPENDITURES				
Current:				
General government	\$ -	\$ -	\$ -	\$ -
Judicial	-	-	-	-
Public safety	-	-	-	25
Transportation	-	-	-	-
Natural and economic environment	57,114	23,403	135,074	-
Health and human services	-	-	-	-
Culture and recreation	-	-	-	-
Debt service:				
Principal	-	-	-	-
Interest on long term debt	-	-	-	-
Capital outlay	-	-	27,867	-
Total expenditures	<u>57,114</u>	<u>23,403</u>	<u>162,941</u>	<u>25</u>
Excess (deficit) of revenues over expenditures	<u>(6,171)</u>	<u>(2,890)</u>	<u>(4,161)</u>	<u>21,088</u>
OTHER FINANCING SOURCES (USES)				
Issuance of long term debt	-	-	-	-
Transfers in	-	-	-	-
Transfers out	-	-	-	-
Total other financing source (uses)	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Net change in fund balance	(6,171)	(2,890)	(4,161)	21,088
Fund balances - beginning of year, as previously presented	36,794	11,560	491,847	49,064
Error correction	-	-	-	-
Fund balances - beginning of year, as adjusted	36,794	11,560	491,847	49,064
Fund balances - end of year	<u>\$ 30,623</u>	<u>\$ 8,670</u>	<u>\$ 487,686</u>	<u>\$ 70,152</u>

SKAGIT COUNTY, WASHINGTON
COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND
CHANGES IN FUND BALANCE
NONMAJOR SPECIAL REVENUE FUNDS
FOR THE YEAR ENDED DECEMBER 31, 2025

	Boating Safety Fund	Low Income Housing Fund	Title III Projects Fund	Treasurer REET Fund
REVENUES				
Property taxes	\$ -	\$ -	\$ -	\$ -
Sales and use taxes	-	1,669,557	-	-
Excise taxes	-	-	-	-
Other taxes	-	-	-	-
Licenses and permits	-	-	-	-
Intergovernmental revenues	79,018	574,473	-	11,178
Charges for services	-	-	-	10,455
Fines and penalties	-	-	-	-
Interest and investment earnings	3,183	-	-	13,623
Settlement	-	-	-	-
Contributions and donations	-	-	-	-
Other revenues	-	-	-	-
Total revenues	<u>82,201</u>	<u>2,244,030</u>	<u>-</u>	<u>35,256</u>
EXPENDITURES				
Current:				
General government	\$ -	\$ -	\$ 12,938	\$ 12,524
Judicial	-	-	-	-
Public safety	102,685	-	-	-
Transportation	-	-	-	-
Natural and economic environment	-	1,602,660	-	-
Health and human services	-	-	-	-
Culture and recreation	-	-	-	-
Debt service:				
Principal	-	-	-	-
Interest on long term debt	-	-	-	-
Capital outlay	-	-	-	-
Total expenditures	<u>102,685</u>	<u>1,602,660</u>	<u>12,938</u>	<u>12,524</u>
Excess (deficit) of revenues over expenditures	<u>(20,484)</u>	<u>641,370</u>	<u>(12,938)</u>	<u>22,732</u>
OTHER FINANCING SOURCES (USES)				
Issuance of long term debt	-	-	-	-
Transfers in	-	-	-	-
Transfers out	-	-	-	-
Total other financing source (uses)	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Net change in fund balance	(20,484)	641,370	(12,938)	22,732
Fund balances - beginning of year, as previously presented	202,866	4,675,698	27,078	330,685
Error correction	-	-	-	-
Fund balances - beginning of year, as adjusted	202,866	4,675,698	27,078	330,685
Fund balances - end of year	<u>\$ 182,382</u>	<u>\$ 5,317,068</u>	<u>\$ 14,140</u>	<u>\$ 353,417</u>

SKAGIT COUNTY, WASHINGTON
COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND
CHANGES IN FUND BALANCE
NONMAJOR SPECIAL REVENUE FUNDS
FOR THE YEAR ENDED DECEMBER 31, 2025

	Housing Assistance Fund	Housing Revolving Loan Fund	Interlocal Investigation Fund	Total
REVENUES				
Property taxes	\$ -	\$ -	\$ -	\$ 1,848,350
Sales and use taxes	-	-	-	13,486,540
Excise taxes	-	-	-	48,744
Other taxes	-	-	-	2,506,416
Licenses and permits	-	-	-	2,476,840
Intergovernmental revenues	8,466,187	-	157,869	24,185,023
Charges for services	876,945	-	-	5,929,528
Fines and penalties	-	-	3,175,602	3,184,780
Interest and investment earnings	1	2,799	108,173	595,635
Settlement	-	-	-	327,984
Contributions and donations	-	-	-	495,349
Other revenues	-	-	46,102	687,370
Total revenues	<u>9,343,133</u>	<u>2,799</u>	<u>3,487,746</u>	<u>55,772,559</u>
EXPENDITURES				
Current:				
General government	\$ -	\$ -	\$ -	\$ 1,615,475
Judicial	-	-	-	-
Public safety	-	-	1,068,637	8,651,287
Transportation	-	-	-	120,135
Natural and economic environment	-	-	-	9,766,868
Health and human services	8,990,128	160,983	-	31,428,900
Culture and recreation	-	-	-	4,862,890
Debt service:				
Principal	-	-	-	-
Interest on long term debt	-	-	-	-
Capital outlay	-	-	221,896	1,639,397
Total expenditures	<u>8,990,128</u>	<u>160,983</u>	<u>1,290,533</u>	<u>57,354,454</u>
Excess (deficit) of revenues over expenditures	<u>353,005</u>	<u>(158,184)</u>	<u>2,197,213</u>	<u>(1,581,895)</u>
OTHER FINANCING SOURCES (USES)				
Issuance of long term debt	-	-	-	-
Transfers in	-	-	-	8,014,260
Transfers out	-	-	-	(1,267,500)
Total other financing source (uses)	<u>-</u>	<u>-</u>	<u>-</u>	<u>6,746,760</u>
Net change in fund balance	353,005	(158,184)	2,197,213	5,164,865
Fund balances - beginning of year, as previously presented	258,425	158,184	465,122	38,640,913
Error correction	-	-	-	(334,942)
Fund balances - beginning of year, as adjusted	258,425	158,184	465,122	38,305,971
Fund balances - end of year	<u>\$ 611,430</u>	<u>\$ -</u>	<u>\$ 2,662,335</u>	<u>\$ 43,470,836</u>

SKAGIT COUNTY, WASHINGTON
Revenues, Expenditures and Changes in Fund Balance
Budgetary Comparison Schedule
Public Health
For the Year Ended December 31, 2025

	Budgeted Amounts		Actual	Variance with Final Budget
	Original Budget	Final Budget		
Budgeted Fund Balance, January 1	\$ (217,739)	\$ 1,149,389	\$ 2,702,669	
Resources (in-flows)				
Licenses and Permits	794,882	794,882	817,994	23,112
Intergovernmental Revenue	5,330,297	4,479,214	5,561,024	1,081,810
Charges for Goods and Services	923,812	923,812	903,107	(20,705)
Fines and Forfeits	8,375	8,375	3,178	(5,197)
Interest Revenue	6,000	6,000	5,399	(601)
Transfers In	1,000,000	1,000,000	1,000,000	-
Miscellaneous Revenues	-	-	4,967	4,967
Total Resources (in-flows)	8,063,366	7,212,283	8,295,669	1,083,386
Amounts Available for Appropriation	7,845,627	8,361,672	10,998,338	
Charges to Appropriations (out-flows)				
Salaries, Wages, and Benefits	5,986,382	6,190,551	5,608,867	(581,684)
Supplies	46,835	102,135	96,798	(5,337)
Services and Charges	839,328	1,095,904	1,791,807	695,903
Interfund Payments for Services	973,082	973,082	-	(973,082)
Amount Charged to Appropriations (out-flows)	7,845,627	8,361,672	7,497,472	(864,200)
Budgeted Fund Balance, December 31	\$ -	\$ -	\$ 3,500,866	

SKAGIT COUNTY, WASHINGTON
Revenues, Expenditures and Changes in Fund Balance
Budgetary Comparison Schedule
Special Paths
For the Year Ended December 31, 2025

	Budgeted Amounts			Variance with Final Budget
	Original Budget	Final Budget	Actual	
Budgeted Fund Balance, January 1	\$ (3,074)	\$ (3,074)	\$ 17,755	
Resources (in-flows)				
Intergovernmental Revenue	150,000	150,000	158,415	8,415
Investment Revenue	2,000	2,000	1	(1,999)
Miscellaneous Revenue	-	-	-	-
Total Resources (in-flows)	152,000	152,000	158,416	6,416
Amounts Available for Appropriation	148,926	148,926	176,171	
Charges to Appropriations (out-flows)				
Salaries, Wages, and Benefits	88,774	88,774	86,231	(2,543)
Supplies	5,750	5,750	-	(5,750)
Services and Charges	49,402	49,402	33,904	(15,498)
Capital Outlays	1,000	1,000	-	(1,000)
Interfund Payments for Services	4,000	4,000	-	(4,000)
Transfers Out	-	-	-	-
Amount Charged to Appropriations (out-flows)	148,926	148,926	120,135	(28,791)
Budgeted Fund Balance, December 31	\$ -	\$ -	\$ 56,036	

SKAGIT COUNTY, WASHINGTON
Revenues, Expenditures and Changes in Fund Balance
Budgetary Comparison Schedule
Tourism
For the Year Ended December 31, 2025

	<u>Budgeted Amounts</u>			Variance with Final Budget
	Original Budget	Final Budget	Actual	
Budgeted Fund Balance, January 1	\$ 115,000	\$ 170,000	\$ 140,594	
Resources (in-flows)				
Other Taxes	-	-	514,701	514,701
Charges for Goods and Services	450,000	500,000	-	(500,000)
Interest Revenue	-	-	1,546	1,546
Total Resources (in-flows)	<u>450,000</u>	<u>500,000</u>	<u>516,247</u>	<u>16,247</u>
Amounts Available for Appropriation	565,000	670,000	656,841	
Charges to Appropriations (out-flows)				
Services and Charges	565,000	670,000	642,165	(27,835)
Amount Charged to Appropriations (out-flows)	<u>565,000</u>	<u>670,000</u>	<u>642,165</u>	<u>(27,835)</u>
Budgeted Fund Balance, December 31	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 14,676</u>	

SKAGIT COUNTY, WASHINGTON
Revenues, Expenditures and Changes in Fund Balance
Budgetary Comparison Schedule
Emergency Management
For the Year Ended December 31, 2025

	Budgeted Amounts			Variance with Final Budget
	Original Budget	Final Budget	Actual	
Budgeted Fund Balance, January 1	\$ (4,911)	\$ 995,089	\$ 171,220	
Resources (in-flows)				
Intergovernmental Revenue	1,523,398	1,537,265	1,383,700	(153,565)
Transfers In	646,934	646,934	559,125	(87,809)
Miscellaneous Revenues	-	10,000	10,005	5
Total Resources (in-flows)	2,170,332	2,194,199	1,952,830	(241,369)
Amounts Available for Appropriation	2,165,421	3,189,288	2,124,050	
Charges to Appropriations (out-flows)				
Salaries, Wages, and Benefits	851,804	851,804	853,936	2,132
Supplies	19,675	19,675	12,049	(7,626)
Services and Charges	1,146,731	1,390,793	410,268	(980,525)
Capital Outlays	-	779,805	779,804	(1)
Interfund Payments for Services	147,211	147,211	-	(147,211)
Amount Charged to Appropriations (out-flows)	2,165,421	3,189,288	2,056,057	(1,133,231)
Budgeted Fund Balance, December 31	\$ -	\$ -	\$ 67,993	

SKAGIT COUNTY, WASHINGTON
Revenues, Expenditures and Changes in Fund Balance
Budgetary Comparison Schedule
Skagit County Fair
For the Year Ended December 31, 2025

	Budgeted Amounts		Actual	Variance with Final Budget
	Original Budget	Final Budget		
Budgeted Fund Balance, January 1	\$ 9,060	\$ 286,560	\$ 764,865	
Resources (in-flows)				
Intergovernmental Revenue	65,000	65,000	61,718	(3,282)
Charges for Goods and Services	586,500	586,500	524,677	(61,823)
Donations	80,000	80,000	52,675	(27,325)
Miscellaneous Revenues	194,000	194,000	163,026	(30,974)
Total Resources (in-flows)	925,500	925,500	802,096	(123,404)
Amounts Available for Appropriation	934,560	1,212,060	1,566,961	
Charges to Appropriations (out-flows)				
Salaries, Wages, and Benefits	474,915	474,915	471,161	(3,754)
Supplies	47,285	47,285	38,832	(8,453)
Services and Charges	330,000	607,500	359,702	(247,798)
Capital Outlays	-	-	-	-
Interfund Payments for Services	82,360	82,360	-	(82,360)
Transfers Out	-	-	267,500	267,500
Amount Charged to Appropriations (out-flows)	934,560	1,212,060	1,137,195	(74,865)
Budgeted Fund Balance, December 31	\$ -	\$ -	\$ 429,766	

SKAGIT COUNTY, WASHINGTON
Revenues, Expenditures and Changes in Fund Balance
Budgetary Comparison Schedule
Veterans Relief
For the Year Ended December 31, 2025

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance with Final Budget</u>
	<u>Original Budget</u>	<u>Final Budget</u>		
Budgeted Fund Balance, January 1	\$ 167,548	\$ 196,060	\$ 845,654	
Resources (in-flows)				
Property Tax	360,000	375,000	378,664	3,664
Excise Taxes	4,600	5,000	5,527	527
Intergovernmental Revenue	9,000	9,000	3,983	(5,017)
Interest Revenue	-	-	22	22
Miscellaneous Revenues	1,030	1,030	139	(891)
Total Resources (in-flows)	<u>374,630</u>	<u>390,030</u>	<u>388,335</u>	<u>(1,695)</u>
Amounts Available for Appropriation	542,178	586,090	1,233,989	
Charges to Appropriations (out-flows)				
Salaries, Wages, and Benefits	200,539	205,187	168,824	(36,363)
Supplies	750	2,750	1,613	(1,137)
Services and Charges	319,088	355,985	375,363	19,378
Interfund Payments for Services	21,801	22,168	-	(22,168)
Amount Charged to Appropriations (out-flows)	<u>542,178</u>	<u>586,090</u>	<u>545,800</u>	<u>(40,290)</u>
Budgeted Fund Balance, December 31	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 688,189</u>	

SKAGIT COUNTY, WASHINGTON
Revenues, Expenditures and Changes in Fund Balance
Budgetary Comparison Schedule
Law Library
For the Year Ended December 31, 2025

	Budgeted Amounts		Actual	Variance with Final Budget
	Original Budget	Final Budget		
Budgeted Fund Balance, January 1	\$ 100	\$ 4,192	\$ 12,180	
Resources (in-flows)				
Charges for Goods and Services	44,250	44,250	45,785	1,535
Transfers In	118,294	118,294	118,294	-
Miscellaneous Revenues	700	700	3,878	3,178
Total Resources (in-flows)	163,244	163,244	167,957	4,713
Amounts Available for Appropriation	163,344	167,436	180,137	
Charges to Appropriations (out-flows)				
Salaries, Wages, and Benefits	80,437	80,437	77,789	(2,648)
Supplies	7,735	11,827	9,716	(2,111)
Services and Charges	60,637	60,637	68,092	7,455
Amount Charged to Appropriations (out-flows)	163,404	167,496	155,597	(11,899)
Budgeted Fund Balance, December 31	\$ (60)	\$ (60)	\$ 24,540	

SKAGIT COUNTY, WASHINGTON
Revenues, Expenditures and Changes in Fund Balance
Budgetary Comparison Schedule
Treasurer's O&M
For the Year Ended December 31, 2025

	<u>Budgeted Amounts</u>		Actual	Variance with Final Budget
	Original Budget	Final Budget		
Budgeted Fund Balance, January 1	\$ 15,500	\$ 15,500	\$ 399,917	
Resources (in-flows)				
Charges for Goods and Services	22,000	22,000	75,138	53,138
Interest Revenue	10,000	10,000	16,135	6,135
Total Resources (in-flows)	<u>32,000</u>	<u>32,000</u>	<u>91,273</u>	<u>59,273</u>
Amounts Available for Appropriation	47,500	47,500	491,190	
Charges to Appropriations (out-flows)				
Salaries, Wages, and Benefits	-	-	(1)	(1)
Services and Charges	47,500	47,500	56,945	9,445
Amount Charged to Appropriations (out-flows)	<u>47,500</u>	<u>47,500</u>	<u>56,944</u>	<u>9,444</u>
Budgeted Fund Balance, December 31	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 434,246</u>	

SKAGIT COUNTY, WASHINGTON
Revenues, Expenditures and Changes in Fund Balance
Budgetary Comparison Schedule
Centennial Document Preservation
For the Year Ended December 31, 2025

	Budgeted Amounts		Actual	Variance with Final Budget
	Original Budget	Final Budget		
Budgeted Fund Balance, January 1	\$ 133,800	\$ 133,800	\$ 817,865	
Resources (in-flows)				
Intergovernmental Revenue	50,000	50,000	43,845	(6,155)
Charges for Goods and Services	50,000	50,000	62,065	12,065
Interest Revenue	17,000	17,000	17,592	592
Total Resources (in-flows)	117,000	117,000	123,502	6,502
Amounts Available for Appropriation	250,800	250,800	941,367	
Charges to Appropriations (out-flows)				
Salaries, Wages, and Benefits	106,800	106,800	98,893	(7,907)
Services and Charges	112,000	112,000	35,713	(76,287)
Interfund Payments for Services	32,000	32,000	-	(32,000)
Transfers Out	-	-	-	-
Amount Charged to Appropriations (out-flows)	250,800	250,800	134,606	(116,194)
Budgeted Fund Balance, December 31	\$ -	\$ -	\$ 806,761	

SKAGIT COUNTY, WASHINGTON
Revenues, Expenditures and Changes in Fund Balance
Budgetary Comparison Schedule
Election Services
For the Year Ended December 31, 2025

	Budgeted Amounts		Actual	Variance with Final Budget
	Original Budget	Final Budget		
Budgeted Fund Balance, January 1	\$ 275,000	\$ 275,000	\$ 989,146	
Resources (in-flows)				
Intergovernmental Revenue	-	-	-	-
Charges for Goods and Services	910,000	910,000	557,437	(352,563)
Investment interest	-	-	61	61
Donations	75,000	75,000	11,336	(63,664)
Transfers In	114,000	114,000	114,000	-
Miscellaneous Revenues	-	-	-	-
Total Resources (in-flows)	1,099,000	1,099,000	682,834	(416,166)
Amounts Available for Appropriation	1,374,000	1,374,000	1,671,980	
Charges to Appropriations (out-flows)				
Salaries, Wages, and Benefits	539,472	539,472	456,589	(82,883)
Supplies	15,000	15,000	11,168	(3,832)
Services and Charges	645,721	645,721	624,371	(21,350)
Capital Outlays	-	-	-	-
Interfund Payments for Services	173,807	173,807	-	(173,807)
Transfers Out	-	-	-	-
Amount Charged to Appropriations (out-flows)	1,374,000	1,374,000	1,092,128	(281,872)
Budgeted Fund Balance, December 31	\$ -	\$ -	\$ 579,852	

SKAGIT COUNTY, WASHINGTON
Revenues, Expenditures and Changes in Fund Balance
Budgetary Comparison Schedule
Parks and Recreation
For the Year Ended December 31, 2025

	Budgeted Amounts		Actual	Variance with Final Budget
	Original Budget	Final Budget		
Budgeted Fund Balance, January 1	\$ -	\$ -	\$ 457,748	
Resources (in-flows)				
Intergovernmental Revenue	-	-	-	-
Charges for Goods and Services	592,789	592,789	654,794	62,005
Interest Revenue	10,000	10,000	7,532	(2,468)
Donations	10,000	10,000	19,649	9,649
Transfers In	1,376,248	1,376,248	1,376,248	-
Miscellaneous Revenues	434,500	434,500	446,310	11,810
Total Resources (in-flows)	2,423,537	2,423,537	2,504,533	80,996
Amounts Available for Appropriation	2,423,537	2,423,537	2,962,281	
Charges to Appropriations (out-flows)				
Salaries, Wages, and Benefits	1,380,869	1,355,869	1,317,985	(37,884)
Supplies	100,750	90,750	91,309	559
Services and Charges	576,125	632,625	893,069	260,444
Capital Outlays	32,750	11,250	-	(11,250)
Interfund Payments for Services	333,043	333,043	-	(333,043)
Transfers Out	-	-	-	-
Amount Charged to Appropriations (out-flows)	2,423,537	2,423,537	2,302,363	(121,174)
Budgeted Fund Balance, December 31	\$ -	\$ -	\$ 659,918	

SKAGIT COUNTY, WASHINGTON
Revenues, Expenditures and Changes in Fund Balance
Budgetary Comparison Schedule
Substance Abuse
For the Year Ended December 31, 2025

	Budgeted Amounts		Actual	Variance with Final Budget
	Original Budget	Final Budget		
Budgeted Fund Balance, January 1	\$ (178,481)	\$ (171,977)	\$ 2,294,383	
Resources (in-flows)				
Excise Taxes	-	-	21,775	21,775
Intergovernmental Revenue	806,293	842,726	805,295	(37,431)
Charges for services	161,400	161,400	107,320	(54,080)
Settlement	332,731	332,731	327,984	(4,747)
Interest Revenue	-	-	1,262	1,262
Miscellaneous Revenue	-	-	(3,341)	(3,341)
Transfers In	-	-	-	-
Total Resources (in-flows)	1,300,424	1,336,857	1,260,295	(76,562)
Amounts Available for Appropriation	1,121,943	1,164,880	3,554,678	
Charges to Appropriations (out-flows)				
Salaries, Wages, and Benefits	73,609	75,435	22,276	(53,159)
Supplies	-	-	-	-
Services and Charges	1,033,334	1,074,445	814,693	(259,752)
Capital Outlays	-	-	-	-
Interfund Payments for Services	15,000	15,000	-	(15,000)
Transfers Out	-	-	-	-
Amount Charged to Appropriations (out-flows)	1,121,943	1,164,880	836,969	(327,911)
Budgeted Fund Balance, December 31	\$ -	\$ -	\$ 2,717,709	

SKAGIT COUNTY, WASHINGTON
Revenues, Expenditures and Changes in Fund Balance
Budgetary Comparison Schedule
Mental Health
For the Year Ended December 31, 2025

	Budgeted Amounts		Actual	Variance with Final Budget
	Original Budget	Final Budget		
Budgeted Fund Balance, January 1	\$ 2,989,189	\$ 2,933,233	\$ 9,665,475	
Resources (in-flows)				
Property Tax	400,000	400,000	424,737	24,737
Sales and Use Taxes	4,200,000	4,200,000	4,770,630	570,630
Excise Taxes	5,000	5,000	6,197	1,197
Intergovernmental Revenue	4,195,004	3,582,767	3,889,722	306,955
Charges for services	70,980	1,525,579	1,309,942	(215,637)
Interest and investment earnings	380,000	380,000	351,255	(28,745)
Miscellaneous Revenue	40	40	281	241
Total Resources (in-flows)	9,251,024	10,093,386	10,752,764	659,378
Amounts Available for Appropriation	12,240,213	13,026,619	20,418,239	
Charges to Appropriations (out-flows)				
Salaries, Wages, and Benefits	2,683,593	2,782,791	2,384,456	(398,335)
Supplies	71,100	82,700	178,219	95,519
Services and Charges	8,273,594	8,356,959	7,515,233	(841,726)
Interfund Payments for Services	1,226,926	1,819,169	-	(1,819,169)
Amount Charged to Appropriations (out-flows)	12,255,213	13,041,619	10,077,908	(2,963,711)
Budgeted Fund Balance, December 31	\$ (15,000)	\$ (15,000)	\$ 10,340,331	

SKAGIT COUNTY, WASHINGTON
Revenues, Expenditures and Changes in Fund Balance
Budgetary Comparison Schedule
Community Service
For the Year Ended December 31, 2025

	Budgeted Amounts		Actual	Variance with Final Budget
	Original Budget	Final Budget		
Budgeted Fund Balance, January 1	\$ (1)	\$ (4,350)	\$ 985,030	
Resources (in-flows)				
Intergovernmental Revenue	685,797	895,555	934,491	38,936
Charges for Goods and Services	-	-	-	-
Donations	205,000	205,000	382,555	177,555
Transfers In	1,766,761	1,766,761	1,766,760	(1)
Miscellaneous Revenues	161,000	161,000	13,503	(147,497)
Total Resources (in-flows)	2,818,558	3,028,316	3,097,309	68,993
Amounts Available for Appropriation	2,818,557	3,023,966	4,082,339	
Charges to Appropriations (out-flows)				
Salaries, Wages, and Benefits	1,428,893	1,524,806	1,491,591	(33,215)
Supplies	840,800	875,800	820,003	(55,797)
Services and Charges	499,743	574,239	562,674	(11,565)
Capital Outlays	-	-	-	-
Interfund Payments for Services	49,121	49,121	-	(49,121)
Transfers Out	-	-	-	-
Amount Charged to Appropriations (out-flows)	2,818,557	3,023,966	2,874,268	(149,698)
Budgeted Fund Balance, December 31	\$ -	\$ -	\$ 1,208,071	

SKAGIT COUNTY, WASHINGTON
Revenues, Expenditures and Changes in Fund Balance
Budgetary Comparison Schedule
Convention Center
For the Year Ended December 31, 2025

	Budgeted Amounts			Variance with Final Budget
	Original Budget	Final Budget	Actual	
Budgeted Fund Balance, January 1	\$ (3,428)	\$ 572	\$ 1,852,425	
Resources (in-flows)				
Sales and Use Tax	900,000	900,000	887,229	(12,771)
Interest Revenue	-	-	7,030	7,030
Total Resources (in-flows)	900,000	900,000	894,259	(5,741)
Amounts Available for Appropriation	896,572	900,572	2,746,684	
Charges to Appropriations (out-flows)				
Salaries, Wages, and Benefits	2,572	6,572	6,656	84
Services and Charges	900,000	900,000	756,882	(143,118)
Amount Charged to Appropriations (out-flows)	902,572	906,572	763,538	(143,034)
Budgeted Fund Balance, December 31	\$ (6,000)	\$ (6,000)	\$ 1,983,146	

SKAGIT COUNTY, WASHINGTON
Revenues, Expenditures and Changes in Fund Balance
Budgetary Comparison Schedule
Clean Water Program
For the Year Ended December 31, 2025

	Budgeted Amounts		Actual	Variance with Final Budget
	Original Budget	Final Budget		
Budgeted Fund Balance, January 1	\$ 76,029	\$ 199,083	\$ 2,195,835	
Resources (in-flows)				
Other taxes	1,734,265	1,734,265	1,743,377	9,112
Intergovernmental Revenue	112,000	112,000	552,289	440,289
Miscellaneous Revenues	135,000	135,000	350	(134,650)
Total Resources (in-flows)	1,981,265	1,981,265	2,296,016	314,751
Amounts Available for Appropriation	2,057,294	2,180,348	4,491,851	
Charges to Appropriations (out-flows)				
Salaries, Wages, and Benefits	735,461	838,515	826,672	(11,843)
Supplies	104,995	104,995	52,940	(52,055)
Services and Charges	862,309	818,264	1,013,613	195,349
Interfund Payments for Services	354,529	418,574	-	(418,574)
Amount Charged to Appropriations (out-flows)	2,057,294	2,180,348	1,893,225	(287,123)
Budgeted Fund Balance, December 31	\$ -	\$ -	\$ 2,598,626	

SKAGIT COUNTY, WASHINGTON
Revenues, Expenditures and Changes in Fund Balance
Budgetary Comparison Schedule
Local Assistance and Tribal Consistency Fund
For the Year Ended December 31, 2025

	Budgeted Amounts		Actual	Variance with Final Budget
	Original Budget	Final Budget		
Budgeted Fund Balance, January 1	\$ -	\$ -	\$ -	
Resources (in-flows)				
Intergovernmental Revenue	-	1,712,993	574,784	(1,138,209)
Transfers In	-	-	-	-
Total Resources (in-flows)	-	1,712,993	574,784	(1,138,209)
Amounts Available for Appropriation	-	1,712,993	574,784	
Charges to Appropriations (out-flows)				
Salaries, Wages, and Benefits	-	-	-	-
Supplies	-	-	-	-
Services and Charges	-	1,712,993	-	(1,712,993)
Capital Outlays	-	-	-	-
Interfund Payments for Services	-	-	-	-
Transfers Out	-	-	1,000,000	1,000,000
Amount Charged to Appropriations (out-flows)	-	1,712,993	1,000,000	(712,993)
Budgeted Fund Balance, December 31	\$ -	\$ -	\$ (425,216)	

SKAGIT COUNTY, WASHINGTON
Revenues, Expenditures and Changes in Fund Balance
Budgetary Comparison Schedule
Conservation Futures
For the Year Ended December 31, 2025

	Budgeted Amounts		Actual	Variance with Final Budget
	Original Budget	Final Budget		
Budgeted Fund Balance, January 1	\$ 748,430	\$ 751,140	\$ 3,354,388	
Resources (in-flows)				
Property Tax	985,010	985,010	1,044,949	59,939
Excise Tax	18,000	18,000	15,245	(2,755)
Intergovernmental Revenue	14,500	14,500	10,985	(3,515)
Interest Revenue	7,000	7,000	29,309	22,309
Donations	25,300	25,300	10,128	(15,172)
Miscellaneous Revenues	540	540	1,315	775
Total Resources (in-flows)	1,050,350	1,050,350	1,111,931	61,581
Amounts Available for Appropriation	1,798,780	1,801,490	4,466,319	
Charges to Appropriations (out-flows)				
Salaries, Wages, and Benefits	117,842	120,552	117,447	(3,105)
Supplies	-	-	-	-
Services and Charges	127,939	127,939	171,268	43,329
Capital Outlays	1,500,000	1,500,000	609,830	(890,170)
Interfund Payments for Services	52,999	52,999	-	(52,999)
Amount Charged to Appropriations (out-flows)	1,798,780	1,801,490	898,545	(902,945)
Budgeted Fund Balance, December 31	\$ -	\$ -	\$ 3,567,774	

SKAGIT COUNTY, WASHINGTON
Revenues, Expenditures and Changes in Fund Balance
Budgetary Comparison Schedule
Crime Victim Services
For the Year Ended December 31, 2025

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance with Final Budget</u>
	<u>Original Budget</u>	<u>Final Budget</u>		
Budgeted Fund Balance, January 1	\$ (1,058)	\$ (1,058)	\$ 312,821	
Resources (in-flows)				
Intergovernmental Revenue	87,000	87,000	61,249	(25,751)
Charges for Goods and Services	61,022	61,022	64,654	3,632
Interest Revenue	5,000	5,000	6,419	1,419
Total Resources (in-flows)	<u>153,022</u>	<u>153,022</u>	<u>132,322</u>	<u>(20,700)</u>
Amounts Available for Appropriation	151,964	151,964	445,143	
Charges to Appropriations (out-flows)				
Salaries, Wages, and Benefits	101,964	101,964	100,665	(1,299)
Supplies	-	-	-	-
Services and Charges	-	-	50,075	50,075
Capital Outlays	-	-	-	-
Interfund Payments for Services	50,000	50,000	-	(50,000)
Transfers Out	-	-	-	-
Amount Charged to Appropriations (out-flows)	<u>151,964</u>	<u>151,964</u>	<u>150,740</u>	<u>(1,224)</u>
Budgeted Fund Balance, December 31	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 294,403</u>	

SKAGIT COUNTY, WASHINGTON
Revenues, Expenditures and Changes in Fund Balance
Budgetary Comparison Schedule
Communication System
For the Year Ended December 31, 2025

	Budgeted Amounts		Actual	Variance with Final Budget
	Original Budget	Final Budget		
Budgeted Fund Balance, January 1	\$ -	\$ -	\$ 964,991	
Resources (in-flows)				
Sales and Use Tax	6,323,300	6,323,300	6,159,124	(164,176)
Interest and investment earnings	-	-	4,753	4,753
Intergovernmental Revenue	54,000	54,000	59,826	5,826
Total Resources (in-flows)	6,377,300	6,377,300	6,223,703	(153,597)
Amounts Available for Appropriation	6,377,300	6,377,300	7,188,694	
Charges to Appropriations (out-flows)				
Services and Charges	6,381,300	6,381,300	6,203,687	(177,613)
Amount Charged to Appropriations (out-flows)	6,381,300	6,381,300	6,203,687	(177,613)
Budgeted Fund Balance, December 31	\$ (4,000)	\$ (4,000)	\$ 985,007	

SKAGIT COUNTY, WASHINGTON
Revenues, Expenditures and Changes in Fund Balance
Budgetary Comparison Schedule
Water Quality Fund
For the Year Ended December 31, 2025

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance with Final Budget</u>
	<u>Original Budget</u>	<u>Final Budget</u>		
Budgeted Fund Balance, January 1	\$ -	\$ (5,750)	\$ 532,267	
Resources (in-flows)				
Interest Revenue	-	-	6,633	6,633
Total Resources (in-flows)	-	-	6,633	6,633
Amounts Available for Appropriation	-	(5,750)	538,900	
Charges to Appropriations (out-flows)				
Services and Charges	-	250	27	(223)
Amount Charged to Appropriations (out-flows)	-	250	27	(223)
Budgeted Fund Balance, December 31	\$ -	\$ (6,000)	\$ 538,873	

SKAGIT COUNTY, WASHINGTON
Revenues, Expenditures and Changes in Fund Balance
Budgetary Comparison Schedule
Planning and Development
For the Year Ended December 31, 2025

	Budgeted Amounts			Variance with Final Budget
	Original Budget	Final Budget	Actual	
Budgeted Fund Balance, January 1	\$ (48,960)	\$ (93,007)	\$ 2,362,686	
Resources (in-flows)				
Licenses and Permits	1,184,000	1,184,000	1,658,846	474,846
Intergovernmental Revenue	777,800	821,847	744,020	(77,827)
Charges for Goods and Services	1,131,820	1,131,820	737,209	(394,611)
Fines and Forfeits	80,000	80,000	6,000	(74,000)
Interest and investment earnings	-	-	-	-
Transfers In	3,181,545	3,181,545	3,079,833	(101,712)
Miscellaneous Revenues	800	800	835	35
Total Resources (in-flows)	6,355,965	6,400,012	6,226,743	(173,269)
Amounts Available for Appropriation	6,307,005	6,307,005	8,589,429	
Charges to Appropriations (out-flows)				
Salaries, Wages, and Benefits	4,734,394	4,734,394	4,269,683	(464,711)
Supplies	19,225	19,225	13,735	(5,490)
Services and Charges	824,099	824,099	1,387,562	563,463
Capital Outlays	-	-	-	-
Interfund Payments for Services	729,287	729,287	-	(729,287)
Transfers Out	-	-	-	-
Amount Charged to Appropriations (out-flows)	6,307,005	6,307,005	5,670,980	(636,025)
Prior Period Adjustment			(334,942)	
Budgeted Fund Balance, December 31	\$ -	\$ -	\$ 2,583,507	

SKAGIT COUNTY, WASHINGTON
Revenues, Expenditures and Changes in Fund Balance
Budgetary Comparison Schedule
Lake Management District 1
For the Year Ended December 31, 2025

	Budgeted Amounts			Variance with Final Budget
	Original Budget	Final Budget	Actual	
Budgeted Fund Balance, January 1	\$ 17,436	\$ 25,436	\$ 45,271	
Resources (in-flows)				
Other Tax	58,000	58,000	64,566	6,566
Interest and investment earnings	-	-	-	-
Total Resources (in-flows)	58,000	58,000	64,566	6,566
Amounts Available for Appropriation	75,436	83,436	109,837	
Charges to Appropriations (out-flows)				
Salaries, Wages, and Benefits	10,436	10,436	2,810	(7,626)
Services and Charges	65,000	73,000	75,381	2,381
Amount Charged to Appropriations (out-flows)	75,436	83,436	78,191	(5,245)
Budgeted Fund Balance, December 31	\$ -	\$ -	\$ 31,646	

SKAGIT COUNTY, WASHINGTON
Revenues, Expenditures and Changes in Fund Balance
Budgetary Comparison Schedule
Lake Management District 2
For the Year Ended December 31, 2025

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance with Final Budget</u>
	<u>Original Budget</u>	<u>Final Budget</u>		
Budgeted Fund Balance, January 1	\$ 9,230	\$ 9,230	\$ 48,405	
Resources (in-flows)				
Other Tax	15,567	15,567	15,282	(285)
Interest and investment earnings	-	-	-	-
Total Resources (in-flows)	<u>15,567</u>	<u>15,567</u>	<u>15,282</u>	<u>(285)</u>
Amounts Available for Appropriation	24,797	24,797	63,687	
Charges to Appropriations (out-flows)				
Salaries, Wages, and Benefits	5,797	5,797	1,588	(4,209)
Services and Charges	19,000	19,000	15,892	(3,108)
Amount Charged to Appropriations (out-flows)	<u>24,797</u>	<u>24,797</u>	<u>17,480</u>	<u>(7,317)</u>
Budgeted Fund Balance, December 31	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 46,207</u>	

SKAGIT COUNTY, WASHINGTON
Revenues, Expenditures and Changes in Fund Balance
Budgetary Comparison Schedule
Lake Management District 3
For the Year Ended December 31, 2025

	Budgeted Amounts		Actual	Variance with Final Budget
	Original Budget	Final Budget		
Budgeted Fund Balance, January 1	\$ 1,738	\$ 26,738	\$ 36,794	
Resources (in-flows)				
Other Tax	52,059	52,059	50,943	(1,116)
Interest and investment earnings	-	-	-	-
Total Resources (in-flows)	52,059	52,059	50,943	(1,116)
Amounts Available for Appropriation	53,797	78,797	87,737	
Charges to Appropriations (out-flows)				
Salaries, Wages, and Benefits	5,797	5,797	2,151	(3,646)
Services and Charges	48,000	73,000	54,963	(18,037)
Amount Charged to Appropriations (out-flows)	53,797	78,797	57,114	(21,683)
Budgeted Fund Balance, December 31	\$ -	\$ -	\$ 30,623	

SKAGIT COUNTY, WASHINGTON
Revenues, Expenditures and Changes in Fund Balance
Budgetary Comparison Schedule
Lake Management District 4
For the Year Ended December 31, 2025

	Budgeted Amounts		Actual	Variance with Final Budget
	Original Budget	Final Budget		
Budgeted Fund Balance, January 1	\$ 5,581	\$ 5,581	\$ 11,560	
Resources (in-flows)				
Other Tax	20,895	20,895	20,513	(382)
Interest and investment earnings	-	-	-	-
Total Resources (in-flows)	20,895	20,895	20,513	(382)
Amounts Available for Appropriation	26,476	26,476	32,073	
Charges to Appropriations (out-flows)				
Salaries, Wages, and Benefits	9,276	9,276	4,045	(5,231)
Services and Charges	17,200	17,200	19,358	2,158
Amount Charged to Appropriations (out-flows)	26,476	26,476	23,403	(3,073)
Budgeted Fund Balance, December 31	\$ -	\$ -	\$ 8,670	

SKAGIT COUNTY, WASHINGTON
Revenues, Expenditures and Changes in Fund Balance
Budgetary Comparison Schedule
Edison Clean Water District
For the Year Ended December 31, 2025

	Budgeted Amounts		Actual	Variance with Final Budget
	Original Budget	Final Budget		
Budgeted Fund Balance, January 1	\$ (25,878)	\$ (25,878)	\$ 491,847	
Resources (in-flows)				
Other taxes	115,000	115,000	97,034	(17,966)
Intergovernmental Revenue	181,180	181,180	50,952	(130,228)
Interest and investment earnings	12,000	12,000	10,794	(1,206)
Miscellaneous Revenues	-	-	-	-
Total Resources (in-flows)	308,180	308,180	158,780	(149,400)
Amounts Available for Appropriation	282,302	282,302	650,627	
Charges to Appropriations (out-flows)				
Salaries, Wages, and Benefits	14,128	14,128	9,044	(5,084)
Supplies	5,000	5,000	-	(5,000)
Services and Charges	195,174	165,174	126,030	(39,144)
Capital Outlays	68,000	98,000	27,867	(70,133)
Interfund Payments for Services	-	-	-	-
Transfers Out	-	-	-	-
Amount Charged to Appropriations (out-flows)	282,302	282,302	162,941	(119,361)
Budgeted Fund Balance, December 31	\$ -	\$ -	\$ 487,686	

SKAGIT COUNTY, WASHINGTON
Revenues, Expenditures and Changes in Fund Balance
Budgetary Comparison Schedule
Drug Enforcement Cumulative
For the Year Ended December 31, 2025

	Budgeted Amounts		Actual	Variance with Final Budget
	Original Budget	Final Budget		
Budgeted Fund Balance, January 1	\$ 152,100	\$ 152,100	\$ 49,064	
Resources (in-flows)				
Intergovernmental Revenue	-	-	-	-
Interest Revenue	500	500	2,113	1,613
Contributions and Donations	-	-	19,000	19,000
Miscellaneous Revenues	-	-	-	-
Total Resources (in-flows)	<u>500</u>	<u>500</u>	<u>21,113</u>	<u>20,613</u>
Amounts Available for Appropriation	152,600	152,600	70,177	
Charges to Appropriations (out-flows)				
Salaries, Wages, and Benefits	-	-	-	-
Supplies	2,500	2,500	-	(2,500)
Services and Charges	100	100	25	(75)
Capital Outlays	-	-	-	-
Interfund Payments for Services	150,000	150,000	-	(150,000)
Transfers Out	-	-	-	-
Amount Charged to Appropriations (out-flows)	<u>152,600</u>	<u>152,600</u>	<u>25</u>	<u>(152,575)</u>
Budgeted Fund Balance, December 31	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 70,152</u>	

SKAGIT COUNTY, WASHINGTON
Revenues, Expenditures and Changes in Fund Balance
Budgetary Comparison Schedule
Boating Safety
For the Year Ended December 31, 2025

	Budgeted Amounts		Actual	Variance with Final Budget
	Original Budget	Final Budget		
Budgeted Fund Balance, January 1	\$ 9,202	\$ 45,568	\$ 202,866	
Resources (in-flows)				
Intergovernmental Revenue	75,000	75,000	79,018	4,018
Interest and investment earnings	2,500	2,500	3,183	683
Miscellaneous Revenues	-	-	-	-
Total Resources (in-flows)	77,500	77,500	82,201	4,701
Amounts Available for Appropriation	86,702	123,068	285,067	
Charges to Appropriations (out-flows)				
Salaries, Wages, and Benefits	48,979	48,979	36,315	(12,664)
Supplies	16,500	16,500	13,453	(3,047)
Services and Charges	21,223	57,589	52,917	(4,672)
Amount Charged to Appropriations (out-flows)	86,702	123,068	102,685	(20,383)
Budgeted Fund Balance, December 31	\$ -	\$ -	\$ 182,382	

SKAGIT COUNTY, WASHINGTON
Revenues, Expenditures and Changes in Fund Balance
Budgetary Comparison Schedule
Low-Income Housing Fund
For the Year Ended December 31, 2025

	Budgeted Amounts		Actual	Variance with Final Budget
	Original Budget	Final Budget		
Budgeted Fund Balance, January 1	\$ (276,664)	\$ (313,039)	\$ 4,675,698	
Resources (in-flows)				
Taxes	1,377,000	1,377,000	1,669,557	292,557
Charges for Goods and Services	-	-	-	-
Intergovernmental Revenue	800,000	840,473	574,473	(266,000)
Interest Revenue	-	-	-	-
Total Resources (in-flows)	2,177,000	2,217,473	2,244,030	26,557
Amounts Available for Appropriation	1,900,336	1,904,434	6,919,728	
Charges to Appropriations (out-flows)				
Salaries, Wages, and Benefits	22,491	26,589	7,969	(18,620)
Supplies	-	-	48	48
Services and Charges	1,870,000	1,870,000	1,594,643	(275,357)
Capital Outlays	-	-	-	-
Interfund Payments for Services	7,845	7,845	-	(7,845)
Transfers Out	-	-	-	-
Amount Charged to Appropriations (out-flows)	1,900,336	1,904,434	1,602,660	(301,774)
Budgeted Fund Balance, December 31	\$ -	\$ -	\$ 5,317,068	

SKAGIT COUNTY, WASHINGTON
Revenues, Expenditures and Changes in Fund Balance
Budgetary Comparison Schedule
Title III Projects Fund
For the Year Ended December 31, 2025

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance with Final Budget</u>
	<u>Original Budget</u>	<u>Final Budget</u>		
Budgeted Fund Balance, January 1	\$ (3,511)	\$ (3,511)	\$ 27,078	
Resources (in-flows)				
Charges for Services	-	-	-	-
Intergovernmental Revenue	40,000	40,000	-	(40,000)
Interest Revenue	-	-	-	-
Total Resources (in-flows)	<u>40,000.00</u>	<u>40,000.00</u>	<u>-</u>	<u>(40,000)</u>
Amounts Available for Appropriation	36,489	36,489	27,078	
Charges to Appropriations (out-flows)				
Salaries, Wages, and Benefits	2,454	2,454	-	(2,454)
Supplies	-	-	-	-
Services and Charges	34,035	34,035	12,938	(21,097)
Capital Outlays	-	-	-	-
Interfund Payments for Services	-	-	-	-
Transfers Out	-	-	-	-
Amount Charged to Appropriations (out-flows)	<u>36,489</u>	<u>36,489</u>	<u>12,938</u>	<u>(23,551)</u>
Budgeted Fund Balance, December 31	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 14,140</u>	

SKAGIT COUNTY, WASHINGTON
Revenues, Expenditures and Changes in Fund Balance
Budgetary Comparison Schedule
Treasurer's Reet
For the Year Ended December 31, 2025

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance with Final Budget</u>
	<u>Original Budget</u>	<u>Final Budget</u>		
Budgeted Fund Balance, January 1	\$ -	\$ -	\$ 330,685	
Resources (in-flows)				
Intergovernmental	-	-	11,178	11,178
Services and Charges	-	-	10,455	10,455
Interest Revenue	-	-	13,623	13,623
Total Resources (in-flows)	-	-	35,256	35,256
Amounts Available for Appropriation	-	-	365,941	
Charges to Appropriations (out-flows)				
Salaries, Wages, and Benefits	-	-	-	-
Supplies	-	-	-	-
Services and Charges	-	-	12,524	12,524
Capital Outlays	-	-	-	-
Interfund Payments for Services	-	-	-	-
Transfers Out	-	-	-	-
Amount Charged to Appropriations (out-flows)	-	-	12,524	12,524
Budgeted Fund Balance, December 31	\$ -	\$ -	\$ 353,417	

SKAGIT COUNTY, WASHINGTON
Revenues, Expenditures and Changes in Fund Balance
Budgetary Comparison Schedule
Homeless Housing
For the Year Ended December 31, 2025

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance with Final Budget</u>
	<u>Original Budget</u>	<u>Final Budget</u>		
Budgeted Fund Balance, January 1	\$ (153,749)	\$ (300,359)	\$ 258,425	
Resources (in-flows)				
Intergovernmental Revenue	8,616,714	8,680,414	8,466,187	(214,227)
Charges for Goods and Services	566,700	800,000	876,945	76,945
Transfer in	-	-	-	-
Interest Revenue	1,500	1,500	1	(1,499)
Total Resources (in-flows)	<u>9,184,914</u>	<u>9,481,914</u>	<u>9,343,133</u>	<u>(138,781)</u>
Amounts Available for Appropriation	9,031,165	9,181,555	9,601,558	
Charges to Appropriations (out-flows)				
Salaries, Wages, and Benefits	431,050	517,740	347,722	(170,018)
Supplies	1,500	1,500	-	(1,500)
Services and Charges	8,598,615	8,662,315	8,642,407	(19,908)
Capital Outlays	-	-	-	-
Interfund Payments for Services	-	-	-	-
Transfers Out	-	-	-	-
Amount Charged to Appropriations (out-flows)	<u>9,031,165</u>	<u>9,181,555</u>	<u>8,990,129</u>	<u>(191,426)</u>
Budgeted Fund Balance, December 31	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 611,429</u>	

SKAGIT COUNTY, WASHINGTON
Revenues, Expenditures and Changes in Fund Balance
Budgetary Comparison Schedule
Housing/CD Revolving Loan Fund
For the Year Ended December 31, 2025

	<u>Budgeted Amounts</u>			
	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance with Final Budget</u>
Budgeted Fund Balance, January 1	\$ -	\$ 159,250	\$ 158,184	
Resources (in-flows)				
Intergovernmental Revenue	-	-	-	-
Charges for Goods and Services	-	-	-	-
Interest Revenue	-	5,000	2,799	(2,201)
Miscellaneous Revenue	-	-	-	-
Total Resources (in-flows)	-	5,000	2,799	(2,201)
Amounts Available for Appropriation	-	164,250	160,983	
Charges to Appropriations (out-flows)				
Salaries, Wages, and Benefits	-	-	-	-
Supplies	-	-	-	-
Services and Charges	-	164,250	160,983	(3,267)
Capital Outlays	-	-	-	-
Interfund Payments for Services	-	-	-	-
Transfers Out	-	-	-	-
Amount Charged to Appropriations (out-flows)	-	164,250	160,983	(3,267)
Budgeted Fund Balance, December 31	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	

SKAGIT COUNTY, WASHINGTON
Revenues, Expenditures and Changes in Fund Balance
Budgetary Comparison Schedule
Interlocal Investigation
For the Year Ended December 31, 2025

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance with Final Budget</u>
	<u>Original Budget</u>	<u>Final Budget</u>		
Budgeted Fund Balance, January 1	\$ (23,090)	\$ (23,090)	\$ 465,122	
Resources (in-flows)				
Intergovernmental Revenue	172,693	172,693	157,869	(14,824)
Charges for Goods and Services	-	-	-	-
Fines and Forfeits	301,000	1,017,400	3,175,602	2,158,202
Interest Revenue	110,000	110,000	108,173	(1,827)
Donations	-	-	-	-
Miscellaneous Revenues	135,000	135,000	46,102	(88,898)
Total Resources (in-flows)	<u>718,693</u>	<u>1,435,093</u>	<u>3,487,746</u>	<u>2,052,653</u>
Amounts Available for Appropriation	695,603	1,412,003	3,952,868	
Charges to Appropriations (out-flows)				
Salaries, Wages, and Benefits	291,918	291,918	277,910	(14,008)
Supplies	19,860	19,860	38,272	18,412
Services and Charges	343,825	644,825	752,456	107,631
Capital Outlays	40,000	455,400	221,896	(233,504)
Interfund Payments for Services	-	-	-	-
Transfers Out	-	-	-	-
Amount Charged to Appropriations (out-flows)	<u>695,603</u>	<u>1,412,003</u>	<u>1,290,534</u>	<u>(121,469)</u>
Budgeted Fund Balance, December 31	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 2,662,334</u>	

SKAGIT COUNTY, WASHINGTON

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, 2025, Skagit County has no Nonmajor Debt Service Fund. The budgetary schedule for the Major Debt Service Fund is presented in this section.

SKAGIT COUNTY, WASHINGTON
Revenues, Expenditures and Changes in Fund Balance
Budgetary Comparison Schedule
Debt Service
For the Year Ended December 31, 2025

	<u>Budgeted Amounts</u>			Variance
	Original Budget	Final Budget	Actual	with Final Budget
Budgeted Fund Balance, January 1	\$ 193,832	\$ 193,832	\$ 7,522,549	
Resources (in-flows)				
Intergovernmental Revenues	-	-	-	-
Transfers In	764,765	764,765	764,763	(2)
Interest Revenue	27,850	27,850	39,642	11,792
Other Revenue	1,027,819	1,027,819	175,869	(851,950)
Total Resources (in-flows)	<u>1,820,434</u>	<u>1,820,434</u>	<u>980,274</u>	<u>(840,160)</u>
Amounts Available for Appropriation	2,014,266	2,014,266	8,502,823	
Charges to Appropriations (out-flows)				
Professional services	450	450	391	(59)
Debt Service				-
Principal	1,654,083	1,654,083	1,654,080	(3)
Interest	359,733	359,733	359,712	(21)
Transfers Out	-	-	-	-
Amount Charged to Appropriations (out-flows)	<u>2,014,266</u>	<u>2,014,266</u>	<u>2,014,183</u>	<u>(83)</u>
Budgeted Fund Balance, December 31	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 6,488,640</u>	

SKAGIT COUNTY, WASHINGTON COMBINED CAPITAL IMPROVEMENT FUND

The Combined Capital Improvement Fund is presented as a major fund in the current year and is made up of the following sub-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.

Leased Facilities Fund - A fund established to provide for accounting for the expenses incurred in leasing of facilities.

SKAGIT COUNTY, WASHINGTON
Combining Balance Sheet
Combined Capital Improvement Fund
As of December 31, 2025

	Facility Improvement Fund	Capital Improvement Fund	Distressed Public Improvement Fund	Park Improvement Fund	Leased Facilities Fund	Total
ASSETS						
Cash and cash equivalents	\$ 1,699,272	\$ 4,977,311	\$ 12,797,668	\$ 1,117,588	\$ 176,089	\$ 20,767,928
Investments	57,176	813,879	2,605,829	-	-	3,476,884
Leases receivable	-	-	-	-	652,778	652,778
Due from other governments	1,213,976	-	684,022	-	-	1,897,998
Total assets	<u>\$ 2,970,424</u>	<u>\$ 5,791,190</u>	<u>\$ 16,087,519</u>	<u>\$ 1,117,588</u>	<u>\$ 828,867</u>	<u>\$ 26,795,588</u>
LIABILITIES						
Accounts and vouchers payable	\$ 588,311	\$ 3,081	\$ 570,425	\$ 273,378	\$ 922	\$ 1,436,117
Accrued wages and benefits payable	6,485	-	-	6,204	-	12,689
Unearned revenue	415,244	-	-	-	-	415,244
Interfund loans payable	-	-	-	80,500	-	80,500
Total liabilities	<u>1,010,040</u>	<u>3,081</u>	<u>570,425</u>	<u>360,082</u>	<u>922</u>	<u>1,944,550</u>
DEFERRED INFLOWS of RESOURCES						
Related to leases	-	-	-	-	609,680	609,680
Total deferred inflows of resources	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>609,680</u>	<u>609,680</u>
FUND BALANCES						
Nonspendable	-	-	-	-	-	-
Restricted	-	5,788,108	-	757,506	-	6,545,614
Committed	-	-	-	-	218,264	218,264
Assigned	-	-	-	-	-	-
Unassigned	1,960,383	-	15,517,095	-	-	17,477,478
Total fund balances	<u>1,960,383</u>	<u>5,788,108</u>	<u>15,517,095</u>	<u>757,506</u>	<u>218,264</u>	<u>24,241,356</u>
Total liabilities, deferred inflows of resources, and fund balances	<u>\$ 2,970,423</u>	<u>\$ 5,791,189</u>	<u>\$ 16,087,520</u>	<u>\$ 1,117,588</u>	<u>\$ 828,866</u>	<u>\$ 26,795,586</u>

SKAGIT COUNTY, WASHINGTON
Combining Statement of Revenues, Expenditures, and Changes in Fund Balance
Combined Capital Improvement Fund
For the Year Ended December 31, 2025

	Facility Improvement Fund	Capital Improvement Fund	Distressed Public Improvement Fund	Park Improvement Fund	Leased Facilities Fund	Total
REVENUES						
Property taxes	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Sales and use taxes	-	-	4,329,906	-	-	4,329,906
Excise taxes	-	-	-	-	-	-
Other taxes	-	4,203,053	-	-	-	4,203,053
Licenses and permits	-	-	-	-	-	-
Intergovernmental revenues	15,662,411	-	-	280,696	-	15,943,107
Charges for services	90,245	-	-	-	4,031	94,276
Fines and penalties	-	-	-	-	-	-
Interest and investment earnings	4,556	35,497	113,654	-	8,680	162,387
Settlement	-	-	-	-	-	-
Contributions and donations	-	-	-	20,000	-	20,000
Other revenues	-	-	-	47,249	108,233	155,482
Total revenues	<u>15,757,212</u>	<u>4,238,550</u>	<u>4,443,560</u>	<u>347,945</u>	<u>120,944</u>	<u>24,908,211</u>
EXPENDITURES						
Current:						
General government	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Judicial	-	-	-	-	-	-
Public safety	-	-	-	-	-	-
Transportation	-	-	-	-	-	-
Natural and economic environment	\$ 263,290	\$ 74,962	\$ 2,303,003	\$ -	\$ 48,406	\$ 2,689,661
Health and human services	-	-	-	-	-	-
Culture and recreation	-	-	-	1,130,220	-	1,130,220
Debt service:						
Principal	-	-	-	-	-	-
Interest on long term debt	-	-	-	-	-	-
Capital outlay	20,327,014	-	-	1,062,107	-	21,389,121
Total expenditures	<u>20,590,304</u>	<u>74,962</u>	<u>2,303,003</u>	<u>2,192,327</u>	<u>48,406</u>	<u>25,209,002</u>
Excess (deficit) of revenues over expenditures	<u>(4,833,092)</u>	<u>4,163,588</u>	<u>2,140,557</u>	<u>(1,844,382)</u>	<u>72,538</u>	<u>(300,791)</u>
OTHER FINANCING SOURCES (USES)						
Issuance of long term debt	-	-	-	-	-	-
Transfers in	1,600,000	-	-	1,915,250	-	3,515,250
Transfers out	-	(2,762,513)	-	-	-	(2,762,513)
Total other financing source (uses)	<u>1,600,000</u>	<u>(2,762,513)</u>	<u>-</u>	<u>1,915,250</u>	<u>-</u>	<u>752,737</u>
Net change in fund balance	(3,233,092)	1,401,075	2,140,557	70,868	72,538	451,946
Fund balances - beginning of year	5,193,475	4,387,033	13,376,538	686,638	145,726	23,789,410
Fund balances - end of year	<u>\$ 1,960,383</u>	<u>\$ 5,788,108</u>	<u>\$ 15,517,095</u>	<u>\$ 757,506</u>	<u>\$ 218,264</u>	<u>\$ 24,241,356</u>

SKAGIT COUNTY, WASHINGTON
Revenues, Expenditures and Changes in Fund Balance
Budgetary Comparison Schedule
Facility Improvement
For the Year Ended December 31, 2025

	<u>Budgeted Amounts</u>			Variance with Final Budget
	Original Budget	Final Budget	Actual	
Budgeted Fund Balance, January 1	\$ 4,000,000	\$ 4,000,000	\$ 5,193,475	
Resources (in-flows)				
Intergovernmental Revenues	16,731,000	16,731,000	15,662,411	(1,068,589)
Charges for Goods and Services	20,000	20,000	90,245	70,245
Transfers In	752,599	1,982,599	1,600,000	(382,599)
Interest Revenue	-	-	4,556	4,556
Other Revenue	-	-	-	-
Total Resources (in-flows)	<u>17,503,599</u>	<u>18,733,599</u>	<u>17,357,212</u>	<u>(1,376,387)</u>
Amounts Available for Appropriation	21,503,599	22,733,599	22,550,687	
Charges to Appropriations (out-flows)				
Salaries, Wages, and Benefits	177,599	187,599	178,219	(9,380)
Supplies	20,000	20,000	-	(20,000)
Services and Charges	638,500	628,500	85,071	(543,429)
Capital Outlays	20,667,500	21,897,500	20,327,014	(1,570,486)
Interfund Payments for Services	-	-	-	-
Transfers Out	-	-	-	-
Amount Charged to Appropriations (out-flows)	<u>21,503,599</u>	<u>22,733,599</u>	<u>20,590,304</u>	<u>(2,143,295)</u>
Budgeted Fund Balance, December 31	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 1,960,383</u>	

SKAGIT COUNTY, WASHINGTON
Revenues, Expenditures and Changes in Fund Balance
Budgetary Comparison Schedule
Capital Improvements
For the Year Ended December 31, 2025

	<u>Budgeted Amounts</u>			Variance with Final Budget
	Original Budget	Final Budget	Actual	
Budgeted Fund Balance, January 1	\$ 1,900,659	\$ 1,900,659	\$ 4,387,033	
Resources (in-flows)				
Other Taxes	2,200,000	2,200,000	4,203,053	2,003,053
Interest Revenue	30,000	30,000	35,497	5,497
Total Resources (in-flows)	<u>2,230,000</u>	<u>2,230,000</u>	<u>4,238,550</u>	<u>2,008,550</u>
Amounts Available for Appropriation	4,130,659	4,130,659	8,625,583	
Charges to Appropriations (out-flows)				
Services and Charges	4,130,659	4,130,659	74,962	(4,055,697)
Transfers Out	-	-	2,762,513	2,762,513
Amount Charged to Appropriations (out-flows)	<u>4,130,659</u>	<u>4,130,659</u>	<u>2,837,475</u>	<u>(1,293,184)</u>
Budgeted Fund Balance, December 31	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 5,788,108</u>	

SKAGIT COUNTY, WASHINGTON
Revenues, Expenditures and Changes in Fund Balance
Budgetary Comparison Schedule
Distressed Public Improvement
For the Year Ended December 31, 2025

	Budgeted Amounts			Variance with Final Budget
	Original Budget	Final Budget	Actual	
Budgeted Fund Balance, January 1	\$ (1,309,110)	\$ (1,309,110)	\$ 13,376,538	
Resources (in-flows)				
Sales and Use Tax	4,137,292	4,137,292	4,329,906	192,614
Interest Revenue	100,000	100,000	113,654	13,654
Total Resources (in-flows)	4,237,292	4,237,292	4,443,560	206,268
Amounts Available for Appropriation	2,928,182	2,928,182	17,820,098	
Charges to Appropriations (out-flows)				
Services and Charges	2,928,182	2,928,182	2,303,003	(625,179)
Amount Charged to Appropriations (out-flows)	2,928,182	2,928,182	2,303,003	(625,179)
 Budgeted Fund Balance, December 31	 \$ -	 \$ -	 \$ 15,517,095	

SKAGIT COUNTY, WASHINGTON
Revenues, Expenditures and Changes in Fund Balance
Budgetary Comparison Schedule
Park Improvement
For the Year Ended December 31, 2025

	<u>Budgeted Amounts</u>			
	Original Budget	Final Budget	Actual	Variance with Final Budget
Budgeted Fund Balance, January 1	\$ (10)	\$ (10)	\$ 686,638	
Resources (in-flows)				
Intergovernmental Revenue	250,000	250,000	280,696	30,696
Charges for Goods and Services	-	-	-	-
Contributions and Donations	-	-	20,000	20,000
Interest and investment earnings	-	-	-	-
Transfers In	2,412,297	2,412,297	1,915,250	(497,047)
Miscellaneous	-	-	47,249	47,249
Total Resources (in-flows)	<u>2,662,297</u>	<u>2,662,297</u>	<u>2,263,195</u>	<u>(399,102)</u>
Amounts Available for Appropriation	2,662,287	2,662,287	2,949,833	
Charges to Appropriations (out-flows)				
Salaries, Wages, and Benefits	180,787	184,287	172,475	(11,812)
Supplies	104,500	101,200	78,493	(22,707)
Services and Charges	921,000	1,209,800	879,251	(330,549)
Capital Outlays	1,436,000	1,147,000	1,062,107	(84,893)
Interfund Payments for Services	20,000	20,000	-	(20,000)
Transfers Out	-	-	-	-
Amount Charged to Appropriations (out-flows)	<u>2,662,287</u>	<u>2,662,287</u>	<u>2,192,326</u>	<u>(469,961)</u>
Budgeted Fund Balance, December 31	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 757,507</u>	

SKAGIT COUNTY, WASHINGTON
Revenues, Expenditures and Changes in Fund Balance
Budgetary Comparison Schedule
Leased Facilities
For the Year Ended December 31, 2025

	<u>Budgeted Amounts</u>			
	Original Budget	Final Budget	Actual	Variance with Final Budget
Budgeted Fund Balance, January 1	\$ (61,007)	\$ (61,007)	\$ 145,726	
Resources (in-flows)				
Intergovernmental Revenue	-	-	-	-
Charges for Goods and Services	13,500	13,500	4,031	(9,469)
Interest and investment earnings	-	-	8,680	8,680
Transfers In	-	-	-	-
Miscellaneous	130,007	130,007	108,233	(21,774)
Total Resources (in-flows)	143,507	143,507	120,944	(22,563)
Amounts Available for Appropriation	82,500	82,500	266,670	
Charges to Appropriations (out-flows)				
Salaries, Wages, and Benefits	-	-	-	-
Supplies	5,000	5,000	3,547	(1,453)
Services and Charges	71,500	71,500	44,859	(26,641)
Capital Outlays	-	-	-	-
Interfund Payments for Services	6,000	6,000	-	(6,000)
Transfers Out	-	-	-	-
Amount Charged to Appropriations (out-flows)	82,500	82,500	48,406	(34,094)
Budgeted Fund Balance, December 31	\$ -	\$ -	\$ 218,264	

Nonmajor Enterprise Funds



SKAGIT COUNTY, WASHINGTON

NONMAJOR ENTERPRISE FUNDS

For the Year ended December 31, 2025, 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

Statement of Net Position

Internal Service Funds

December 31, 2025

	Equipment Rental Fund	Insurance Service Fund	Central Services Fund	Unemployment Compensation Fund	Total
ASSETS					
Current assets:					
Cash and cash equivalents	\$ 3,058,941	\$ 8,308,205	\$ 2,648,808	\$ 1,667,495	\$ 15,683,449
Restricted cash	-	3,917,249	-	-	3,917,249
Investments	3,306,055	3,920,906	-	-	7,226,961
Accounts receivable	26	-	10,869	-	10,895
Leases receivable	87,133	-	-	-	87,133
Due from other funds	-	-	294,880	-	294,880
Inventories and prepayments	5,177,170	-	230,620	-	5,407,790
Total current assets	<u>11,629,325</u>	<u>16,146,360</u>	<u>3,185,177</u>	<u>1,667,495</u>	<u>32,628,357</u>
Noncurrent Assets					
Capital Assets					
Buildings	180,888	-	-	-	180,888
Machinery and equipment	31,805,737	-	2,709,718	-	34,515,455
Less: accumulated depreciation	(17,769,586)	-	(1,702,295)	-	(19,471,881)
Leased assets	30,627	-	-	-	30,627
Subscription assets	-	-	967,325	-	967,325
Pension asset	51,904	166,118	945,508	-	1,163,530
Total noncurrent assets	<u>14,299,570</u>	<u>166,118</u>	<u>2,920,256</u>	<u>-</u>	<u>17,385,944</u>
Total assets	<u>25,928,895</u>	<u>16,312,478</u>	<u>6,105,433</u>	<u>1,667,495</u>	<u>50,014,301</u>
DEFERRED OUTFLOWS OF RESOURCES					
Related to pension	69,637	222,869	1,268,524	-	1,561,030
Related to OPEB	12,946	1,438	56,098	-	70,482
Total deferred outflows of resources	<u>82,583</u>	<u>224,307</u>	<u>1,324,622</u>	<u>-</u>	<u>1,631,512</u>
LIABILITIES					
Current liabilities:					
Accounts and vouchers payable	678,688	246,650	233,617	40,685	1,199,640
Claims and judgements payable	-	2,726,591	-	-	2,726,591
Due to other governments	-	-	27	-	27
Accrued wages and benefits payable	40,237	18,272	232,820	238,992	530,321
Compensated absences	5,621	2,333	33,349	-	41,303
OPEB liability	1,231	137	5,334	-	6,702
Total current liabilities	<u>725,777</u>	<u>2,993,983</u>	<u>505,147</u>	<u>279,677</u>	<u>4,504,584</u>
Noncurrent liabilities:					
Compensated absences	74,675	30,991	443,068	-	548,734
Environmental liabilities	262,206	-	-	-	262,206
Bonds and loans payable	-	-	-	-	-
Lease liabilities	31,745	-	-	-	31,745
Subscription liabilities	-	-	853,663	-	853,663
OPEB liability	30,493	3,388	132,137	-	166,018
Pension liabilities	14,523	46,481	264,560	-	325,564
Total noncurrent liabilities	<u>413,642</u>	<u>80,860</u>	<u>1,693,428</u>	<u>-</u>	<u>2,187,930</u>
Total liabilities	<u>1,139,419</u>	<u>3,074,843</u>	<u>2,198,575</u>	<u>279,677</u>	<u>6,692,514</u>
DEFERRED INFLOWS OF RESOURCES					
Related to pension	17,479	55,942	318,411	-	391,832
Related to OPEB	34,794	3,866	150,776	-	189,436
Related to leases	84,061	-	-	-	84,061
Total Deferred Inflows of Resources	<u>136,334</u>	<u>59,808</u>	<u>469,187</u>	<u>-</u>	<u>665,329</u>
NET POSITION					
Net Investment in capital assets	14,163,605	-	1,121,085	-	15,284,690
Restricted	51,904	4,083,367	945,508	-	5,080,779
Unrestricted	10,520,215	9,318,767	2,695,700	1,387,818	23,922,500
Total net position	<u>\$ 24,735,724</u>	<u>\$ 13,402,134</u>	<u>\$ 4,762,293</u>	<u>\$ 1,387,818</u>	<u>\$ 44,287,969</u>

See accompanying notes to the financial statements

*See Internal Service Funds section

SKAGIT COUNTY, WASHINGTON
Statement of Revenues, Expenses, and Changes in Fund Net Position
Internal Service Funds
For the Year Ended December 31, 2025

	Equipment Rental Fund	Insurance Service Fund	Central Services Fund	Unemployment Compensation Fund	Total
Operating revenues:					
Charges for services	\$ 7,644,221	\$ 16,121,438	\$ 11,169,300	\$ 663,944	\$ 35,598,903
Other operating revenues	1,354,102	3,177,753	-	-	4,531,855
Total Operating Revenues	<u>8,998,323</u>	<u>19,299,191</u>	<u>11,169,300</u>	<u>663,944</u>	<u>40,130,758</u>
Operating expenses:					
Personnel services	1,221,415	267,687	5,456,023	767,824	7,712,949
Professional and contractual services	1,343,948	2,188,123	4,533,792	-	8,065,863
Supplies	2,453,334	44,374	896,613	-	3,394,321
Depreciation	2,646,028	-	554,980	-	3,201,008
Payment to claimants	-	12,933,737	-	150,176	13,083,913
Total operating expenses	<u>7,664,725</u>	<u>15,433,921</u>	<u>11,441,408</u>	<u>918,000</u>	<u>35,458,054</u>
Operating income (loss)	<u>1,333,598</u>	<u>3,865,270</u>	<u>(272,108)</u>	<u>(254,056)</u>	<u>4,672,704</u>
Nonoperating revenues (expenses):					
Intergovernmental revenues	-	-	42,064	-	42,064
Interest and investment earnings	145,439	171,011	-	-	316,450
Other revenues	33,258	-	-	-	33,258
Gain (loss) on disposition of capital assets	(84,684)	-	(35,157)	-	(119,841)
Interest expense	-	-	(11,686)	-	(11,686)
Income (loss) before transfers	<u>94,013</u>	<u>171,011</u>	<u>(4,779)</u>	<u>-</u>	<u>260,245</u>
Transfers In	-	-	-	-	-
Transfers out	(217,000)	-	-	-	(217,000)
Changes in net position	<u>1,210,611</u>	<u>4,036,281</u>	<u>(276,887)</u>	<u>(254,056)</u>	<u>4,715,949</u>
Net Position - beginning of year, as previously presented	23,525,113	9,365,853	4,989,557	1,641,874	39,522,397
Error correction	-	-	49,623	-	49,623
Net Position - beginning of year, as adjusted	<u>23,525,113</u>	<u>9,365,853</u>	<u>5,039,180</u>	<u>1,641,874</u>	<u>39,572,020</u>
Net Position - end of year	<u>\$ 24,735,724</u>	<u>\$ 13,402,134</u>	<u>\$ 4,762,293</u>	<u>\$ 1,387,818</u>	<u>\$ 44,287,969</u>

See the accompanying notes to the financial statements

*See Internal Service Funds section

SKAGIT COUNTY WASHINGTON
Combining Statement of Cash Flows
Internal Service Funds
For the Year Ended December 31, 2025

	Fund 501 Equipment Rental Revolving	Fund 503 Insurance Services	Fund 504 Central Services	Fund 505 Unemployment Compensation	Total Internal Services
Cash Flows from Operating Activities:					
Receipts from Customers	\$ 1,368,830	\$ 3,177,753	\$ -	\$ -	\$ 4,546,583
Receipts from Interfund Services Provided	7,644,221	16,121,438	10,863,551	663,944	35,293,154
Payments to Employees	(1,111,281)	(527,208)	(5,864,012)	(532,180)	(8,034,681)
Payments to Suppliers	(2,012,039)	219,067	(1,135,391)	-	(2,928,363)
Payments to Claimants	-	(12,933,737)	-	(141,143)	(13,074,880)
Payments for Interfund Services Used	(1,560,948)	(2,188,123)	(4,533,765)	-	(8,282,836)
Miscellaneous Receipts	-	-	-	-	-
Net Cash Provided (Used) by Operating Activities	<u>4,328,783</u>	<u>3,869,190</u>	<u>(669,617)</u>	<u>(9,379)</u>	<u>7,518,977</u>
Cash Flows from Non-Capital Financing Activities:					
Net Cash Provided (Used) by Non-Capital Financing Activities	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Cash Flows from Capital and Related Financing Activities					
Miscellaneous Revenue (Expense)	33,258	-	91,686	-	124,944
Purchases of Capital Assets	(3,628,409)	-	(925,514)	-	(4,553,923)
Proceeds from Sale of Capital Assets	235,957	-	-	-	235,957
Net Cash Provided (Used) by Capital and Related Financing Activities	<u>(3,359,194)</u>	<u>-</u>	<u>(833,828)</u>	<u>-</u>	<u>(4,193,022)</u>
Cash Flows from Investing Activities:					
Purchase of Investments	(1,683)	(1,996)	-	-	(3,679)
Interest Earnings	147,122	173,007	(11,686)	-	308,443
Net Cash Provided by Investing Activities	<u>145,439</u>	<u>171,011</u>	<u>(11,686)</u>	<u>-</u>	<u>304,764</u>
Net Increase (decrease) in Cash and Cash Equivalents	1,115,028	4,040,201	(1,515,131)	(9,379)	3,630,719
Balances, January 1	<u>\$ 5,249,968</u>	<u>\$ 12,106,159</u>	<u>\$ 4,163,939</u>	<u>\$ 1,676,874</u>	<u>\$ 23,196,940</u>
Balances, December 31	<u><u>6,364,996</u></u>	<u><u>16,146,360</u></u>	<u><u>2,648,808</u></u>	<u><u>1,667,495</u></u>	<u><u>26,827,659</u></u>
Reconciliation of Operating Income (Loss) to Net Cash Provided by Operating Activities					
Operating Income (Loss)	<u>\$ 1,333,598</u>	<u>\$ 3,865,270</u>	<u>\$ (272,108)</u>	<u>\$ (254,056)</u>	<u>\$ 4,672,704</u>
Adjustments to Reconcile Operating Income to Net Cash Provided by Operating Activities:					
Depreciation Expense	2,646,028	-	554,980	-	3,201,008
Miscellaneous Receipts	-	-	-	-	-
Changes in Assets and Liabilities:					
Receivables, net	285,083	(150,695)	(535,100)	-	(400,712)
Inventories and prepayments	24	-	(230,620)	-	(230,596)
Accounts and other payables	64,050	154,615	(186,769)	244,677	276,573
Net Cash Provided by Operating Activities	<u><u>\$ 4,328,783</u></u>	<u><u>\$ 3,869,190</u></u>	<u><u>\$ (669,617)</u></u>	<u><u>\$ (9,379)</u></u>	<u><u>\$ 7,518,977</u></u>

Custodial Funds



SKAGIT COUNTY, WASHINGTON

CUSTODIAL FUNDS

Custodial 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 Custodial Funds are custodial in nature and do not present results of operations or have a measurement focus.

Custodial Funds Include:

- Affiliated Health Services Funds
- Cemetery District Funds
- Cities & Towns Funds
- Council of Governments Funds
- Dike Districts Funds
- Drainage District Funds
- Fidalgo Park Funds
- Fire District Funds
- Hospital District 1 Funds
- Hospital District 2 Funds
- Hospital District 304 Funds
- Library Funds
- North Sound RSN/ASO Funds
- Northwest Clean Air Agency
- Port District Funds
- Public Facilities District
- School Districts Funds
- Sewer District Funds
- Skagit Community Network
- Skagit Emergency Communications
- Skagit Hospice Services
- Skagit Housing Fund
- Skagit Transportation Funds
- State Funds
- Trust Funds
- Water District Funds

SKAGIT COUNTY, WASHINGTON
COMBINING STATEMENT OF FIDUCIARY NET POSITION
As of December 31, 2025

ASSETS	TRUST FUNDS	STATE FUNDS
Cash	\$ 694,823	\$ 1,167,268
Taxes Receivable	-	1,566,797
Other Assets	-	358
TOTAL ASSETS	\$ 694,823	\$ 2,734,423
LIABILITIES		
Payables	\$ 705,960	\$ -
Other Liabilities	-	7,149,351
TOTAL LIABILITIES	\$ 705,960	\$ 7,149,351
NET POSITION	\$ (11,137)	\$ (4,414,928)
TOTAL NET POSITION	\$ (11,137)	\$ (4,414,928)

	COUNCIL OF GOVERNMENTS FUNDS	SKAGIT 911
ASSETS		
Cash	\$ 109,370	\$ 513,085
Taxes Receivable	-	-
Other Assets	-	-
TOTAL ASSETS	\$ 109,370	\$ 513,085
LIABILITIES		
Payables	\$ 32,541	\$ 15,316
Other Liabilities	-	-
TOTAL LIABILITIES	\$ 32,541	\$ 15,316
NET POSITION	\$ 76,829	\$ 497,769
TOTAL NET POSITION	\$ 76,829	\$ 497,769

SKAGIT COUNTY, WASHINGTON
COMBINING STATEMENT OF FIDUCIARY NET POSITION
As of December 31, 2025

	NORTH SOUND RSN/ASO FUNDS	CEMETERY DISTRICTS FUNDS
ASSETS		
Cash	\$ 8,048,426	\$ 382,071
Taxes Receivable	-	4,681
Other Assets	2,366	-
TOTAL ASSETS	\$ 8,050,792	\$ 386,752
LIABILITIES		
Payables	\$ 1,813,376	\$ 2,117
Other Liabilities	-	-
TOTAL LIABILITIES	\$ 1,813,376	\$ 2,117
NET POSITION	\$ 6,237,416	\$ 384,635
TOTAL NET POSITION	\$ 6,237,416	\$ 384,635

	SKAGIT HOSPICE SERVICES	SKAGIT TRANSPORTATION FUNDS
ASSETS		
Cash	\$ 853	\$ 504
Taxes Receivable	-	-
Other Assets	-	-
TOTAL ASSETS	\$ 853	\$ 504
LIABILITIES		
Payables	\$ -	\$ -
Other Liabilities	-	-
TOTAL LIABILITIES	\$ -	\$ -
NET POSITION	\$ 853	\$ 504
TOTAL NET POSITION	\$ 853	\$ 504

SKAGIT COUNTY, WASHINGTON
COMBINING STATEMENT OF FIDUCIARY NET POSITION
As of December 31, 2025

	DIKE DISTRICTS FUNDS	FIRE DISTRICT FUNDS
ASSETS		
Cash	\$ 8,560,982	\$ 3,383,234
Taxes Receivable	116,402	225,554
Other Assets	-	-
TOTAL ASSETS	\$ 8,677,384	\$ 3,608,788
LIABILITIES		
Payables	\$ 163,904	\$ 10,856
Other Liabilities	-	-
TOTAL LIABILITIES	\$ 163,904	\$ 10,856
NET POSITION	\$ 8,513,480	\$ 3,597,932
TOTAL NET POSITION	\$ 8,513,480	\$ 3,597,932

	HOSPITAL DISTRICT 1 FUNDS	HOSPITAL DISTRICT 2 FUNDS
ASSETS		
Cash	\$ 24,139	\$ 7,435,939
Taxes Receivable	109,268	59,864
Other Assets	-	-
TOTAL ASSETS	\$ 133,407	\$ 7,495,803
LIABILITIES		
Payables	\$ -	\$ 1,097,883
Other Liabilities	-	-
TOTAL LIABILITIES	\$ -	\$ 1,097,883
NET POSITION	\$ 133,407	\$ 6,397,920
TOTAL NET POSITION	\$ 133,407	\$ 6,397,920

SKAGIT COUNTY, WASHINGTON
COMBINING STATEMENT OF FIDUCIARY NET POSITION
As of December 31, 2025

	FIDALGO PARK FUNDS	WATER DISTRICT FUNDS
ASSETS		
Cash	\$ 376,058	\$ 51,876
Taxes Receivable	8,283	-
Other Assets	-	-
TOTAL ASSETS	\$ 384,341	\$ 51,876
LIABILITIES		
Payables	\$ -	\$ -
Other Liabilities	-	-
TOTAL LIABILITIES	\$ -	\$ -
NET POSITION	\$ 384,341	\$ 51,876
TOTAL NET POSITION	\$ 384,341	\$ 51,876

	HOSPITAL DISTRICT 304 FUNDS	AFFILIATED HEALTH SERVICES FUNDS
ASSETS		
Cash	\$ 619,613	\$ 6,721
Taxes Receivable	35,584	-
Other Assets	-	-
TOTAL ASSETS	\$ 655,197	\$ 6,721
LIABILITIES		
Payables	\$ 34,090	\$ 6,721
Other Liabilities	-	-
TOTAL LIABILITIES	\$ 34,090	\$ 6,721
NET POSITION	\$ 621,107	\$ -
TOTAL NET POSITION	\$ 621,107	\$ -

SKAGIT COUNTY, WASHINGTON
COMBINING STATEMENT OF FIDUCIARY NET POSITION
As of December 31, 2025

	LIBRARY FUNDS	NW CLEAN AIR AGENCY FUNDS
ASSETS		
Cash	\$ 340,697	\$ 160,549
Taxes Receivable	51,184	-
Other Assets	-	-
TOTAL ASSETS	\$ 391,881	\$ 160,549
LIABILITIES		
Payables	\$ 131,640	\$ -
Other Liabilities	-	-
TOTAL LIABILITIES	\$ 131,640	\$ -
NET POSITION	\$ 260,241	\$ 160,549
TOTAL NET POSITION	\$ 260,241	\$ 160,549

	PORT DISTRICT FUNDS	SCHOOL DISTRICTS FUNDS
ASSETS		
Cash	\$ 2,397,392	\$ 11,142,558
Taxes Receivable	180,146	1,872,400
Other Assets	-	-
TOTAL ASSETS	\$ 2,577,538	\$ 13,014,958
LIABILITIES		
Payables	\$ 2,073,297	\$ 8,231,027
Other Liabilities	-	-
TOTAL LIABILITIES	\$ 2,073,297	\$ 8,231,027
NET POSITION	\$ 504,241	\$ 4,783,931
TOTAL NET POSITION	\$ 504,241	\$ 4,783,931

SKAGIT COUNTY, WASHINGTON
COMBINING STATEMENT OF FIDUCIARY NET POSITION
As of December 31, 2025

	PUBLIC FACILITIES DISTRICT	DRAINAGE DISTRICT FUNDS
ASSETS		
Cash	\$ 137,706	\$ 1,020,068
Taxes Receivable	-	47,965
Other Assets	-	-
TOTAL ASSETS	\$ 137,706	\$ 1,068,033
LIABILITIES		
Payables	\$ 4,215,000	\$ 85,845
Other Liabilities	-	-
TOTAL LIABILITIES	\$ 4,215,000	\$ 85,845
NET POSITION	\$ (4,077,294)	\$ 982,188
TOTAL NET POSITION	\$ (4,077,294)	\$ 982,188

	CITIES AND TOWNS FUNDS	SKAGIT COMMUNITY NETWORK
ASSETS		
Cash	\$ 341,857	\$ 1,801
Taxes Receivable	544,658	-
Other Assets	-	-
TOTAL ASSETS	\$ 886,515	\$ 1,801
LIABILITIES		
Payables	\$ -	\$ -
Other Liabilities	-	-
TOTAL LIABILITIES	\$ -	\$ -
NET POSITION	\$ 886,515	\$ 1,801
TOTAL NET POSITION	\$ 886,515	\$ 1,801

SKAGIT COUNTY, WASHINGTON
COMBINING STATEMENT OF FIDUCIARY NET POSITION
As of December 31, 2025

	SEWER DISTRICT FUNDS	SKAGIT CONSERVATION DISTRICT
ASSETS		
Cash	\$ 673,921	\$ 95,127
Taxes Receivable	-	9,671
Other Assets	-	-
TOTAL ASSETS	\$ 673,921	\$ 104,798
LIABILITIES		
Payables	\$ 377	\$ -
Other Liabilities	-	-
TOTAL LIABILITIES	\$ 377	\$ -
NET POSITION	\$ 673,544	\$ 104,798
TOTAL NET POSITION	\$ 673,544	\$ 104,798

	TOTALS
ASSETS	
Cash	\$ 47,686,638
Taxes Receivable	4,832,457
Other Assets	2,724
TOTAL ASSETS	\$ 52,521,819
LIABILITIES	
Payables	18,619,950
Other Liabilities	7,149,351
TOTAL LIABILITIES	\$ 25,769,301
NET POSITION	26,752,518
TOTAL NET POSITION	\$ 26,752,518

SKAGIT COUNTY, WASHINGTON
COMBINING STATEMENT OF NET POSITION
EXTERNAL INVESTMENT POOL
As of December 31, 2025

ASSETS	TRUST FUNDS	STATE FUNDS
Investments	\$ 7,592,733	\$ -
TOTAL ASSETS	\$ 7,592,733	\$ -
	-	-
TOTAL LIABILITIES	\$ -	\$ -
TOTAL NET POSITION	\$ 7,592,733	\$ -

	COUNCIL OF GOVERNMENTS FUNDS	SKAGIT 911
ASSETS		
Investments	\$ 182,949	\$ 5,234,686
TOTAL ASSETS	\$ 182,949	\$ 5,234,686
	-	-
TOTAL LIABILITIES	\$ -	\$ -
TOTAL NET POSITION	\$ 182,949	\$ 5,234,686

SKAGIT COUNTY, WASHINGTON
COMBINING STATEMENT OF NET POSITION
EXTERNAL INVESTMENT POOL
As of December 31, 2025

	NORTH SOUND RSN/ASO FUNDS	CEMETERY DISTRICTS FUNDS
ASSETS		
Investments	\$ 6,812,039	\$ 629,921
TOTAL ASSETS	\$ 6,812,039	\$ 629,921
	-	-
TOTAL LIABILITIES	\$ -	\$ -
TOTAL NET POSITION	\$ 6,812,039	\$ 629,921

	SKAGIT HOSPICE SERVICES	SKAGIT TRANSPORTATION FUNDS
ASSETS		
Investments	\$ 1,557,050	\$ 23,440,189
TOTAL ASSETS	\$ 1,557,050	\$ 23,440,189
	-	-
TOTAL LIABILITIES	\$ -	\$ -
TOTAL NET POSITION	\$ 1,557,050	\$ 23,440,189

SKAGIT COUNTY, WASHINGTON
COMBINING STATEMENT OF NET POSITION
EXTERNAL INVESTMENT POOL
As of December 31, 2025

	DIKE DISTRICTS FUNDS	FIRE DISTRICT FUNDS
ASSETS		
Investments	\$ 28,751,451	\$ 11,918,593
TOTAL ASSETS	\$ 28,751,451	\$ 11,918,593
	-	-
TOTAL LIABILITIES	\$ -	\$ -
TOTAL NET POSITION	\$ 28,751,451	\$ 11,918,593

	HOSPITAL DISTRICT 1 FUNDS	HOSPITAL DISTRICT 2 FUNDS
ASSETS		
Investments	\$ -	\$ 26,509,067
TOTAL ASSETS	\$ -	\$ 26,509,067
	-	-
TOTAL LIABILITIES	\$ -	\$ -
TOTAL NET POSITION	\$ -	\$ 26,509,067

SKAGIT COUNTY, WASHINGTON
COMBINING STATEMENT OF NET POSITION
EXTERNAL INVESTMENT POOL
As of December 31, 2025

	FIDALGO PARK FUNDS	WATER DISTRICT FUNDS
ASSETS		
Investments	\$ 2,741	\$ 458,431
TOTAL ASSETS	\$ 2,741	\$ 458,431
	-	-
TOTAL LIABILITIES	\$ -	\$ -
TOTAL NET POSITION	\$ 2,741	\$ 458,431

	HOSPITAL DISTRICT 304 FUNDS	AFFILIATED HEALTH SERVICES FUNDS
ASSETS		
Investments	\$ 12,034,089	\$ 46,897
TOTAL ASSETS	\$ 12,034,089	\$ 46,897
	-	-
TOTAL LIABILITIES	\$ -	\$ -
TOTAL NET POSITION	\$ 12,034,089	\$ 46,897

SKAGIT COUNTY, WASHINGTON
COMBINING STATEMENT OF NET POSITION
EXTERNAL INVESTMENT POOL
As of December 31, 2025

	LIBRARY FUNDS	NW CLEAN AIR AGENCY FUNDS
ASSETS		
Investments	\$ 2,188,720	\$ 8,132,952
TOTAL ASSETS	\$ 2,188,720	\$ 8,132,952
	-	-
TOTAL LIABILITIES	\$ -	\$ -
TOTAL NET POSITION	\$ 2,188,720	\$ 8,132,952

	PORT DISTRICT FUNDS	SCHOOL DISTRICTS FUNDS
ASSETS		
Investments	\$ 23,385,581	\$ 83,294,061
TOTAL ASSETS	\$ 23,385,581	\$ 83,294,061
	-	-
TOTAL LIABILITIES	\$ -	\$ -
TOTAL NET POSITION	\$ 23,385,581	\$ 83,294,061

SKAGIT COUNTY, WASHINGTON
COMBINING STATEMENT OF NET POSITION
EXTERNAL INVESTMENT POOL
As of December 31, 2025

	PUBLIC FACILITIES DISTRICT	DRAINAGE DISTRICT FUNDS
ASSETS		
Investments	\$ 1,971,282	\$ 745,984
TOTAL ASSETS	\$ 1,971,282	\$ 745,984
	-	-
TOTAL LIABILITIES	\$ -	\$ -
TOTAL NET POSITION	\$ 1,971,282	\$ 745,984

	CITIES AND TOWNS FUNDS	SKAGIT COMMUNITY NETWORK
ASSETS		
Investments	\$ -	\$ -
TOTAL ASSETS	\$ -	\$ -
	-	-
TOTAL LIABILITIES	\$ -	\$ -
TOTAL NET POSITION	\$ -	\$ -

SKAGIT COUNTY, WASHINGTON
COMBINING STATEMENT OF NET POSITION
EXTERNAL INVESTMENT POOL
As of December 31, 2025

	SEWER DISTRICT FUNDS	SKAGIT CONSERVATION DISTRICT
ASSETS		
Investments	\$ 557,661	\$ -
TOTAL ASSETS	\$ 557,661	\$ -
	-	-
TOTAL LIABILITIES	\$ -	\$ -
TOTAL NET POSITION	\$ 557,661	\$ -

	TOTALS
ASSETS	
Investments	\$ 245,447,077
TOTAL ASSETS	\$ 245,447,077
	-
TOTAL LIABILITIES	\$ -
TOTAL NET POSITION	\$ 245,447,077

SKAGIT COUNTY, WASHINGTON
COMBINING STATEMENT OF CHANGES TO FIDUCIARY NET POSITION
Fiscal Year Ended December 31, 2025

	TRUST FUNDS	STATE FUNDS	NORTH SOUND RSN/ASO FUNDS
ADDITIONS			
Receipt from Investment Trust	\$ -	\$ -	\$ 3,504,661
Deposits made on Behalf of Junior Taxing Districts	-	-	-
Revenue Collected on Behalf of Other Governments			
Tax Collections	-	93,261,537	-
State Remittances	-	5,213,604	55,034,193
Other	5,240	3,129,253	4,435,439
Total Additions	5,240	101,604,394	62,974,293
DEDUCTIONS			
Investment Withdrawals	-	-	-
Salaries Paid on Behalf of Other Governments	-	-	3,072,189
Benefits Paid on Behalf of Other Governments	-	-	1,455,867
Payments Made on Behalf of Junior Taxing districts	-	-	60,801,079
Payments of Revenue Collected on Behalf of Other Governments			
Tax Collections	-	-	-
State Remittances	-	99,420,040	-
Other	-	-	-
Total Deductions	-	99,420,040	65,329,135
Change in Net Position	5,240	2,184,354	(2,354,842)
Beginning Net Position	(16,377)	(6,599,282)	8,592,258
Ending Balance Net Position	\$ (11,137)	\$ (4,414,928)	\$ 6,237,416

	COUNCIL OF GOVERNMENTS FUNDS	SKAGIT 911	SKAGIT HOSPICE SERVICES
ADDITIONS			
Receipt from Investment trust	\$ 316,171	\$ 2,424	\$ 475,891
Deposits made on Behalf of Junior Taxing Districts	1,421,601	745,000	-
Revenue Collected on Behalf of Other Governments			
Tax Collections	-	-	-
State Remittances	-	6,143,861	-
Other	-	-	-
Total Additions	1,737,772	6,891,285	475,891
DEDUCTIONS			
Investment Withdrawals	100,000	745,000	-
Salaries Paid on Behalf of Other Governments	514,923	-	-
Benefits Paid on Behalf of Other Governments	249,654	-	-
Payments Made on Behalf of Junior Taxing districts	836,319	6,124,052	475,891
Payments of Revenue Collected on Behalf of Other Governments			
Tax Collections	-	-	-
State Remittances	-	-	-
Other	-	-	-
Total Deductions	1,700,896	6,869,052	475,891
Change in Net Position	36,876	22,233	-
Beginning Net Position	39,953	475,536	853
Ending Balance Net Position	\$ 76,829	\$ 497,769	\$ 853

SKAGIT COUNTY, WASHINGTON
COMBINING STATEMENT OF CHANGES TO FIDUCIARY NET POSITION
Fiscal Year Ended December 31, 2025

	CEMETERY DISTRICTS FUNDS	DIKE DISTRICTS FUNDS	FIRE DISTRICT FUNDS
ADDITIONS			
Receipt from Investment Trust	\$ 50,188	\$ 322,179	\$ 1,905,425
Deposits made on Behalf of Junior Taxing Districts	191	1,069,451	805,791
Revenue Collected on Behalf of Other Governments			
Tax Collections	276,039	5,239,045	9,862,728
State Remittances	4,337	-	69,640
Other	462,794	-	2,056,702
Total Additions	793,549	6,630,675	14,700,286
DEDUCTIONS			
Investment Withdrawals	380,000	-	2,882,531
Salaries Paid on Behalf of Other Governments	146,930	854,576	245,998
Benefits Paid on Behalf of Other Governments	36,439	238,417	40,734
Payments Made on Behalf of Junior Taxing districts	194,910	4,742,452	11,342,879
Payments of Revenue Collected on Behalf of Other Governments			
Tax Collections	-	-	-
State Remittances	-	-	-
Other	-	-	-
Total Deductions	758,279	5,835,445	14,512,142
Change in Net Position	35,270	795,230	188,144
Beginning Net Position	349,365	7,718,250	3,409,788
Ending Balance Net Position	\$ 384,635	\$ 8,513,480	\$ 3,597,932

	SKAGIT TRANSPORTATION FUNDS	HOSPITAL DISTRICT 1 FUNDS	HOSPITAL DISTRICT 2 FUNDS
ADDITIONS			
Receipt from Investment trust	\$ 1,012,254	\$ -	\$ 31,705,182
Deposits made on Behalf of Junior Taxing Districts	-	7,488,173	44,625,000
Revenue Collected on Behalf of Other Governments			
Tax Collections	-	5,137,615	6,206,753
State Remittances	-	74,695	62,949
Other	-	-	-
Total Additions	1,012,254	12,700,483	82,599,884
DEDUCTIONS			
Investment Withdrawals	-	-	12,046,962
Salaries Paid on Behalf of Other Governments	-	-	-
Benefits Paid on Behalf of Other Governments	-	-	-
Payments Made on Behalf of Junior Taxing districts	1,012,254	14,700,903	67,115,562
Payments of Revenue Collected on Behalf of Other Governments			
Tax Collections	-	-	-
State Remittances	-	-	-
Other	-	-	-
Total Deductions	1,012,254	14,700,903	79,162,524
Change in Net Position	-	(2,000,420)	3,437,360
Beginning Net Position	504	2,133,827	2,960,560
Ending Balance Net Position	\$ 504	\$ 133,407	\$ 6,397,920

SKAGIT COUNTY, WASHINGTON
COMBINING STATEMENT OF CHANGES TO FIDUCIARY NET POSITION
Fiscal Year Ended December 31, 2025

	FIDALGO PARK FUNDS	WATER DISTRICT FUNDS	LIBRARY FUNDS
ADDITIONS			
Receipt from Investment Trust	\$ 1	\$ 219	\$ 529,683
Deposits made on Behalf of Junior Taxing Districts	809,000	75,785	350,172
Revenue Collected on Behalf of Other Governments			
Tax Collections	872,598	-	1,615,853
State Remittances	265	-	160,179
Other	-	-	679
Total Additions	1,681,864	76,004	2,656,566
DEDUCTIONS			
Investment Withdrawals	-	30,000	335,000
Salaries Paid on Behalf of Other Governments	-	3,456	1,196,504
Benefits Paid on Behalf of Other Governments	-	272	464,190
Payments Made on Behalf of Junior Taxing districts	1,633,493	47,642	916,705
Payments of Revenue Collected on Behalf of Other Governments			
Tax Collections	-	-	-
State Remittances	-	-	-
Other	-	-	-
Total Deductions	1,633,493	81,370	2,912,399
Change in Net Position	48,371	(5,366)	(255,833)
Beginning Net Position	335,970	57,242	516,074
Ending Balance Net Position	\$ 384,341	\$ 51,876	\$ 260,241

	HOSPITAL DISTRICT 304 FUNDS	AFFILIATED HEALTH SERVICES FUNDS	PORT DISTRICT FUNDS
ADDITIONS			
Receipt from Investment trust	\$ 6,970,519	\$ 20,342	\$ 13,209,429
Deposits made on Behalf of Junior Taxing Districts	3,095,750	31,843	46,420,363
Revenue Collected on Behalf of Other Governments			
Tax Collections	1,208,436	-	6,843,893
State Remittances	55,571	-	186,837
Other	-	-	-
Total Additions	11,330,276	52,185	66,660,522
DEDUCTIONS			
Investment Withdrawals	3,089,485	31,843	17,040,751
Salaries Paid on Behalf of Other Governments	-	-	-
Benefits Paid on Behalf of Other Governments	-	-	-
Payments Made on Behalf of Junior Taxing districts	7,975,670	20,342	52,579,366
Payments of Revenue Collected on Behalf of Other Governments			
Tax Collections	-	-	-
State Remittances	-	-	-
Other	-	-	-
Total Deductions	11,065,155	52,185	69,620,117
Change in Net Position	265,121	-	(2,959,595)
Beginning Net Position	355,986	-	3,463,836
Ending Balance Net Position	\$ 621,107	\$ -	\$ 504,241

SKAGIT COUNTY, WASHINGTON
COMBINING STATEMENT OF CHANGES TO FIDUCIARY NET POSITION
Fiscal Year Ended December 31, 2025

	NW CLEAN AIR AGENCY FUNDS	PUBLIC FACILITIES DISTRICT	DRAINAGE DISTRICT FUNDS
ADDITIONS			
Receipt from Investment Trust	\$ 4,030,753	\$ 1,176,856	\$ 380
Deposits made on Behalf of Junior Taxing Districts	6,217,578	1,510,000	39,877
Revenue Collected on Behalf of Other Governments			
Tax Collections	-	1,589,533	1,360,732
State Remittances	-	-	-
Other	-	-	-
Total Additions	10,248,331	4,276,389	1,400,989
DEDUCTIONS			
Investment Withdrawals	3,452,754	1,163,774	-
Salaries Paid on Behalf of Other Governments	-	-	53,303
Benefits Paid on Behalf of Other Governments	-	-	6,275
Payments Made on Behalf of Junior Taxing districts	7,180,866	613,160	1,229,809
Payments of Revenue Collected on Behalf of Other Governments			
Tax Collections	-	-	-
State Remittances	-	-	-
Other	-	977,819	-
Total Deductions	10,633,620	2,754,753	1,289,387
Change in Net Position	(385,289)	1,521,636	111,602
Beginning Net Position	545,838	(5,598,930)	870,586
Ending Balance Net Position	\$ 160,549	\$ (4,077,294)	\$ 982,188

	SCHOOL DISTRICTS FUNDS	CITIES AND TOWNS FUNDS	SKAGIT COMMUNITY NETWORK
ADDITIONS			
Receipt from Investment trust	\$ 117,343,092	\$ -	\$ -
Deposits made on Behalf of Junior Taxing Districts	81,655,779	-	-
Revenue Collected on Behalf of Other Governments			
Tax Collections	88,279,167	27,322,866	-
State Remittances	324,159,289	3,949,115	-
Other	-	-	-
Total Additions	611,437,327	31,271,981	-
DEDUCTIONS			
Investment Withdrawals	116,697,793	-	-
Salaries Paid on Behalf of Other Governments	-	-	-
Benefits Paid on Behalf of Other Governments	-	-	-
Payments Made on Behalf of Junior Taxing districts	493,192,042	-	-
Payments of Revenue Collected on Behalf of Other Governments			
Tax Collections	-	27,322,866	-
State Remittances	-	3,972,809	-
Other	-	-	-
Total Deductions	609,889,835	31,295,675	-
Change in Net Position	1,547,492	(23,694)	-
Beginning Net Position	3,236,439	910,209	1,801
Ending Balance Net Position	\$ 4,783,931	\$ 886,515	\$ 1,801

SKAGIT COUNTY, WASHINGTON
COMBINING STATEMENT OF CHANGES TO FIDUCIARY NET POSITION
Fiscal Year Ended December 31, 2025

	SEWER DISTRICT FUNDS	SKAGIT CONSERVATION DISTRICT
ADDITIONS		
Receipt from Investment Trust	\$ 939,282	\$ -
Deposits made on Behalf of Junior Taxing Districts	-	-
Revenue Collected on Behalf of Other Governments		
Tax Collections	-	259,648
State Remittances	-	-
Other	2,039,674	-
Total Additions	<u>2,978,956</u>	<u>259,648</u>
DEDUCTIONS		
Investment Withdrawals	817,842	-
Salaries Paid on Behalf of Other Governments	9,600	-
Benefits Paid on Behalf of Other Governments	757	-
Payments Made on Behalf of Junior Taxing districts	1,550,278	178,347
Payments of Revenue Collected on Behalf of Other Governments		
Tax Collections	-	-
State Remittances	-	-
Other	-	-
Total Deductions	<u>2,378,477</u>	<u>178,347</u>
Change in Net Position	600,479	81,301
Beginning Net Position	<u>73,065</u>	<u>23,497</u>
Ending Balance Net Position	<u><u>\$ 673,544</u></u>	<u><u>\$ 104,798</u></u>

	TOTALS
ADDITIONS	
Receipt from Investment trust	\$ 183,514,931
Deposits made on Behalf of Junior Taxing Districts	196,361,354
Revenue Collected on Behalf of Other Governments	
Tax Collections	249,336,443
State Remittances	395,114,535
Other	12,129,781
Total Additions	<u>1,036,457,044</u>
DEDUCTIONS	
Investment Withdrawals	158,813,735
Salaries Paid on Behalf of Other Governments	6,097,479
Benefits Paid on Behalf of Other Governments	2,492,605
Payments Made on Behalf of Junior Taxing districts	734,464,021
Payments of Revenue Collected on Behalf of Other Governments	
Tax Collections	27,322,866
State Remittances	103,392,849
Other	977,819
Total Deductions	<u>1,033,561,374</u>
Change in Net Position	2,895,670
Beginning Net Position	<u>23,856,848</u>
Ending Balance Net Position	<u><u>\$ 26,752,518</u></u>

SKAGIT COUNTY, WASHINGTON
COMBINING STATEMENT OF CHANGES TO NET POSITION
EXTERNAL INVESTMENT POOL
Fiscal Year Ended December 31, 2025

ADDITIONS	TRUST FUNDS	STATE FUNDS
Investment Revenue	\$ 7,592,733	\$ -
Investment Purchases	-	-
Total Additions	7,592,733	-
DEDUCTIONS		
Investment Trust Sales	-	-
Investment Fees	-	-
Total Deductions	-	-
Change in Net Position	7,592,733	-
Beginning Net Position	-	-
Ending Balance Net Position	\$ 7,592,733	\$ -

	COUNCIL OF GOVERNMENTS FUNDS	SKAGIT 911
ADDITIONS		
Investment Revenue	\$ 14,784	\$ 207,196
Investment Purchases	100,000	745,000
Total Additions	114,784	952,196
DEDUCTIONS		
Investment Trust Sales	316,171	2,424
Investment Fees	-	-
Total Deductions	316,171	2,424
Change in Net Position	(201,387)	949,772
Beginning Net Position	384,336	4,284,914
Ending Balance Net Position	\$ 182,949	\$ 5,234,686

SKAGIT COUNTY, WASHINGTON
COMBINING STATEMENT OF CHANGES TO NET POSITION
EXTERNAL INVESTMENT POOL
Fiscal Year Ended December 31, 2025

	NORTH SOUND RSN/ASO FUNDS	CEMETERY DISTRICTS FUNDS
ADDITIONS		
Investment Revenue	\$ 401,331	\$ 15,954
Investment Purchases	-	380,000
Total Additions	<u>401,331</u>	<u>395,954</u>
DEDUCTIONS		
Investment Trust Sales	3,504,661	50,188
Investment Fees	-	-
Total Deductions	<u>3,504,661</u>	<u>50,188</u>
Change in Net Position	(3,103,330)	345,766
Beginning Net Position	<u>9,915,369</u>	<u>284,155</u>
Ending Balance Net Position	<u><u>\$ 6,812,039</u></u>	<u><u>\$ 629,921</u></u>

	SKAGIT HOSPICE SERVICES	SKAGIT TRANSPORTATION FUNDS
ADDITIONS		
Investment Revenue	\$ 76,671	\$ 1,050,454
Investment Purchases	-	-
Total Additions	<u>76,671</u>	<u>1,050,454</u>
DEDUCTIONS		
Investment Trust Sales	475,891	1,012,254
Investment Fees	-	-
Total Deductions	<u>475,891</u>	<u>1,012,254</u>
Change in Net Position	(399,220)	38,200
Beginning Net Position	<u>1,956,270</u>	<u>23,401,989</u>
Ending Balance Net Position	<u><u>\$ 1,557,050</u></u>	<u><u>\$ 23,440,189</u></u>

SKAGIT COUNTY, WASHINGTON
COMBINING STATEMENT OF CHANGES TO NET POSITION
EXTERNAL INVESTMENT POOL
Fiscal Year Ended December 31, 2025

	DIKE DISTRICTS FUNDS	FIRE DISTRICT FUNDS
ADDITIONS		
Investment Revenue	\$ 1,257,776	\$ 484,151
Investment Purchases	-	2,882,531
Total Additions	<u>1,257,776</u>	<u>3,366,682</u>
DEDUCTIONS		
Investment Trust Sales	322,179	1,905,425
Investment Fees	-	2
Total Deductions	<u>322,179</u>	<u>1,905,427</u>
Change in Net Position	935,597	1,461,255
Beginning Net Position	<u>27,815,854</u>	<u>10,457,338</u>
Ending Balance Net Position	<u><u>\$ 28,751,451</u></u>	<u><u>\$ 11,918,593</u></u>

	HOSPITAL DISTRICT 1 FUNDS	HOSPITAL DISTRICT 2 FUNDS
ADDITIONS		
Investment Revenue	\$ -	\$ 1,606,575
Investment Purchases	-	12,046,962
Total Additions	<u>-</u>	<u>13,653,537</u>
DEDUCTIONS		
Investment Trust Sales	-	31,705,182
Investment Fees	-	-
Total Deductions	<u>-</u>	<u>31,705,182</u>
Change in Net Position	-	(18,051,645)
Beginning Net Position	<u>-</u>	<u>44,560,712</u>
Ending Balance Net Position	<u><u>\$ -</u></u>	<u><u>\$ 26,509,067</u></u>

SKAGIT COUNTY, WASHINGTON
COMBINING STATEMENT OF CHANGES TO NET POSITION
EXTERNAL INVESTMENT POOL
Fiscal Year Ended December 31, 2025

	FIDALGO PARK FUNDS	WATER DISTRICT FUNDS
ADDITIONS		
Investment Revenue	\$ 120	\$ 18,720
Investment Purchases	-	30,000
Total Additions	<u>120</u>	<u>48,720</u>
DEDUCTIONS		
Investment Trust Sales	1	219
Investment Fees	-	-
Total Deductions	<u>1</u>	<u>219</u>
Change in Net Position	119	48,501
Beginning Net Position	<u>2,622</u>	<u>409,930</u>
Ending Balance Net Position	<u><u>\$ 2,741</u></u>	<u><u>\$ 458,431</u></u>

	HOSPITAL DISTRICT 304 FUNDS	AFFILIATED HEALTH SERVICES FUNDS
ADDITIONS		
Investment Revenue	\$ 618,390	\$ 1,719
Investment Purchases	3,089,485	31,843
Total Additions	<u>3,707,875</u>	<u>33,562</u>
DEDUCTIONS		
Investment Trust Sales	6,970,519	20,342
Investment Fees	1	-
Total Deductions	<u>6,970,520</u>	<u>20,342</u>
Change in Net Position	(3,262,645)	13,220
Beginning Net Position	<u>15,296,734</u>	<u>33,677</u>
Ending Balance Net Position	<u><u>\$ 12,034,089</u></u>	<u><u>\$ 46,897</u></u>

SKAGIT COUNTY, WASHINGTON
COMBINING STATEMENT OF CHANGES TO NET POSITION
EXTERNAL INVESTMENT POOL
Fiscal Year Ended December 31, 2025

	LIBRARY FUNDS	NW CLEAN AIR AGENCY FUNDS
ADDITIONS		
Investment Revenue	\$ 101,470	\$ 368,416
Investment Purchases	335,000	3,452,754
Total Additions	<u>436,470</u>	<u>3,821,170</u>
DEDUCTIONS		
Investment Trust Sales	529,683	4,030,753
Investment Fees	-	-
Total Deductions	<u>529,683</u>	<u>4,030,753</u>
Change in Net Position	(93,213)	(209,583)
Beginning Net Position	<u>2,281,933</u>	<u>8,342,535</u>
Ending Balance Net Position	<u><u>\$ 2,188,720</u></u>	<u><u>\$ 8,132,952</u></u>

	PORT DISTRICT FUNDS	SCHOOL DISTRICTS FUNDS
ADDITIONS		
Investment Revenue	\$ 980,293	\$ 3,903,960
Investment Purchases	17,040,752	116,697,793
Total Additions	<u>18,021,045</u>	<u>120,601,753</u>
DEDUCTIONS		
Investment Trust Sales	13,209,429	117,343,092
Investment Fees	-	-
Total Deductions	<u>13,209,429</u>	<u>117,343,092</u>
Change in Net Position	4,811,616	3,258,661
Beginning Net Position	<u>18,573,965</u>	<u>80,035,400</u>
Ending Balance Net Position	<u><u>\$ 23,385,581</u></u>	<u><u>\$ 83,294,061</u></u>

SKAGIT COUNTY, WASHINGTON
COMBINING STATEMENT OF CHANGES TO NET POSITION
EXTERNAL INVESTMENT POOL
Fiscal Year Ended December 31, 2025

	PUBLIC FACILITIES DISTRICT	DRAINAGE DISTRICT FUNDS
ADDITIONS		
Investment Revenue	\$ 104,807	\$ 32,537
Investment Purchases	1,163,774	-
Total Additions	<u>1,268,581.00</u>	<u>32,537</u>
DEDUCTIONS		
Investment Trust Sales	1,176,856	380
Investment Fees	1	-
Total Deductions	<u>1,176,857</u>	<u>380</u>
Change in Net Position	91,724	32,157
Beginning Net Position	<u>1,879,558</u>	<u>713,827</u>
Ending Balance Net Position	<u><u>\$ 1,971,282</u></u>	<u><u>\$ 745,984</u></u>

	CITIES AND TOWNS FUNDS	SKAGIT COMMUNITY NETWORK
ADDITIONS		
Investment Revenue	\$ -	\$ -
Investment Purchases	-	-
Total Additions	<u>-</u>	<u>-</u>
DEDUCTIONS		
Investment Trust Sales	-	-
Investment Fees	-	-
Total Deductions	<u>-</u>	<u>-</u>
Change in Net Position	-	-
Beginning Net Position	<u>-</u>	<u>-</u>
Ending Balance Net Position	<u><u>\$ -</u></u>	<u><u>\$ -</u></u>

SKAGIT COUNTY, WASHINGTON
COMBINING STATEMENT OF CHANGES TO NET POSITION
EXTERNAL INVESTMENT POOL
Fiscal Year Ended December 31, 2025

	SEWER DISTRICT FUNDS	SKAGIT CONSERVATION DISTRICT
ADDITIONS		
Investment Revenue	\$ 28,157	\$ -
Investment Purchases	817,842	-
Total Additions	<u>845,999</u>	<u>-</u>
DEDUCTIONS		
Investment Trust Sales	939,282	-
Investment Fees	-	-
Total Deductions	<u>939,282</u>	<u>-</u>
Change in Net Position	(93,283)	-
Beginning Net Position	<u>650,944</u>	<u>-</u>
Ending Balance Net Position	<u><u>\$ 557,661</u></u>	<u><u>\$ -</u></u>

	TOTALS
ADDITIONS	
Investment Revenue	\$ 18,866,214
Investment Purchases	158,813,736
Total Additions	<u>177,679,950</u>
DEDUCTIONS	
Investment Trust Sales	183,514,931
Investment Fees	4
Total Deductions	<u>183,514,935</u>
Change in Net Position	(5,834,985)
Beginning Net Position	<u>251,282,062</u>
Ending Balance Net Position	<u><u>\$ 245,447,077</u></u>

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.

Contents

Financial Trends

These schedules contain trend information to help the reader understand how the County's financial performance has changed over time.

Revenue Capacity

These schedules contain information to help the reader assess the County's most significant local revenue source, property taxes.

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.

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.

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.

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

Fiscal Year	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025
Governmental activities										
Net investment in capital assets	\$ 252,394,754	\$ 245,952,404	\$ 254,580,624	\$ 256,756,738	\$ 261,490,543	\$ 282,566,113	\$ 292,194,724	\$ 297,421,234	\$ 311,283,974	\$ 335,641,591
Restricted	52,215,900	53,942,940	58,184,424	66,156,448	60,836,526	42,276,233	59,213,986	59,213,986	67,416,319	92,866,107
Unrestricted	9,585,543	17,837,553	19,903,334	22,706,177	42,017,251	76,354,483	66,668,747	84,716,181	92,655,917	80,268,781
Total governmental activities net position	<u>314,196,197</u>	<u>317,732,897</u>	<u>332,668,382</u>	<u>345,619,363</u>	<u>364,344,320</u>	<u>401,196,829</u>	<u>418,077,457</u>	<u>\$ 441,351,401</u>	<u>\$ 471,356,210</u>	<u>\$ 508,776,479</u>
Business-type activities										
Net investment in capital assets	9,100,601	18,958,513	20,186,095	20,079,884	20,017,605	20,738,183	24,623,804	24,891,421	26,094,761	27,256,654
Restricted	58,529	-	227,161	339,062	430,008	4,181,022	1,784,438	2,084,343	1,793,212	8,172,330
Unrestricted	13,877,618	5,506,284	4,990,859	(12,801,984)	(4,246,942)	(7,647,449)	(2,522,393)	(4,282,053)	(10,160,106)	(18,688,538)
Total business-type activities net position	<u>23,036,748</u>	<u>24,464,797</u>	<u>25,404,115</u>	<u>7,616,962</u>	<u>16,200,671</u>	<u>17,271,756</u>	<u>23,885,849</u>	<u>22,693,711</u>	<u>17,727,867</u>	<u>16,740,446</u>
Primary government										
Net investment in capital assets	261,495,355	264,910,917	274,766,719	276,836,622	281,508,148	303,304,296	316,818,528	322,312,655	337,378,735	362,898,245
Restricted	52,274,429	53,942,940	58,411,585	66,495,510	61,266,534	46,457,255	60,998,424	61,298,329	69,209,531	101,038,437
Unrestricted	23,463,161	23,343,837	24,894,193	9,904,193	37,770,309	68,707,034	64,146,354	64,146,354	82,495,811	61,580,243
Total primary government net position	<u>\$ 337,232,945</u>	<u>\$ 342,197,694</u>	<u>\$ 358,072,497</u>	<u>\$ 353,236,325</u>	<u>\$ 380,544,991</u>	<u>\$ 418,468,585</u>	<u>\$ 441,963,306</u>	<u>\$ 447,757,338</u>	<u>\$ 489,084,077</u>	<u>\$ 525,516,925</u>

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	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025
Expenses											
Governmental activities											
General government	\$	35,189,312	\$ 34,868,544	\$ 34,438,559	\$ 37,617,669	\$ 41,241,682	\$ 40,456,951	\$ 44,367,978	\$ 51,044,895	\$ 56,564,950	\$ 27,113,595
Judicial		7,994,589	5,875,661	9,007,779	9,633,647	9,490,898	8,476,787	9,918,388	12,266,156	14,029,162	16,081,165
Public safety		24,535,763	23,235,604	30,838,340	31,309,178	28,263,021	28,159,584	34,676,660	33,474,180	34,332,779	50,480,613
Transportation		26,676,629	30,425,842	14,522,089	17,242,802	17,428,177	16,152,233	18,011,617	17,905,721	18,304,276	24,902,179
Natural and economic environment		7,460,174	8,483,934	7,330,440	7,544,898	6,355,388	7,828,008	8,546,875	9,395,225	11,245,146	12,349,918
Health and human services		11,131,708	11,133,584	14,334,069	14,029,999	19,520,361	31,087,418	31,965,576	29,334,988	24,637,661	30,515,541
Culture and recreation		2,295,704	2,321,809	2,649,791	3,651,028	2,535,807	3,542,768	4,018,627	4,791,605	5,404,963	6,467,028
Interest on long-term debt		1,100,345	1,089,760	1,021,375	1,014,519	1,165,171	1,247,440	1,051,221	1,051,681	326,516	292,300
Total governmental activities		116,384,224	117,434,738	114,142,442	122,043,740	126,000,505	136,951,189	152,556,942	159,264,451	164,845,453	168,202,339
Business-Type Activities											
Solid Waste		9,277,227	8,939,419	10,479,366	10,741,453	11,220,226	14,578,909	13,704,456	16,237,818	20,577,176	24,236,448
Drainage Utility		1,540,053	1,806,801	1,456,542	1,469,713	3,180,490	2,173,329	2,190,562	2,647,493	2,152,676	2,879,266
Jail Fund		6,470,825	10,788,388	13,364,087	15,131,404	14,070,842	13,790,910	14,887,593	18,242,909	20,766,449	22,941,996
Total Business-Type Activities		17,288,105	21,534,608	25,299,995	27,342,570	28,471,558	30,543,148	30,782,611	37,128,220	43,496,301	50,057,710
Total Primary Government Expenses	\$	133,672,329	\$ 138,969,346	\$ 139,442,437	\$ 149,386,310	\$ 154,472,063	\$ 167,494,337	\$ 183,339,553	\$ 196,392,671	\$ 208,341,754	\$ 218,260,049
Program Revenues											
Governmental activities											
Property tax		49,106,391	50,138,944	48,662,370	51,508,031	53,452,525	54,571,993	55,905,895	58,501,112	59,718,823	66,966,064
Sales, excise, and other tax		20,514,571	22,016,238	27,503,125	29,281,880	29,312,770	24,429,777	40,083,748	39,435,667	41,157,275	44,514,446
Interest and investment earnings		1,887,018	2,554,231	4,146,928	4,980,701	2,678,848	12,083,143	3,562,913	11,243,196	11,901,940	10,476,990
Charges for services											
General government		11,198,012	8,624,929	11,481,752	5,183,675	11,760,462	10,673,443	10,969,155	11,159,783	9,080,676	7,583,351
Judicial		4,212,319	4,558,311	4,545,306	3,091,548	1,324,875	2,476,799	3,384,410	947,592	3,172,363	3,689,289
Public safety		2,122,196	2,692,409	2,225,234	3,106,583	1,946,067	2,188,147	1,599,091	2,487,418	1,999,040	2,465,498
Transportation		6,937,385	7,999,900	10,354,457	2,602,100	7,149,470	6,992,891	7,743,255	7,585,973	7,809,841	6,327,299
Natural and economic environment		1,592,504	1,832,745	1,888,060	1,718,553	2,343,493	7,247,775	1,233,961	999,025	2,446,356	2,629,087
Health and human services		4,622,944	5,116,681	6,412,778	2,486,411	5,146,557	3,046,230	9,323,591	6,075,700	10,333,659	10,325,229
Culture and recreation		947,128	1,028,944	1,030,970	1,124,821	217,746	584,517	1,446,955	1,056,217	1,505,342	1,339,879
Operating grants and contributions		7,204,908	6,049,133	7,138,726	23,657,254	21,736,612	23,629,887	23,568,607	22,763,886	21,534,476	14,603,437
Capital grants and contributions		3,379,086	7,490,767	7,333,886	4,769,605	4,243,936	12,281,010	3,149,481	5,442,316	12,336,996	23,701,045
Gain (loss) on disposition of capital assets		76,294	696,538	36,860	(175,253)	-	-	(3,082,494)	4,682,001	(101,400)	(101,400)
Other revenues		-	-	-	-	3,412,101	10,961,418	8,565,065	9,811,640	6,317,528	10,986,738
Settlements and recoveries		-	-	-	514,168	-	-	-	-	5,484,174	328,473
Total governmental activities		113,800,756	120,799,770	132,760,452	133,850,077	144,725,462	171,167,030	167,453,633	182,191,526	194,697,089	205,835,425
Business-type activities											
Interest and investment earnings		(384,815)	(1,662,621)	(2,318,135)	(2,098,945)	(2,262,456)	(2,137,080)	(1,863,794)	(1,612,693)	(1,507,104)	229,238
Charges for services											
Solid Waste		9,949,949	10,488,212	11,253,549	11,649,777	13,673,988	13,586,350	14,103,549	14,512,288	16,194,668	19,417,467
Drainage Utility		1,640,358	1,760,592	1,746,207	1,584,695	34,987	91,902	-	108,640	89,150	80,299
Jail Fund		13,129,310	13,209,111	14,975,298	15,209,333	16,076,352	16,963,838	11,742,533	12,118,222	12,699,800	16,411,276
Operating grants and contributions		1,823,176	742,982	260,393	885,519	1,016,225	1,239,014	3,804,178	2,792,462	1,783,153	1,800,269
Capital grants and contributions		-	-	1,003,983	33,767	-	-	-	-	-	351,906
Other revenues		-	-	-	-	8,516,171	1,870,633	9,065,433	7,336,052	9,080,053	10,716,372
Gain (loss) on disposition of capital assets		12,549	(16,767)	-	-	-	-	(27,705)	681,111	190,737	-
Settlements and recoveries		-	-	-	(17,708,726)	-	-	-	-	-	-
Total business-type activities		26,170,527	24,521,509	26,921,295	9,555,420	37,055,267	31,614,657	36,824,194	35,936,082	38,530,457	49,006,827
Total primary government program revenues	\$	139,971,283	\$ 145,321,279	\$ 159,681,747	\$ 143,405,497	\$ 181,780,729	\$ 202,781,687	\$ 204,277,827	\$ 218,127,608	\$ 233,227,546	\$ 254,842,252
Net (Expense) Revenue											
Governmental Activities		(2,583,468)	3,365,032	18,618,010	11,806,337	18,724,957	34,215,841	14,896,691	22,927,075	29,851,636	37,633,086
Business-Type Activities		8,882,422	2,986,901	1,621,300	(17,787,150)	8,583,709	1,071,509	6,041,583	(1,192,138)	(4,965,844)	(1,050,883)
Total Primary Government Net Expense	\$	6,298,954	\$ 6,351,933	\$ 20,239,310	\$ (5,980,813)	\$ 27,308,666	\$ 35,287,350	\$ 20,938,274	\$ 21,734,937	\$ 24,885,792	\$ 36,582,203

Source: Skagit County Auditor's Office

This schedule is unaudited.

SKAGIT COUNTY, WASHINGTON

Changes in Net Position

For Ten Fiscal Years

(Accrual Basis of Accounting)

Fiscal Year	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025
General Revenues and										
Other Changes in Net Position										
Governmental Activities										
Property taxes	\$ 49,106,391	\$ 50,138,944	\$ 48,662,370	\$ 51,508,031	\$ 53,452,525	\$ 54,571,993	\$ 55,905,895	\$ 58,501,112	\$ 59,718,823	\$ 66,966,064
Sales and use taxes	19,778,645	20,697,012	23,314,364	23,828,587	24,802,700	24,429,777	33,212,635	34,150,766	35,379,271	36,709,068
Excise taxes	-	-	-	-	-	-	-	-	-	1,095,909
Other taxes	735,926	1,319,226	4,188,761	5,453,293	6,202,934	12,083,143	6,871,113	5,284,901	5,778,004	6,709,469
Interest and investment earnings	1,887,018	2,554,231	4,146,928	4,980,701	2,678,848	1,916,785	3,562,913	11,243,196	11,901,940	10,476,990
Gain (loss) on disposition of capital assets	76,294	696,538	36,865	(175,253)	-	-	(3,082,494)	4,682,001	51,773	(101,400)
Other revenues	-	-	-	-	10,235,408	9,044,633	8,565,065	9,811,639	6,317,528	10,986,738
Settlements and recoveries	-	-	-	514,168	-	-	-	-	5,484,174	328,473
Transfers	(38,451)	5,000	-	24,697	-	424	-	-	-	-
Total Governmental Activities	71,545,823	75,410,951	80,349,288	86,134,224	97,372,415	102,046,755	105,035,127	123,673,615	124,631,513	133,171,311
Business-Type Activities										
Interest and investment earnings	(384,815)	(1,662,621)	(2,318,135)	(2,098,945)	(2,262,456)	(2,137,080)	(1,863,794)	(1,612,693)	(1,507,104)	229,238
Gain (loss) on disposition of capital assets	-	(16,767)	-	-	-	-	(27,705)	681,111	190,737	-
Other revenues	-	-	-	-	-	1,870,633	9,065,433	10,128,524	9,080,053	10,716,372
Settlements and recoveries	-	-	-	(17,708,726)	-	-	-	-	-	-
Transfers	38,451	(5,000)	-	(24,697)	-	-424	-	-	-	-
Total Business-Type Activities	(346,364)	(1,684,388)	(2,318,135)	(19,832,368)	(2,262,456)	(266,871)	7,173,934	9,196,942	7,763,686	10,945,610
Total Primary Government	71,199,459	73,726,563	78,031,153	66,301,856	95,109,959	101,779,884	112,209,061	132,870,557	132,395,199	144,116,921
Changes in Net Position										
Governmental Activities	(2,621,919)	3,370,032	18,639,958	11,806,337	18,724,957	34,216,265	14,896,691	22,927,075	30,004,809	37,420,269
Business-Type Activities	8,920,873	2,981,901	1,599,357	(17,787,150)	8,583,709	1,071,085	6,041,583	(1,192,138)	(4,965,844)	(987,420)
Total Primary Government	\$ 6,298,954	\$ 6,351,933	\$ 20,239,315	\$ (5,980,813)	\$ 27,308,666	\$ 35,287,350	\$ 20,938,274	\$ 21,734,937	\$ 25,038,965	\$ 36,432,849

Source: Skagit County Auditor's Office

This schedule is unaudited.

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

Fiscal Year	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025
General Fund										
Nonspendable	-	5,314	4,098	1,427	1,085	1,085	1,085	1,085	1,085	208,632
Restricted	-	-	-	-	-	-	-	-	-	80,500
Committed	-	-	-	-	-	-	-	-	-	-
Assigned	1,000,000	1,000,000	3,000,000	3,000,000	3,000,000	3,000,000	3,000,000	3,000,000	5,000,000	5,000,000
Unassigned	14,197,999	15,859,550	16,957,241	19,417,887	23,520,609	23,130,855	24,197,369	27,966,615	26,116,882	16,715,979
Total General Fund	<u>\$ 15,197,999</u>	<u>\$ 16,864,864</u>	<u>\$ 19,961,339</u>	<u>\$ 22,419,314</u>	<u>\$ 26,521,694</u>	<u>\$ 26,131,940</u>	<u>\$ 27,198,454</u>	<u>\$ 30,967,700</u>	<u>\$ 31,117,967</u>	<u>\$ 22,005,111</u>
All Other Governmental Funds										
Nonspendable	-	150,000	150,000	150,000	-	-	-	-	99,524	48,391
Restricted	43,127,886	45,258,951	27,102,228	54,377,548	58,385,757	63,736,847	45,439,946	67,890,576	79,007,247	91,879,773
Committed	7,507,552	8,534,251	8,077,947	8,627,473	10,487,061	11,950,008	13,302,049	14,600,347	15,852,379	15,973,119
Unassigned	-	-	-	-	-	-	-	-	-	(425,216)
Total All Other Gvmntl Funds	<u>\$ 50,635,438</u>	<u>\$ 53,943,202</u>	<u>\$ 35,330,175</u>	<u>\$ 63,155,021</u>	<u>\$ 68,872,818</u>	<u>\$ 75,686,855</u>	<u>\$ 58,741,995</u>	<u>\$ 82,490,923</u>	<u>\$ 94,959,150</u>	<u>\$ 107,476,067</u>

This schedule is unaudited.

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

Fiscal Year	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025
Revenues										
Property taxes	\$ 49,036,278	\$ 49,944,857	\$ 47,658,449	\$ 51,612,793	\$ 53,608,725	\$ 54,409,449	\$ 58,109,215	\$ 59,898,099	\$ 59,547,333	\$ 66,887,621
Sales and use taxes	19,778,645	20,697,012	23,314,364	23,828,587	24,802,700	24,429,777	33,212,635	34,150,766	35,379,271	36,709,069
Excise taxes	-	-	-	-	-	-	-	-	-	1,095,908
Other taxes	735,926	1,319,226	4,188,761	5,453,293	5,681,142	12,050,120	5,201,112	4,068,109	5,778,004	6,709,470
Licenses and permits	1,718,637	1,720,642	1,723,814	1,785,365	1,940,508	2,241,527	2,139,395	2,134,528	2,733,487	3,251,657
Intergovernmental revenues	24,452,313	28,626,209	31,868,539	28,426,859	39,995,081	55,274,676	49,478,917	46,643,876	58,405,030	60,315,809
Charges for services	9,522,520	9,044,516	11,053,088	10,450,669	9,640,599	11,504,256	10,297,826	10,214,958	11,516,831	12,348,495
Fines and penalties	2,048,756	2,256,734	2,147,684	2,176,829	1,371,669	1,072,840	1,081,889	1,473,221	1,349,631	4,684,346
Interest and investment earnings	1,839,041	2,446,269	3,975,586	4,828,028	2,632,252	1,910,319	3,480,369	10,942,025	11,579,444	10,160,540
Contributions and donations	555,934	663,082	713,160	752,518	549,786	707,149	597,561	839,405	715,836	716,244
Other revenues	1,187,243	1,234,380	3,303,549	2,035,292	2,096,690	2,603,827	3,828,179	3,089,237	4,127,667	2,005,608
Total revenues	110,875,293	117,952,927	129,946,994	131,350,233	142,319,152	166,203,940	167,427,098	173,454,224	191,132,534	204,884,767
Expenditures										
General government	19,767,777	21,255,603	17,275,622	15,406,968	22,625,834	19,983,868	23,026,468	27,122,064	32,507,124	26,383,645
Judicial	9,360,475	7,205,165	10,800,393	11,094,840	11,184,790	11,573,756	12,832,712	15,326,177	16,446,324	17,620,831
Public safety	28,185,071	28,061,749	36,630,536	38,914,675	34,502,156	35,578,922	39,733,948	39,892,447	40,878,142	51,368,523
Transportation	18,366,268	19,075,130	19,479,471	21,996,403	22,053,829	21,763,567	23,333,956	22,360,526	21,793,006	24,820,778
Natural and economic environment	8,104,379	8,971,412	8,991,848	10,296,743	8,446,865	9,914,417	10,533,820	11,803,205	13,665,291	12,989,975
Health and human services	11,902,846	12,376,167	15,985,894	15,412,667	21,187,501	32,821,925	35,149,933	32,388,970	27,531,429	31,796,092
Culture and recreation	2,503,338	2,660,040	3,022,660	4,024,731	2,880,612	4,328,723	4,344,777	5,124,454	5,983,016	6,318,640
Debt service										
Principal	1,557,880	1,791,191	3,856,663	1,264,952	1,333,465	1,381,587	1,456,511	1,522,501	1,593,780	1,654,080
Interest	627,770	578,051	457,446	399,681	494,593	524,853	483,679	439,039	393,812	359,712
Capital outlay	5,708,813	12,545,096	8,120,556	4,913,955	7,724,256	21,908,462	13,103,654	9,814,223	17,722,109	33,247,147
Total expenditures	106,084,617	114,519,604	124,621,089	123,725,615	132,433,901	159,780,080	163,999,458	165,793,606	178,514,033	206,559,423
Excess (deficiency) of Revenues over (under) Expenditures	4,790,676	3,433,323	5,325,905	7,624,618	9,885,251	6,423,860	3,427,640	7,660,618	12,618,501	(1,674,656)
Other Financial Sources (Uses)										
Proceeds of long-term debt	4,081,331	913,314	-	-	-	-	-	-	-	-
Proceeds from sale of capital assets	14,625	878,848	24,555	-	-	-	-	-	-	-
Extraordinary item	-	-	-	514,168	-	-	-	-	-	-
Transfers in	7,478,991	9,098,576	9,606,120	9,350,532	6,311,927	10,706,746	9,502,989	8,721,293	15,896,450	11,513,523
Transfers out	(7,530,730)	(9,349,430)	(10,079,065)	(9,325,835)	(6,376,999)	(10,706,322)	(9,502,989)	(8,721,293)	(15,896,450)	(11,296,523)
Total Other Financing Sources (Uses)	4,044,217	1,541,309	(448,390)	538,865	(65,072)	424	-	-	-	217,000
Net Change in Fund Balance	\$ 8,834,893	\$ 4,974,632	\$ 4,877,515	\$ 8,163,483	\$ 9,820,179	\$ 6,424,284	\$ 3,427,640	\$ 7,660,618	\$ 12,618,501	\$ (1,457,656)
Debt Service as a Percentage of Noncapital Expenditures	2.2%	2.4%	3.8%	1.4%	1.5%	1.4%	1.3%	1.3%	1.3%	1.2%

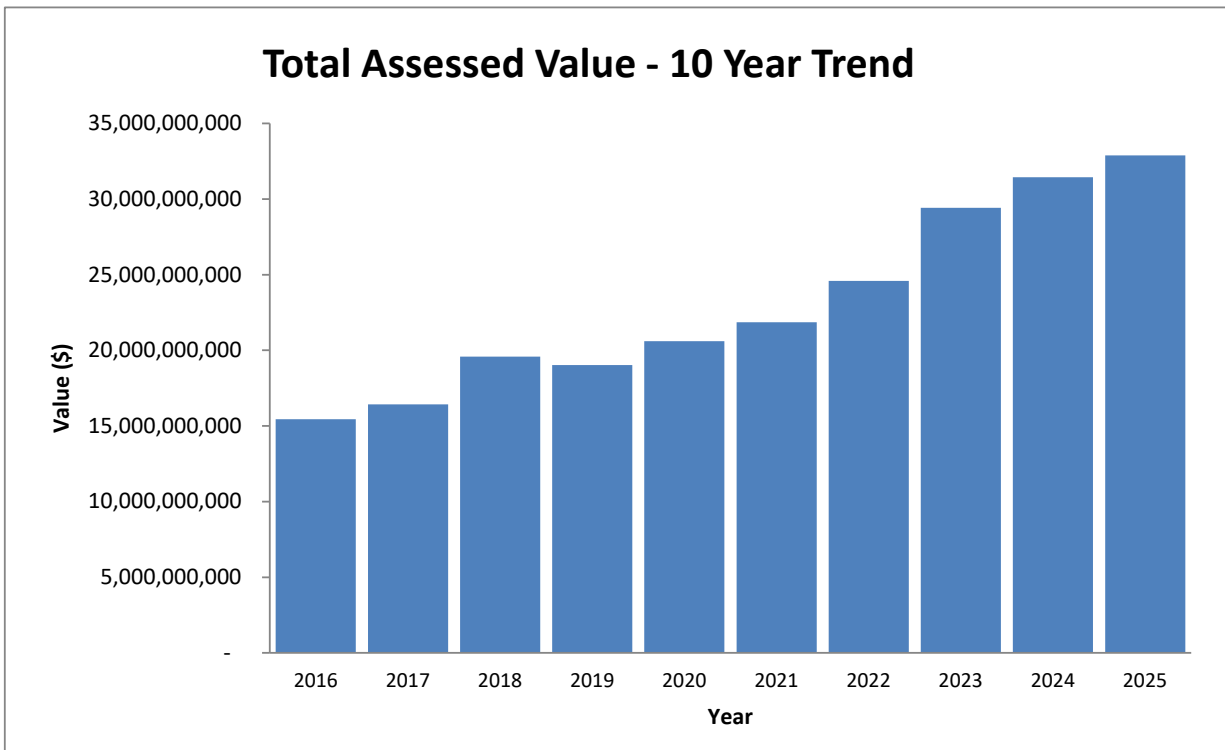
This schedule is unaudited.

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
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
2019	18,388,709,346	628,305,000	19,017,014,346	3.49
2020	19,931,711,377	671,429,560	20,603,140,937	3.36
2021	21,157,521,076	697,822,180	21,855,343,256	3.23
2022	23,879,371,427	701,758,180	24,581,129,607	2.96
2023	28,686,890,254	726,782,900	29,413,673,154	2.63
2024	30,668,593,367	771,085,400	31,439,678,767	2.54
2025	31,992,552,183	901,165,700	32,893,717,883	2.66



Note:

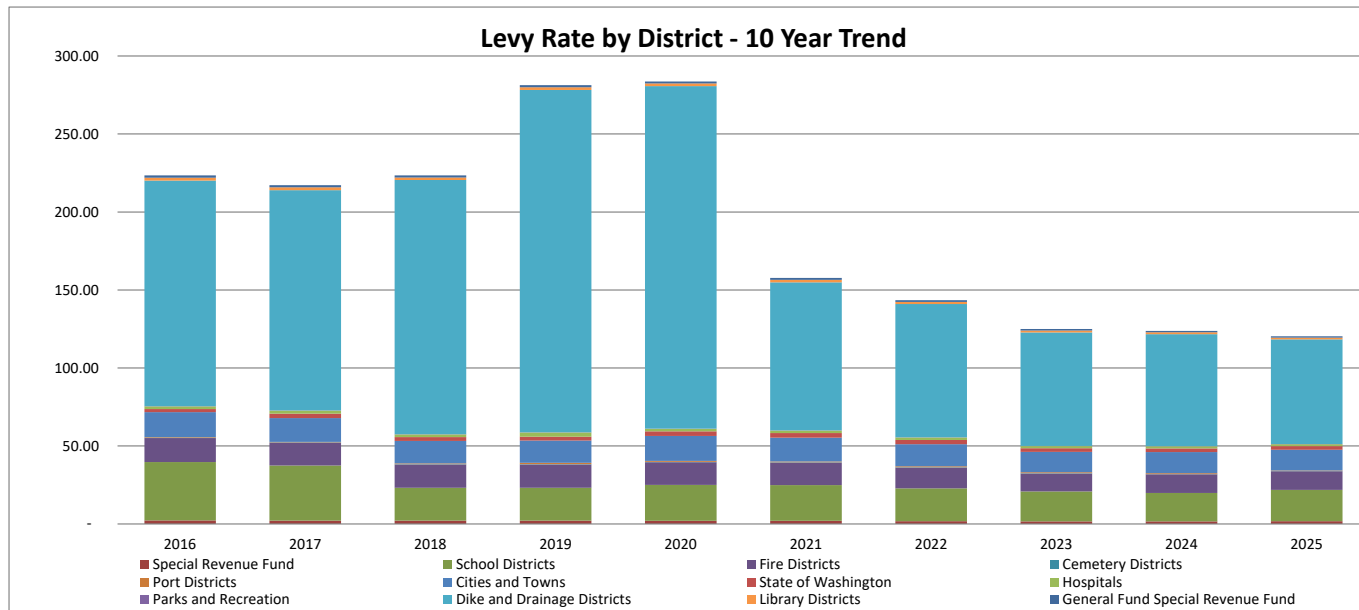
Skagit County does not estimate actual value. Re-evaluations occur on a market resale base.
The County is revalued in each four year period by area and statistically updated annually.
Valuation data of assessed property may not coincide with fiscal year end.

Source: Skagit County Assessor's Office

This schedule is unaudited.

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

	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025
General Fund	1.51	1.44	1.34	1.31	1.30	1.25	1.12	0.95	0.92	0.89
Special Revenue Fund	2.24	2.14	2.15	2.18	2.06	1.98	1.84	1.68	1.62	1.77
Total	3.75	3.58	3.49	3.49	3.36	3.23	2.96	2.63	2.54	2.66
School Districts	37.45	35.37	21.04	21.04	22.97	22.93	20.99	19.17	18.28	20.12
Fire Districts	15.42	14.60	14.88	14.82	14.58	14.36	13.31	11.49	11.89	11.83
Cemetery Districts	0.27	0.26	0.24	0.24	0.23	0.25	0.24	0.20	0.19	0.19
Port Districts	0.32	0.30	0.54	0.87	0.55	0.53	0.58	0.62	0.54	0.38
Cities and Towns	15.97	15.17	14.34	14.34	16.03	15.26	14.17	13.05	13.63	13.33
State of Washington	2.04	2.89	2.45	2.45	2.92	2.91	2.68	2.32	2.30	2.26
Hospitals	1.68	1.95	1.80	2.67	1.69	1.70	1.60	1.38	1.32	1.27
Parks and Recreation	0.13	0.13	0.12	0.12	0.12	0.11	0.11	0.10	0.09	0.09
Dike and Drainage Districts	144.56	141.22	162.92	219.55	219.55	94.90	85.44	72.81	71.83	67.07
Library Districts	1.88	1.73	1.67	1.66	1.66	1.56	1.38	1.16	1.15	1.13
Total	223.47	217.21	223.49	281.25	283.66	157.74	143.46	124.93	123.76	120.33



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, Property Taxes.

Source: Skagit County Assessor's Office

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	[2] Percent of Total Tax Collection To Tax Levy	[3] Outstanding Delinquent Taxes	[2] Percent of Delinquent Taxes to Tax Levy
2006	135,462,007	133,783,316	98.76%	2,143,734	135,927,050	100.34%	3,255,603	2.40%
2007	145,773,155	144,360,528	99.03%	1,654,424	146,014,952	100.17%	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%
2019	204,474,994	202,180,086	98.88%	3,130,843	205,310,929	100.41%	4,029,838	1.97%
2020	236,607,707	233,294,864	98.60%	2,330,264	235,625,128	99.58%	4,379,709	1.85%
2021	246,185,059	243,373,978	98.86%	3,087,327	246,461,305	100.11%	4,750,559	1.93%
2022	247,186,112	244,085,892	98.75%	3,088,565	247,174,457	100.00%	4,477,264	1.81%
2023	272,592,533	268,083,955	98.35%	2,726,991	270,810,946	99.35%	4,965,297	1.82%
2024	285,286,319	279,690,691	98.04%	3,246,940	282,937,631	99.18%	5,303,868	1.86%
2025	302,203,925	298,258,262	98.69%	3,169,522	301,427,784	99.74%	5,470,848	1.81%

Notes:

[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's Office

This schedule is unaudited.

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

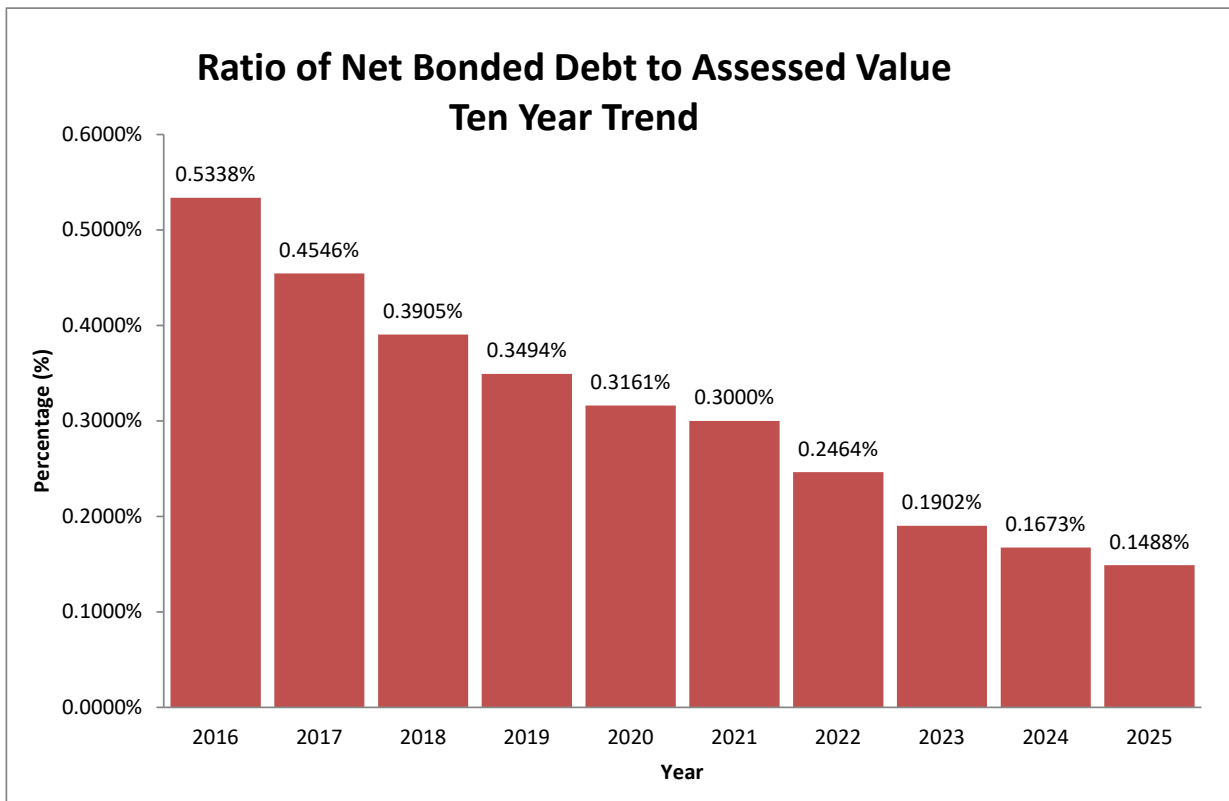
Year	Assessment Receivable At January 1	Additions	Collections	Assessment Receivable At December 31
2006	5,831	205,152	205,576	5,407
2007	5,407	214,877	210,808	9,476
2008	9,476	1,292,246	1,270,652	31,070
2009	31,070	1,238,778	1,224,388	45,460
2010	45,460	1,492,343	1,463,845	73,958
2011	73,958	1,459,849	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
2019	64,172	1,656,329	1,660,522	59,979
2020	59,979	1,948,096	1,941,050	67,025
2021	67,025	1,956,561	1,953,322	70,264
2022	70,264	1,988,284	1,986,952	71,596
2023	71,596	1,993,097	1,994,997	69,696
2024	69,696	1,999,752	2,003,061	66,387
2025	66,387	1,989,295	1,993,132	62,550

Source: Skagit County Treasurer's Office

This schedule is unaudited.

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

Year	Population	Assessed Value	Net Bonded Debt	Ratio of Net Bonded Debt to Assessed Value	Bond Debt Per Capita (restated)
2016	122,270	15,446,113,686	82,448,143	0.5338%	674
2017	124,100	16,433,120,581	74,700,000	0.4546%	602
2018	126,520	17,747,214,025	69,305,000	0.3905%	548
2019	129,200	19,017,014,346	66,445,000	0.3494%	514
2020	130,450	21,157,321,251	66,870,000	0.3161%	513
2021	130,000	22,422,110,269	67,258,745	0.3000%	517
2022	131,250	24,581,129,607	60,565,000	0.2464%	461
2023	131,321	30,046,142,003	57,150,000	0.1902%	435
2024	131,417	32,023,589,362	53,580,000	0.1673%	408
2025	132,975	33,512,910,608	49,875,000	0.1488%	375



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

	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025
TOTAL TAXABLE PROPERTY VALUE	\$ 16,433,120,581	\$ 17,747,214,025	\$ 19,580,243,115	\$ 21,157,321,251	\$ 22,422,110,269	\$ 25,206,461,742	\$ 24,581,129,607	\$ 30,046,142,003	\$ 32,023,589,362	\$ 33,512,910,608
INDEBTEDNESS FOR GENERAL PURPOSE WITHOUT A VOTE										
DEBT LIMIT-1.5% OF TOTAL ASSESSED VALUE	246,496,809	266,208,210	293,703,647	317,359,819	336,331,654	378,096,926	368,716,944	450,692,130	480,353,840	502,693,659
DEBT LIMITATION APPLICABLE TO THE LIMIT										
Less Outstanding Debt	77,995,000	74,700,000	69,305,000	66,445,000	66,870,000	63,840,000	60,565,000	57,150,000	53,580,000	49,875,000
Add Assets Available	24,044,986	20,913,329	26,689,375	31,258,127	29,239,039	30,700,133	29,658,437	25,812,770	28,811,185	27,804,413
	53,950,014	53,786,671	42,615,625	35,186,873	37,630,961	33,139,867	30,906,563	31,337,230	24,768,815	22,070,587
REMAINING DEBT CAPACITY WITHOUT A VOTE	192,546,795	212,421,540	251,088,023	282,172,946	298,700,693	344,957,059	337,810,381	419,354,900	455,585,025	480,623,072
INDEBTEDNESS FOR GENERAL PURPOSE WITH A VOTE										
DEBT LIMIT-2.5% OF TOTAL ASSESSED VALUE	410,828,015	443,680,351	489,506,078	528,933,031	560,552,757	630,161,544	614,528,240	751,153,550	800,589,734	837,822,765
REMAINING DEBT CAPACITY INCLUDING VOTED DEBT	\$ 164,331,206	\$ 177,472,140	\$ 195,802,431	\$ 211,573,213	\$ 224,221,103	\$ 252,064,617	\$ 245,811,296	\$ 300,461,420	\$ 320,235,894	\$ 335,129,106
NET DEBT APPLICABLE TO THE LIMIT AS A PERCENTAGE OF DEBT LIMIT	21.89%	20.20%	14.51%	11.09%	11.19%	8.76%	8.38%	6.95%	5.16%	4.39%

Source: Skagit County Treasurer's Office

This schedule is unaudited.

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				
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
2019	\$ 12,189,027	\$ 2,985,268	\$ 58,196,385		\$ 73,370,680	1.22%	568
2020	\$ 13,665,000	\$ 3,010,455	\$ 53,205,000		\$ 69,880,455	0.99%	536
2021	\$ 12,485,000	\$ 2,801,868	\$ 51,355,000		\$ 66,641,868	0.88%	513
2022	\$ 11,235,000	\$ 2,595,357	\$ 49,330,000		\$ 63,160,357	0.77%	481
2023	\$ 9,925,000	\$ 2,383,800	\$ 47,225,000		\$ 59,533,800	0.72%	453
2024	\$ 8,545,000	\$ 2,170,020	\$ 45,035,000		\$ 55,750,020	0.63%	424
2025	\$ 7,110,000	\$ 1,950,940	\$ 42,765,000		\$ 51,825,940	0.55%	390

This schedule is unaudited.

SKAGIT COUNTY, WASHINGTON
COMPUTATION OF DIRECT AND OVERLAPPING DEBT
FOR THE YEAR ENDED DECEMBER 31, 2025

JURISDICTION	NET DEBT OUTSTANDING	PERCENTAGE APPLICABLE TO SKAGIT COUNTY	AMOUNT APPLICABLE TO SKAGIT COUNTY
Direct Debt			
Skagit County*	7,110,000	100%	7,110,000
Total Direct Debt	\$ 7,110,000		\$ 7,110,000
Overlapping Debt			
Hospital Districts	211,060,000	100%	211,060,000
School Districts	147,241,000	100%	147,241,000
Port Districts	23,571,500	100%	23,571,500
Fire Districts	4,184,564	100%	4,184,564
Sewer Districts	1,420,451	100%	1,420,451
Fidalgo Pool	319,000	100%	319,000
Dike & Drain Districts	300,000	100%	300,000
Total Overlapping Debt	388,096,515		388,096,515
Total Direct & Overlapping Debt	\$395,206,515	100%	\$395,206,515

Note:

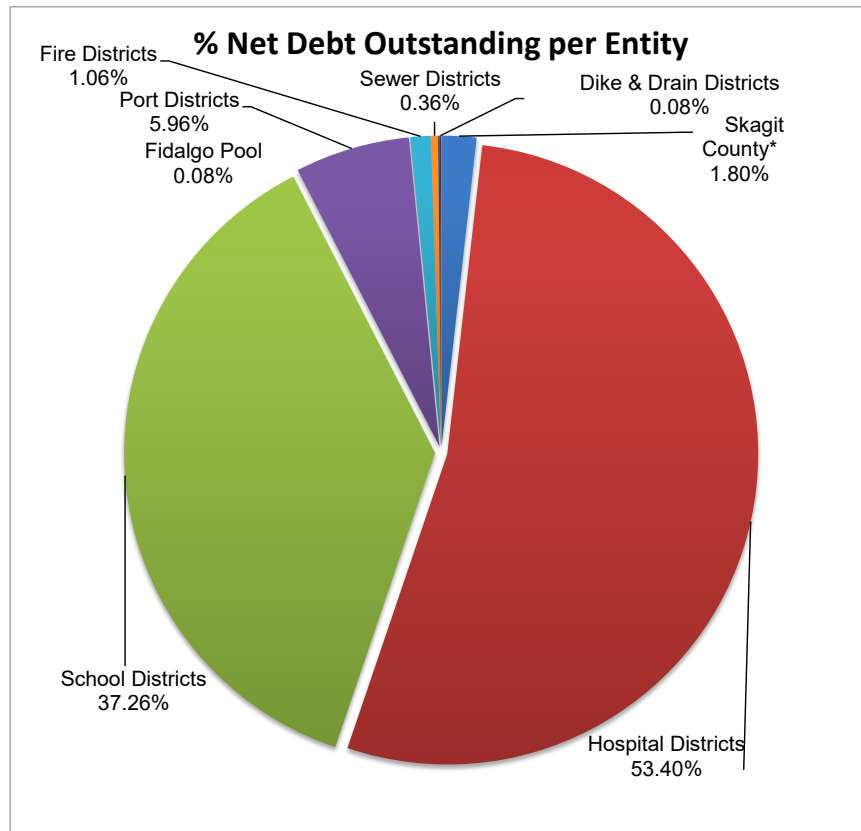
* Does not include Proprietary Fund Debt

Source: Skagit County Treasurer's Office 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 Debt Service to General Expenditures
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%
2019	1,264,952	399,683	1,664,635	120,977,843	1.38%
2020	1,140,000	311,581	1,451,581	132,433,901	1.10%
2021	1,180,000	452,281	1,632,281	136,951,189	1.19%
2022	1,250,000	416,031	1,666,031	163,999,458	1.02%
2023	1,310,000	377,381	1,687,381	159,264,450	1.06%
2024	1,380,000	336,381	1,716,381	164,845,453	1.04%
2025	1,435,000	307,582	1,742,582	168,202,339	1.04%

Notes:

* Does not include Enterprise Funds

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

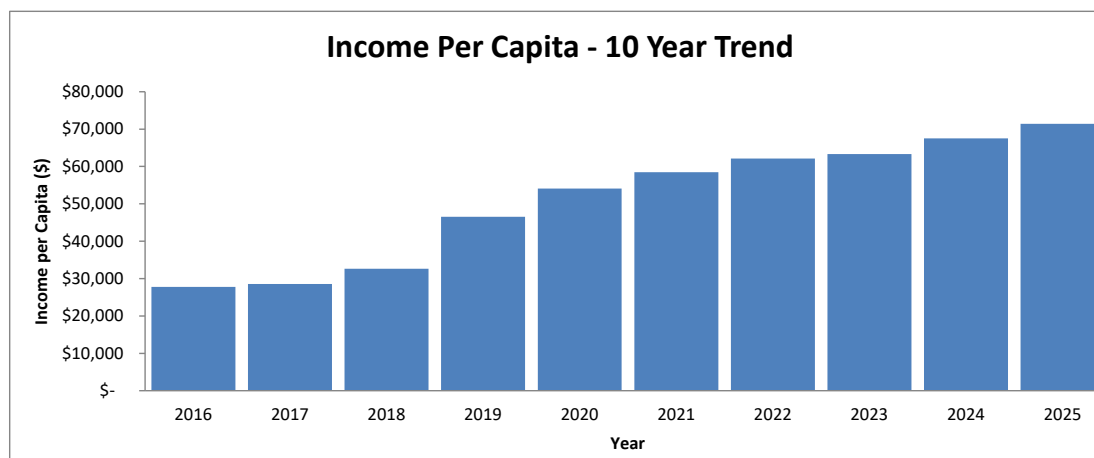
This schedule is unaudited.

SKAGIT COUNTY, WASHINGTON

Demographic Statistics

For a Ten Year Period

	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025
County Population, April 1										
Unincorporated	49,860	50,875	51,540	52,565	52,930	52,750	52,970	53,001	53,049	53,100
Incorporated	72,410	73,225	74,980	76,635	77,520	77,250	78,280	78,320	78,368	79,875
Totals	122,270	124,100	126,520	129,200	130,450	130,000	131,250	131,321	131,417	132,975
Income Per Capita **	\$ 27,794	\$ 28,586	\$ 32,653	\$ 46,565	\$ 54,067	\$ 58,475	\$ 62,153	\$ 63,349	\$ 67,524	\$ 71,399
Median Household Income	\$ 55,524	\$ 58,990	\$ 64,106	\$ 65,216	\$ 77,430	\$ 67,698	\$ 75,377	\$ 82,029	\$ 90,432	\$ 89,774
Unemployment Rate *	6.8%	4.9%	5.3%	5.2%	9.8%	6.1%	4.7%	4.5%	4.9%	4.7%
Civilian Labor Force	57,965	59,250	60,278	61,600	62,851	61,043	61,617	61,628	60,492	60,123
School Enrollment	18,951	19,148	20,002	20,850	19,747	18,600	18,561	18,480	18,517	18,670



Notes:

* The source for these values is the "Unemployment rates for metropolitan areas, annual averages" Table from the Bureau of Labor Statistics Local Area Unemployment Statistics.

** The values from 2020 through 2023 were restated. The source for these values is the "Personal Income by County and Metropolitan Area" release from the U.S. Bureau of Economic Analysis.

Sources: U.S. Census Bureau, U.S. Bureau of Economic Analysis, Bureau of Labor Statistics, Washington State Employment Security Department, Washington State Office of Superintendent of Public Instruction

SKAGIT COUNTY, WASHINGTON
PRINCIPAL PROPERTY TAXPAYERS
Current Year Compared to Ten Years Prior

Top Ten Taxpayers	2025			2015		
	Taxable Assessed Value	Rank	Percentage of Total Assessed Taxable Value	Taxable Assessed Value	Rank	Percentage of Total Assessed Taxable Value
HF Sinclair Puget Sound Refining LLC	\$ 406,016,600	1	1.23%			
Tesoro Refining & Marketing Corp	391,600,700	2	1.19%	\$ 364,923,000	2	2.49%
Puget Sound Energy Electric	247,881,917	3	0.75%	361,193,453	3	2.46%
PACCAR Inc	119,358,780	4	0.36%	69,471,000	6	0.47%
Northwest Fiber LLC DBA Ziply	94,866,841	5	0.29%			
Sierra Pacific Industries	92,088,500	6	0.28%	69,542,300	5	0.47%
Pacific Woodtech Corporation	75,992,300	7	0.23%	59,105,900	7	0.40%
Affinity at Burlington LLC	61,652,800	8	0.19%			
Upper Skagit Indian Tribe	60,667,400	9	0.18%			
SHI Owner LLC	54,648,500	10	0.17%			
Equilion Enterprises LLC				517,129,300	1	3.52%
Tesoro Logistics Operations LLC				73,320,000	4	0.50%
Frontier Property Tax Dept NCA				43,686,173	8	0.30%
NW Pipeline GP				37,581,060	9	0.26%
Health Care Reit Inc				32,349,000	10	0.22%
Total of Top Ten Assessed Value	1,604,774,338		4.88%	1,628,301,186		11.10%
Total County Assessed Value	\$ 32,893,717,883			\$ 14,670,422,177		
Percentage to Total County Assessed Value			4.88%			11.10%

Source: Skagit County Assessor

This schedule is unaudited.

SKAGIT COUNTY, WASHINGTON
PRINCIPAL EMPLOYERS
Current Year Compared to Ten Years Prior

Top Ten Principal Employers*	2025			2015		
	Number of Employees	Rank	Percentage of Total Labor Force	Number of Employees	Rank	Percentage of Total Labor Force
Skagit Regional Health	3,066	1	5.10%	2,000	1	3.52%
Janicki Industries	1,824	2	3.03%	695	5	1.22%
Mount Vernon School District**	1,113	3	1.85%	815	2	1.43%
Skagit Valley College	845	4	1.41%			
Skagit County Government	824	5	1.37%	636	6	1.12%
Island Hospital**	750	6	1.25%	718	4	1.26%
Sedro Woolley School District	723	7	1.20%	366	10	0.64%
PACCAR Technical Center	547	8	0.91%			
Burlington-Edison School District	516	9	0.86%			
Peace Health United General Medical Center	514	10	0.85%			
Shell Puget Sound Refinery				726	3	1.28%
Swinomish Casino				499	7	0.88%
Walmart				425	8	0.75%
Tesoro Refinery				400	9	0.70%
Total Employees	10,722		17.83%	7,280		12.80%
Total County Labor Force	60,123			56,855		

SOURCES:

*Western Washington University Center for Economic and Business Research
Economic Development Alliance of Skagit County (EDASC)
Washington State Employment Security Department
Employer Human Resource Departments*

Notes:

- * includes seasonal and temporary
- ** data carried from 2024

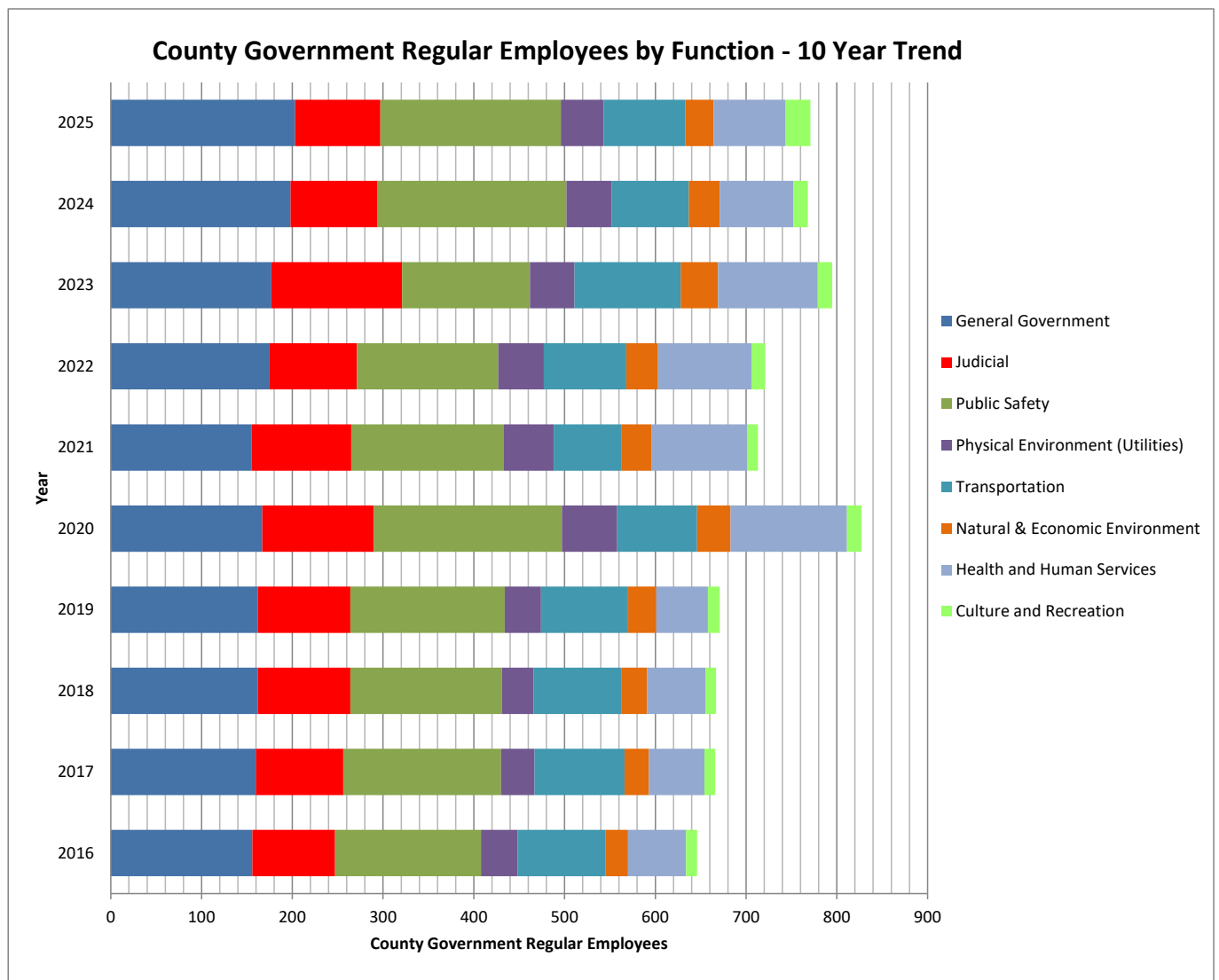
This schedule is unaudited.

SKAGIT COUNTY, WASHINGTON

COUNTY GOVERNMENT EMPLOYEES BY FUNCTION

For a Ten Year Period

Function	Number of Regular Employees as of December 31									
	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025
General Government	156	160	162	162	167	155	175	177	198	203
Judicial	91	96	102	102	123	110	96	144	96	94
Public Safety	161	174	167	170	207	168	156	141	208	199
Physical Environment (Utilities)	40	37	35	40	61	55	50	49	50	47
Transportation	97	99	97	96	88	75	91	117	85	90
Natural & Economic Environment	25	27	28	31	37	33	35	41	34	31
Health and Human Services	64	61	64	57	128	105	103	110	81	79
Culture and Recreation	12	12	12	13	16	12	15	16	16	28
Total	646	666	667	671	827	713	721	795	768	771



Note: Numbers restated in accordance with function designations.

Source: Skagit County Auditor's Office

This schedule is unaudited.

SKAGIT COUNTY, WASHINGTON
MISCELLANEOUS STATISTICS
For a Ten Year Period

	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025
(A) MILES OF ROAD										
Paved Roads	756	761.048	761.428	762.204	762.204	762.036	761.836	761.836	761.836	754.888
Unpaved Roads	40	40.157	39.748	38.668	38.668	38.218	38.038	38.038	38.038	38.038
Total Miles	796	801.205	801.176	800.872	800.872	800.254	799.874	799.874	799.874	792.926
(B) BUILDING PERMITS										
Permits issued	524	587	518	481	368	488	481	369	319	392
Value of buildings	\$ 67,496,136	\$ 84,524,082	\$ 86,155,172	\$ 66,407,740	\$ 71,038,907	\$ 91,058,898	\$ 52,513,802	\$ 60,068,028	\$ 74,753,746	\$ 93,697,449
(C) FIRE PROTECTION										
Number of districts	18	17	17	17	17	17	17	17	17	18
Number of volunteer firefighters	589	588	551	558	609	550	635	633	555	607
(D) POLICE PROTECTION										
Number of employees, commissioned	54	51	56	58	60	57	63	58	61	60
Number of employees, civilian and limited commission	65	87	76	80	79	81	69	73	83	82
Average daily jail population	214	213	265	292	165	165	209	211	212	204
Police patrol units, vehicle	68	81	88	78	78	81	85	74	105	76
Police patrol units, boats	4	3	3	4	5	4	4	4	6	6
(E) RECREATIONAL FACILITIES										
Number of parks	29	29	29	29	29	29	35	35	38	38
Park acreage	2,058	2,064	2,064	2,064	2,064	2,064	2,202	2,202	1,867	1,898
(F) GENERAL ELECTIONS										
Number of registered voters	79,796	73,710	75,699	78,200	85,682	85,113	92,845	85,689	89,051	90,412
Number of votes cast	59,023	27,947	55,583	39,159	74,039	35,483	57,317	31,981	70,972	36,089
Percentage voting	79.8%	37.9%	73.4%	50.1%	86.4%	41.7%	61.7%	37.3%	79.7%	39.9%
(G) PUBLIC EDUCATION										
Elementary	26	26	26	26	26	26	25	25	25	25
Middle/Junior High	5	5	5	5	5	5	5	5	5	5
High	6	6	6	6	6	6	6	6	6	6
Community College	1	1	1	1	1	1	1	1	1	1
Alternative	8	10	10	8	8	8	8	7	7	7
Special Education	4	4	4	4	4	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 Superintendent 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, 2025

Federal Agency (Pass-Through Agency)	Federal Program	ALN Number	Other Award Number	Expenditures			Passed through to Subrecipients	Note
				From Pass- Through Awards	From Direct Awards	Total		
FOOD AND NUTRITION SERVICE, AGRICULTURE, DEPARTMENT OF (via Northwest Regional Council)	Senior Farmers Market Nutrition Program	10.576	28/1012-NUTR	5,464	-	5,464	-	1, 4
NATIONAL OCEANIC AND ATMOSPHERIC ADMINISTRATION, COMMERCE, DEPARTMENT OF (via Skagit River System Cooperative)	Habitat Conservation	11.463	NA23NMF4630 035	317,480	-	317,480	-	1
NATIONAL OCEANIC AND ATMOSPHERIC ADMINISTRATION, COMMERCE, DEPARTMENT OF (via Skagit Fisheries Enhancement Group)	Habitat Conservation	11.463	NA25NMF463 C0023	213,720	-	213,720	-	1
Total ALN 11.463:				531,200	-	531,200	-	
NATIONAL OCEANIC AND ATMOSPHERIC ADMINISTRATION, COMMERCE, DEPARTMENT OF (via WA St Dept of Ecology)	Congressionally Identified Awards and Projects	11.469	OTGP-2024- SkCoPW-00043	69,006	-	69,006	-	1
ASSISTANT SECRETARY FOR COMMUNITY PLANNING AND DEVELOPMENT, HOUSING AND URBAN DEVELOPMENT, DEPARTMENT OF (via WA St Dept of Commerce)	Community Development Block Grants/State's program and Non-Entitlement Grants in Hawaii	14.228	B-22-DC-53- 0001 / 22- 62210-012	40,809	-	40,809	38,809	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, 2025

Federal Agency (Pass-Through Agency)	Federal Program	ALN Number	Other Award Number	Expenditures			Passed through to Subrecipients	Note
				From Pass- Through Awards	From Direct Awards	Total		
ASSISTANT SECRETARY FOR COMMUNITY PLANNING AND DEVELOPMENT, HOUSING AND URBAN DEVELOPMENT, DEPARTMENT OF (via WA St Dept of Commerce)	Community Development Block Grants/State's program and Non-Entitlement Grants in Hawaii	14.228	25-64210-012	8,008	-	8,008	7,200	1
ASSISTANT SECRETARY FOR COMMUNITY PLANNING AND DEVELOPMENT, HOUSING AND URBAN DEVELOPMENT, DEPARTMENT OF (via WA St Dept of Commerce)	Community Development Block Grants/State's program and Non-Entitlement Grants in Hawaii	14.228	23-62210-005	1,221,885	-	1,221,885	-	1
			Total ALN 14.228:	1,270,702	-	1,270,702	46,009	
ASSISTANT SECRETARY FOR COMMUNITY PLANNING AND DEVELOPMENT, HOUSING AND URBAN DEVELOPMENT, DEPARTMENT OF	Home Investment Partnerships Program	14.239	M22-DC530210	-	404,684	404,684	18,562	1
ASSISTANT SECRETARY FOR COMMUNITY PLANNING AND DEVELOPMENT, HOUSING AND URBAN DEVELOPMENT, DEPARTMENT OF	Home Investment Partnerships Program	14.239	M17-DC530210	-	1	1	1	1
ASSISTANT SECRETARY FOR COMMUNITY PLANNING AND DEVELOPMENT, HOUSING AND URBAN DEVELOPMENT, DEPARTMENT OF	Home Investment Partnerships Program	14.239	M18-DC530210	-	18,346	18,346	-	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, 2025

Federal Agency (Pass-Through Agency)	Federal Program	ALN Number	Other Award Number	Expenditures			Passed through to Subrecipients	Note
				From Pass- Through Awards	From Direct Awards	Total		
ASSISTANT SECRETARY FOR COMMUNITY PLANNING AND DEVELOPMENT, HOUSING AND URBAN DEVELOPMENT, DEPARTMENT OF	Home Investment Partnerships Program	14.239	M20-DC530210	-	224,361	224,361	-	1
ASSISTANT SECRETARY FOR COMMUNITY PLANNING AND DEVELOPMENT, HOUSING AND URBAN DEVELOPMENT, DEPARTMENT OF	COVID 19 - Home Investment Partnerships Program	14.239	M21DP530210	-	1,578,533	1,578,533	-	1
ASSISTANT SECRETARY FOR COMMUNITY PLANNING AND DEVELOPMENT, HOUSING AND URBAN DEVELOPMENT, DEPARTMENT OF	Home Investment Partnerships Program	14.239	M23DC530210	-	829,216	829,216	134,266	1
ASSISTANT SECRETARY FOR COMMUNITY PLANNING AND DEVELOPMENT, HOUSING AND URBAN DEVELOPMENT, DEPARTMENT OF	Home Investment Partnerships Program	14.239	M24DC530210	-	542,933	542,933	206,605	1
ASSISTANT SECRETARY FOR COMMUNITY PLANNING AND DEVELOPMENT, HOUSING AND URBAN DEVELOPMENT, DEPARTMENT OF	Home Investment Partnerships Program	14.239	M25DC530210	-	20,857	20,857	20,857	1
			Total ALN 14.239:	-	3,618,931	3,618,931	380,290	
OFFICE ON VIOLENCE AGAINST WOMEN, JUSTICE, DEPARTMENT OF (via WA St Dept of Commerce)	Violence Against Women Formula Grants	16.588	F24-31103-044	17,668	-	17,668	-	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, 2025

Federal Agency (Pass-Through Agency)	Federal Program	ALN Number	Other Award Number	Expenditures			Passed through to Subrecipients	Note
				From Pass- Through Awards	From Direct Awards	Total		
OJP BUREAU OF JUSTICE ASSISTANCE, JUSTICE, DEPARTMENT OF (via WA St Patrol)	Paul Coverdell Forensic Sciences Improvement Grant Program	16.742	K21667	18,631	-	18,631	-	1
FEDERAL HIGHWAY ADMINISTRATION, TRANSPORTATION, DEPARTMENT OF (via WA St Dept of Transportation)	Highway Planning and Construction	20.205	LA10367	1,230	-	1,230	-	1
FEDERAL HIGHWAY ADMINISTRATION, TRANSPORTATION, DEPARTMENT OF (via WA St Dept of Transportation)	Highway Planning and Construction	20.205	LA9909	10,376	-	10,376	-	1
FEDERAL HIGHWAY ADMINISTRATION, TRANSPORTATION, DEPARTMENT OF (via WA St Dept of Transportation)	Highway Planning and Construction	20.205	LA-9415	13,353	-	13,353	-	1
FEDERAL HIGHWAY ADMINISTRATION, TRANSPORTATION, DEPARTMENT OF (via WA St Dept of Transportation)	Highway Planning and Construction	20.205	LA 10387	17,135	-	17,135	-	1
FEDERAL HIGHWAY ADMINISTRATION, TRANSPORTATION, DEPARTMENT OF (via WA St Dept of Transportation)	Highway Planning and Construction	20.205	LA 10557	8,444	-	8,444	-	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, 2025

Federal Agency (Pass-Through Agency)	Federal Program	ALN Number	Other Award Number	Expenditures			Passed through to Subrecipients	Note
				From Pass- Through Awards	From Direct Awards	Total		
FEDERAL HIGHWAY ADMINISTRATION, TRANSPORTATION, DEPARTMENT OF (via WA St Dept of Transportation)	Highway Planning and Construction	20.205	LA 10782	2,273,021	-	2,273,021	-	1
FEDERAL HIGHWAY ADMINISTRATION, TRANSPORTATION, DEPARTMENT OF (via WA St Dept of Transportation)	Highway Planning and Construction	20.205	LA 11005	17,791	-	17,791	-	1, 3b
FEDERAL HIGHWAY ADMINISTRATION, TRANSPORTATION, DEPARTMENT OF (via WA St Dept of Transportation)	Highway Planning and Construction	20.205	LA11166	604,964	-	604,964	-	1, 3c
FEDERAL HIGHWAY ADMINISTRATION, TRANSPORTATION, DEPARTMENT OF (via WA St Dept of Transportation)	Highway Planning and Construction	20.205	LA 10507	270,050	-	270,050	-	1
FEDERAL HIGHWAY ADMINISTRATION, TRANSPORTATION, DEPARTMENT OF (via WA St Dept of Transportation)	Highway Planning and Construction	20.205	LA 10812	21,627	-	21,627	-	1
FEDERAL HIGHWAY ADMINISTRATION, TRANSPORTATION, DEPARTMENT OF (via WA St Dept of Transportation)	Highway Planning and Construction	20.205	LA 10852	491,070	-	491,070	-	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, 2025

Federal Agency (Pass-Through Agency)	Federal Program	ALN Number	Other Award Number	Expenditures			Passed through to Subrecipients	Note
				From Pass- Through Awards	From Direct Awards	Total		
FEDERAL HIGHWAY ADMINISTRATION, TRANSPORTATION, DEPARTMENT OF (via WA St Dept of Transportation)	Highway Planning and Construction	20.205	LA 10571	2,902,022	-	2,902,022	-	1, 3c
FEDERAL HIGHWAY ADMINISTRATION, TRANSPORTATION, DEPARTMENT OF (via WA St Dept of Transportation)	Highway Planning and Construction	20.205	LA 10531	254,544	-	254,544	-	1
Total ALN 20.205:				6,885,627	-	6,885,627	-	
Highway Safety Cluster								
NATIONAL HIGHWAY TRAFFIC SAFETY ADMINISTRATION, TRANSPORTATION, DEPARTMENT OF (via Washington Traffic Safety Commission)	State and Community Highway Safety	20.600	2025-HVE-5439	22,537	-	22,537	-	1, 2
NATIONAL HIGHWAY TRAFFIC SAFETY ADMINISTRATION, TRANSPORTATION, DEPARTMENT OF (via Washington Traffic Safety Commission)	State and Community Highway Safety	20.600	2026-HVE-5439	5,603	-	5,603	-	1, 2
Total Highway Safety Cluster:				28,140	-	28,140	-	

The accompanying notes are an integral part of this schedule.

Skagit County
Schedule of Expenditures of Federal Awards
For the Year Ended December 31, 2025

Federal Agency (Pass-Through Agency)	Federal Program	ALN Number	Other Award Number	Expenditures			Passed through to Subrecipients	Note
				From Pass- Through Awards	From Direct Awards	Total		
PIPELINE AND HAZARDOUS MATERIALS SAFETY ADMINISTRATION, TRANSPORTATION, DEPARTMENT OF (via WA St Military Dept)	Interagency Hazardous Materials Public Sector Training and Planning Grants	20.703	693JK3224004 9HMEP	13,867	-	13,867	-	1
DEPARTMENTAL OFFICES, TREASURY, DEPARTMENT OF THE (via WA St Dept of Agriculture)	COVID 19 - CORONAVIRUS STATE AND LOCAL FISCAL RECOVERY FUNDS	21.027	K5569	101,932	-	101,932	-	1
DEPARTMENTAL OFFICES, TREASURY, DEPARTMENT OF THE	COVID 19 - Local Assistance and Tribal Consistency Fund	21.032	LATCFCO0205	-	574,784	574,784	-	1
ENVIRONMENTAL PROTECTION AGENCY, ENVIRONMENTAL PROTECTION AGENCY (via WA St Dept of Ecology)	Geographic Programs - Puget Sound Action Agenda: Technical Investigations and Implementation Assistance Program	66.123	GVL28186-0	212,630	-	212,630	15,332	1, 3f
ENVIRONMENTAL PROTECTION AGENCY, ENVIRONMENTAL PROTECTION AGENCY (via WA Dept of Health)	Geographic Programs - Puget Sound Action Agenda: Technical Investigations and Implementation Assistance Program	66.123	GVL29665	50,952	-	50,952	-	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, 2025

Federal Agency (Pass-Through Agency)	Federal Program	ALN Number	Other Award Number	Expenditures			Passed through to Subrecipients	Note
				From Pass- Through Awards	From Direct Awards	Total		
ENVIRONMENTAL PROTECTION AGENCY, ENVIRONMENTAL PROTECTION AGENCY (via WA Dept of Health)	Geographic Programs - Puget Sound Action Agenda: Technical Investigations and Implementation Assistance Program	66.123	01J89801 / CHL32065	191,974	-	191,974	-	1, 3e
			Total ALN 66.123:	455,556	-	455,556	15,332	
ENVIRONMENTAL PROTECTION AGENCY, ENVIRONMENTAL PROTECTION AGENCY (via WA St Dept of Ecology)	National Estuary Program	66.456	SEANWS-2023- SkCoPW-00003	30,772	-	30,772	22,990	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	28/1012-NUTR	168,363	-	168,363	-	1, 2
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	28/1012-NUTR	71,201	-	71,201	-	1, 2
			Total ALN 93.045:	239,564	-	239,564	-	
ADMINISTRATION FOR COMMUNITY LIVING (ACL), HEALTH AND HUMAN SERVICES, DEPARTMENT OF (via Northwest Regional Council)	Nutrition Services Incentive Program	93.053	28/1012-NUTR	82,582	-	82,582	-	1, 2
			Total Aging Cluster:	322,146	-	322,146	-	

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Skagit County
Schedule of Expenditures of Federal Awards
For the Year Ended December 31, 2025

Federal Agency (Pass-Through Agency)	Federal Program	ALN Number	Other Award Number	Expenditures			Passed through to Subrecipients	Note
				From Pass- Through Awards	From Direct Awards	Total		
CENTERS FOR DISEASE CONTROL AND PREVENTION, HEALTH AND HUMAN SERVICES, DEPARTMENT OF (via WA Dept of Health)	Public Health Emergency Preparedness	93.069	NU90TU000055 / CLH32065	42,785	-	42,785	-	1, 3e
CENTERS FOR DISEASE CONTROL AND PREVENTION, HEALTH AND HUMAN SERVICES, DEPARTMENT OF (via WA Dept of Health)	Public Health Emergency Preparedness	93.069	NU90TU000055 / CHL32065	30,155	-	30,155	-	1, 3e
			Total ALN 93.069:	72,940	-	72,940	-	
CENTERS FOR DISEASE CONTROL AND PREVENTION, HEALTH AND HUMAN SERVICES, DEPARTMENT OF (via WA Dept of Health)	Injury Prevention and Control Research and State and Community Based Programs	93.136	NU17CED1021 8 / CLH32065	88,742	-	88,742	-	1, 3e
CENTERS FOR DISEASE CONTROL AND PREVENTION, HEALTH AND HUMAN SERVICES, DEPARTMENT OF (via WA Dept of Health)	Injury Prevention and Control Research and State and Community Based Programs	93.136	NU17CE01021 8 / CLH32065	47,703	-	47,703	-	1, 3e
			Total ALN 93.136:	136,445	-	136,445	-	
CENTERS FOR DISEASE CONTROL AND PREVENTION, HEALTH AND HUMAN SERVICES, DEPARTMENT OF (via WA Dept of Health)	COVID 19 - Immunization Cooperative Agreements	93.268	NH23IP922619 / CLH32065	24,706	-	24,706	-	1, 3e

The accompanying notes are an integral part of this schedule.

Skagit County
Schedule of Expenditures of Federal Awards
For the Year Ended December 31, 2025

Federal Agency (Pass-Through Agency)	Federal Program	ALN Number	Other Award Number	Expenditures			Passed through to Subrecipients	Note
				From Pass- Through Awards	From Direct Awards	Total		
CENTERS FOR DISEASE CONTROL AND PREVENTION, HEALTH AND HUMAN SERVICES, DEPARTMENT OF (via WA Dept of Health)	Immunization Cooperative Agreements	93.268	NH23IP922619 / CLH32065	30,923	-	30,923	-	1, 3e
CENTERS FOR DISEASE CONTROL AND PREVENTION, HEALTH AND HUMAN SERVICES, DEPARTMENT OF (via WA Dept of Health)	Immunization Cooperative Agreements	93.268	NH23IP922619 / CLH32065	10,000	-	10,000	-	1, 3e
CENTERS FOR DISEASE CONTROL AND PREVENTION, HEALTH AND HUMAN SERVICES, DEPARTMENT OF (via WA Dept of Health)	Immunization Cooperative Agreements	93.268	NH23IP922619 / CLH32065	500	-	500	-	1, 3e
CENTERS FOR DISEASE CONTROL AND PREVENTION, HEALTH AND HUMAN SERVICES, DEPARTMENT OF (via WA Dept of Health)	Immunization Cooperative Agreements	93.268	NH23IP922619 / CLH32065	4,401	-	4,401	-	1, 3e
Total ALN 93.268:				70,530	-	70,530	-	
CENTERS FOR DISEASE CONTROL AND PREVENTION, HEALTH AND HUMAN SERVICES, DEPARTMENT OF (via WA Dept of Health)	Epidemiology and Laboratory Capacity for Infectious Diseases (ELC)	93.323	NU50CK00051 5 / CLH31025	150,500	-	150,500	-	1, 3e
CENTERS FOR DISEASE CONTROL AND PREVENTION, HEALTH AND HUMAN SERVICES, DEPARTMENT OF (via WA Dept of Health)	Epidemiology and Laboratory Capacity for Infectious Diseases (ELC)	93.323	NU50CK00051 5 / CLH32065	2,492	-	2,492	-	1, 3e

The accompanying notes are an integral part of this schedule.

Skagit County
Schedule of Expenditures of Federal Awards
For the Year Ended December 31, 2025

Federal Agency (Pass-Through Agency)	Federal Program	ALN Number	Other Award Number	Expenditures			Passed through to Subrecipients	Note
				From Pass- Through Awards	From Direct Awards	Total		
			Total ALN 93.323:	152,992	-	152,992	-	
CENTERS FOR DISEASE CONTROL AND PREVENTION, HEALTH AND HUMAN SERVICES, DEPARTMENT OF (via WA Dept of Health)	COVID 19 - Public Health Emergency Response: Cooperative Agreement for Emergency Response: Public Health Crisis Response	93.354	CLH32065	214,976	-	214,976	-	1, 3e
ADMINISTRATION FOR CHILDREN AND FAMILIES, HEALTH AND HUMAN SERVICES, DEPARTMENT OF (via WA St Dept of Social & Health Services)	Child Support Services	93.563	0863-31629	125,745	-	125,745	-	1, 2
INDIAN HEALTH SERVICE, HEALTH AND HUMAN SERVICES, DEPARTMENT OF (via WA St Dept of Social & Health Services)	Indian Health Service Domestic Violence Prevention Programs	93.653	2110-80608	366,471	-	366,471	-	1, 2
INDIAN HEALTH SERVICE, HEALTH AND HUMAN SERVICES, DEPARTMENT OF (via WA St Dept of Social & Health Services)	Indian Health Service Domestic Violence Prevention Programs	93.653	75-1501-0-1- 609	30,843	-	30,843	-	1, 2, 3d
			Total ALN 93.653:	397,314	-	397,314	-	

The accompanying notes are an integral part of this schedule.

Skagit County
Schedule of Expenditures of Federal Awards
For the Year Ended December 31, 2025

Federal Agency (Pass-Through Agency)	Federal Program	ALN Number	Other Award Number	Expenditures			Passed through to Subrecipients	Note
				From Pass- Through Awards	From Direct Awards	Total		
SUBSTANCE ABUSE AND MENTAL HEALTH SERVICES ADMINISTRATION, HEALTH AND HUMAN SERVICES, DEPARTMENT OF (via WA St Health Care Authority)	Opioid STR	93.788	HT9T1085727 / K6478	218,601	-	218,601	196,956	1, 3f
HEALTH RESOURCES AND SERVICES ADMINISTRATION, HEALTH AND HUMAN SERVICES, DEPARTMENT OF (via WA St Dept of Children, Youth, and Families)	Maternal, Infant and Early Childhood Home Visiting Grant	93.870	24-1173 (24-1173-1 & 24-1173-2)	201,461	-	201,461	-	1, 2, 3a
HEALTH RESOURCES AND SERVICES ADMINISTRATION, HEALTH AND HUMAN SERVICES, DEPARTMENT OF (via WA St Dept of Children, Youth, and Families)	Maternal, Infant and Early Childhood Home Visiting Grant	93.870	26-1144 / 26-1144-01	221,963	-	221,963	-	1, 3a
Total ALN 93.870:				423,424	-	423,424	-	
CENTERS FOR DISEASE CONTROL AND PREVENTION, HEALTH AND HUMAN SERVICES, DEPARTMENT OF (via WA Dept of Health)	Epidemiologic Research Studies of Acquired Immunodeficiency Syndrome (AIDS) and Human Immunodeficiency Virus (HIV) Infection in Selected Population Groups	93.943	CLH32065	38,147	-	38,147	-	1, 3e

The accompanying notes are an integral part of this schedule.

Skagit County
Schedule of Expenditures of Federal Awards
For the Year Ended December 31, 2025

Federal Agency (Pass-Through Agency)	Federal Program	ALN Number	Other Award Number	Expenditures			Passed through to Subrecipients	Note
				From Pass- Through Awards	From Direct Awards	Total		
SUBSTANCE ABUSE AND MENTAL HEALTH SERVICES ADMINISTRATION, HEALTH AND HUMAN SERVICES, DEPARTMENT OF (via WA St Health Care Authority)	Block Grants for Prevention and Treatment of Substance Abuse	93.959	B08T1083486 / K6105	141,766	-	141,766	126,636	1, 3f
CENTERS FOR DISEASE CONTROL AND PREVENTION, HEALTH AND HUMAN SERVICES, DEPARTMENT OF (via WA Dept of Health)	Centers for Disease Control and Prevention Collaboration with Academia to Strengthen Public Health	93.967	NU17CE01218 / CLH32065	200,000	-	200,000	-	1, 3e
HEALTH RESOURCES AND SERVICES ADMINISTRATION, HEALTH AND HUMAN SERVICES, DEPARTMENT OF (via WA Dept of Health)	Maternal and Child Health Services Block Grant to the States	93.994	B04MC54583 / CLH32065	88,773	-	88,773	-	1, 3e
HEALTH RESOURCES AND SERVICES ADMINISTRATION, HEALTH AND HUMAN SERVICES, DEPARTMENT OF (via WA Dept of Health)	Maternal and Child Health Services Block Grant to the States	93.994	B04MC54583 / CLHG32065	10,612	-	10,612	-	1, 3e
Total ALN 93.994:				99,385	-	99,385	-	
EXECUTIVE OFFICE OF THE PRESIDENT, EXECUTIVE OFFICE OF THE PRESIDENT	High Intensity Drug Trafficking Areas Program	95.001	HID1925G0602	-	115,508	115,508	-	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, 2025

Federal Agency (Pass-Through Agency)	Federal Program	ALN Number	Other Award Number	Expenditures			Passed through to Subrecipients	Note
				From Pass- Through Awards	From Direct Awards	Total		
U.S. COAST GUARD, HOMELAND SECURITY, DEPARTMENT OF (via WA St Parks and Recreation Commission)	Boating Safety Financial Assistance	97.012	3324FAS24015 3	25,809	-	25,809	-	1
FEDERAL EMERGENCY MANAGEMENT AGENCY, HOMELAND SECURITY, DEPARTMENT OF (via WA St Military Dept)	Hazard Mitigation Grant	97.039	D24-054	124,151	-	124,151	-	1, 2
FEDERAL EMERGENCY MANAGEMENT AGENCY, HOMELAND SECURITY, DEPARTMENT OF (via WA St Military Dept)	Hazard Mitigation Grant	97.039	D25-033	745,684	-	745,684	-	1, 2
Total ALN 97.039:				869,835	-	869,835	-	
FEDERAL EMERGENCY MANAGEMENT AGENCY, HOMELAND SECURITY, DEPARTMENT OF (via WA St Military Dept)	Emergency Management Performance Grants	97.042	E25-243	61,967	-	61,967	-	1
FEDERAL EMERGENCY MANAGEMENT AGENCY, HOMELAND SECURITY, DEPARTMENT OF (via WA St Military Dept)	Homeland Security Grant Program	97.067	E23-117-Skagit	65,649	-	65,649	-	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, 2025

Federal Agency (Pass-Through Agency)	Federal Program	ALN Number	Other Award Number	Expenditures			Passed through to Subrecipients	Note
				From Pass- Through Awards	From Direct Awards	Total		
FEDERAL EMERGENCY MANAGEMENT AGENCY, HOMELAND SECURITY, DEPARTMENT OF (via WA St Military Dept)	Homeland Security Grant Program	97.067	E24-125	15,913	-	15,913	-	1
			Total ALN 97.067:	81,562	-	81,562	-	
FEDERAL EMERGENCY MANAGEMENT AGENCY, HOMELAND SECURITY, DEPARTMENT OF (via WA St Military Dept)	State and Local Cybersecurity Grant Program Tribal Cybersecurity Grant Program	97.137	EMW-2023-CY- 00042	30,062	-	30,062	-	1, 2
			Total Federal Awards Expended:	13,112,211	4,309,223	17,421,434	788,213	

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, 2025

NOTE 1 – BASIS OF ACCOUNTING

This schedule is prepared on the same basis of accounting as Skagit County's financial statements. Skagit County, in compliance with generally accepted accounting practices, uses modified accrual accounting for government funds and accrual accounting for proprietary funds.

NOTE 2 – PROGRAM COSTS

The amounts shown as current year expenditures represent only the federal grant portion of the program costs. Entire program costs, including Skagit County's portion, are more than shown. Such expenditures are recognized following, as applicable, either the cost principles in the OMB Circular A-87, Cost Principles for State, Local, and Indian Tribal Governments, or the cost principles contained in Title 2 U.S. Code of Federal Regulations Part 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards, wherein certain types of expenditures are not allowable or are limited as to reimbursement.

NOTE 3 – 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) 10%, (b) 17.61%, (c) 18.24%, (d) 22.36%, (e) 24.29%, (f) other, per grant agreement

NOTE 4 – NONCASH AWARDS - VOUCHERS

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

Skagit County
Schedule of Expenditures of State Financial Assistance
For the Year Ended December 31, 2025

State Agency Name	Program Title	Identification Number	Total
State Award from Military Department	2023 State and Local Cybersecurity (23SLCGP)	EMW-2023-CY-00042	7,516
State Award from Military Department	Hazard Mitigation	DR-4650-WA	4,614
State Award from Military Department	Hazard Mitigation	DR-4650-WA	39,927
State Award from Military Department	Public Assistance Concrete Culvert-Sauk Valley Road	D22-257	0
Sub-Total:			52,057
State Award from Department of Social and Health Services	Child Support Enforcement	0863-31629	19,474
State Award from Department of Social and Health Services	Child Support Enforcement	2110-80608	156,262
State Award from Department of Social and Health Services	Senior Farmer's Market Nutrition	28/1012-NUTR	13,217
State Award from Department of Social and Health Services	Home-Delivered Expansion Fund	28/1012-NUTR	12,066
State Award from Department of Social and Health Services	Senior Nutrition Fund	28/1012-NUTR	293,126
State Award from Department of Social and Health Services	Home Visiting Services Account: Nurse Family Partnership	24-1173 (24-1173-1 & 24-1173-2)	21,062
State Award from Department of Social and Health Services	Child Support Enforcement	75-1501-0-1-609	4,776
Sub-Total:			519,983
State Award from Department of Commerce	2023-25 Behavioral Health Community Capacity	24-96657-014	9,287,928
State Award from Department of Commerce	2021-23 Behavioral Health Community Capacity	22-96655-016	4,225,000
State Award from Department of Commerce	2021-23 Behavioral Health Community Capacity	22-96663-003	140,546

Skagit County
Schedule of Expenditures of State Financial Assistance
For the Year Ended December 31, 2025

State Agency Name	Program Title	Identification Number	Total
State Award from Department of Commerce	WSAC Energy Audits	#20250146	51,666
State Award from Department of Commerce	Victim Witness Assistance	S25-31101-014	28,482
State Award from Department of Commerce	Victim Witness Assistance	S26-31101-021	34,478
State Award from Department of Commerce	Coordinating Low-Income Housing Planning (CLIHP)	24-63336-203	0
State Award from Department of Commerce	Down Payment Assistance	22-94115-019	234,000
State Award from Department of Commerce	Consolidated Homeless Grant (CHG)	24-46108-26	2,293,314
State Award from Department of Commerce	Consolidated Homeless Grant (CHG)	26-46108-26	2,518,387
Sub-Total:			18,813,801
State Award from Department of Ecology	Solid Waste Management Local Solid Waste Financial Assistance	SWMLSWFA-2023-SkCoHD-00220	43,176
State Award from Department of Ecology	Solid Waste Management Local Solid Waste Financial Assistance	SWMLSWFA- 2025-SkCoHD- 00309	73,974
State Award from Department of Ecology	Pollution Prevention Assistance	C2400049	85,608
State Award from Department of Ecology	Pollution Prevention Assistance	C2500188	40,277
State Award from Department of Ecology	Skagit County MRC Operations and Projects 2025-2027	SEANWS-2025-SkCoPW-00010	2,052
State Award from Department of Ecology	Hart Slough Restoration	SPPRCPF-2023-SkCoPW-00011	129
State Award from Department of Ecology	Lake Campbell and Lake Erie Lake Cyanobacteria Management Plan	WQALG-2024-SkCoPW-00035	0
State Award from Department of Ecology	Lake Campbell Cyanobacteria	WQALG-2025-SkCoPW-00045	4,883
State Award from Department of Ecology	Lake Campbell Partial Treatment	WQALG-2026-SkCoPW-00063	0
State Award from Department of Ecology	Water Quality Combined Financial Assistance	WQC-2025-SkCoPW-00010	113,437

Skagit County
Schedule of Expenditures of State Financial Assistance
For the Year Ended December 31, 2025

State Agency Name	Program Title	Identification Number	Total
State Award from Department of Ecology	Solid Waste Management Community Litter Cleanup	SWMCLCP-2325-SkCoPW-00090	27,110
State Award from Department of Ecology	Solid Waste Management Community Litter Cleanup	SWMCLCP-2527-SkCoPW-00146	15,568
State Award from Department of Ecology	Solid Waste Management Local Solid Waste Financial Assistance	SWMLSWFA-2023-SkCoPW-00193	17,699
State Award from Department of Ecology	Solid Waste Management Local Solid Waste Financial Assistance	SWMLSWFA-2025-SkCoPW-00296	96,112
State Award from Department of Ecology	Whitmarsh March Point Landfill	TCPRA-1921-SkCoPW-00017	189,116
State Award from Department of Ecology	Barrel Springs Restoration Project	WQC-2023-SkCoPW-00001	57,975
State Award from Department of Ecology	Bay View Ridge Watershed Stormwater Management Plan Phase III	WQC-2025-SkCoPW-00011	41,696
State Award from Department of Ecology	Lorenzan Creek Final Design and Restoration	WQC-2025-SkCoPW-00131	18,460
State Award from Department of Ecology	2025-2027 Biennial Stormwater Capacity Grant	WQSWCAP-2527-SkCoPW-00152	0
Sub-Total:			827,272
State Award from Department of Health	Injury & Violence Prevention-Traumatic Brain Injury Prevention	CLH2065	5,000
State Award from Department of Health	Recreational Shellfish Activities	CLH32065	3,800
State Award from Department of Health	Recreational Shellfish Activities	CLH32065	633
State Award from Department of Health	Office of Drinking Water Group B	CLH32065	6,473
State Award from Department of Health	Infectious Disease-Syndemic Prevention Services-SSP	CLH32065	52,750

Skagit County
Schedule of Expenditures of State Financial Assistance
For the Year Ended December 31, 2025

State Agency Name	Program Title	Identification Number	Total
State Award from Department of Health	Infectious Disease-Syndemic Prevention Services-SSP	CLH32065	15,000
State Award from Department of Health	Injury & Violence Prevention-LHJ Opioid Campaign Proviso	CLH32065	48,990
State Award from Department of Health	OSS LMP Implementation	CLH32065	11,778
State Award from Department of Health	Infectious Disease Syndemic Prevention Services-SSP	CLH32065	37,284
State Award from Department of Health	Injury & Violence Prevention-Traumatic Brain Injury Prevention	CLH32065	4,558
State Award from Department of Health	OSS LMP Implementation	CLH32065	17,096
Sub-Total:			203,362
State Award from Department of Agriculture	Spartina Survey and Eradication	K3528	0
State Award from Department of Agriculture	Knotweed Control - Grandy Creek, Skagit, and Samish Rivers	K3550	0
State Award from Department of Agriculture	Garlic Mustard Control	K5677	4,487
State Award from Department of Agriculture	Spartina Survey and Eradication	K6002	22,842
State Award from Department of Agriculture	Knotweed Control	K6085	20,532
Sub-Total:			47,861
State Award from Recreation and Conservation Office	Carpenter Creek at Cascade Ridge Design	21-1473P	108,182
State Award from Recreation and Conservation Office	Skagit Basin Fish Passage Final Designs	22-1766P	609,176
State Award from Recreation and Conservation Office	IMW South Fork Skagit Channel Construction	20-1369R	8,440
State Award from Recreation and Conservation Office	Barrel Springs and Dry Creek Restoration	21-1435R	409,632

Skagit County
Schedule of Expenditures of State Financial Assistance
For the Year Ended December 31, 2025

State Agency Name	Program Title	Identification Number	Total
State Award from Recreation and Conservation Office	Martin Slough Fish Passage Design (IL26)	23-1181P	34,027
State Award from Recreation and Conservation Office	Mill Creek at South Skagit Highway Phase 1 Design	23-1182P	235,417
Sub-Total:			1,404,874
Rural Arterial Program (RAP)	Rural Arterial Program - Francis Road Reconstruction #1	2915-01	0
Rural Arterial Program (RAP)	Rural Arterial Program - Francis Road	2919-01	0
Sub-Total:			0
State Award from Department of Transportation	County Ferry Capital Improvement Program	CF2919-01	0
State Award from Department of Transportation	WSDOT Transportation Budget 2023-2025 Supplemental ESHB 2134	GCB-4101	5,014
State Award from Department of Transportation	WSDOT Transportation Budget 2025-2027 ESSB 5161	GCC-1233	9,760
Sub-Total:			14,774
State Award from Other Transportation Agencies	WSDOT Guemes Island Electric Ferry	LA 10742	0
Sub-Total:			0
State Award from Conservation Commission	Voluntary Stewardship Program Implementation	K2425	232,472
State Award from Conservation Commission	Voluntary Stewardship Program	K2625	44,759
Sub-Total:			277,231
State Award from Traffic Safety Commission	Skagit County Traffic Crash Response Team	2025-ST-5758	7,620
Sub-Total:			7,620

Skagit County
Schedule of Expenditures of State Financial Assistance
For the Year Ended December 31, 2025

State Agency Name	Program Title	Identification Number	Total
State Award from Criminal Justice Training Commission	Registered Sex Offender Address and Residency Verification Program	RSO 2024-25 Skagit	52,661
State Award from Criminal Justice Training Commission	Registered Sex Offender Address and Residency Verification Program	RSO 2024-25 Skagit	52,885
Sub-Total:			105,546
State Award from Legislature and its Committees	WASPC Traffic Safety	Skagit FY24-FY25	1,655
Sub-Total:			1,655
State Award from Other Judicial Agencies	Family Treatment Court	IAA25713	5,000
State Award from Other Judicial Agencies	Rural Court Security	AOC2579	39,000
Sub-Total:			44,000
Total State Grants Expended:			22,320,036