

SKAGIT COUNTY, WASHINGTON

**COMPREHENSIVE
ANNUAL
FINANCIAL REPORT**



FISCAL YEAR ENDED DECEMBER 31, 2004

2004

SKAGIT COUNTY WASHINGTON

COMPREHENSIVE ANNUAL FINANCIAL REPORT

FISCAL YEAR ENDED DECEMBER 31, 2004

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SKAGIT COUNTY WASHINGTON COMPREHENSIVE ANNUAL FINANCIAL REPORT

Year Ended December 31, 2004

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Norma Brummett

Auditor

David Cunningham

Chief Deputy



SKAGIT COUNTY AUDITOR

June 30, 2005

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

We hereby submit the Comprehensive Annual Financial Report (CAFR) of Skagit County for the fiscal year ended December 31, 2004, 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 managements representations concerning the finances of the County. Consequently, responsibility for the accuracy of the data and the completeness and fairness of the presentation, including all disclosures, rests with the management of Skagit County. The County has established a comprehensive internal control framework to provide a reasonable basis for making these representations. Management of the County has established internal controls that are designed to both protect the government's assets from loss, theft or misuse and to compile sufficient reliable information for the presentation of the County's financial statements in conformity with GAAP. Because the cost of internal controls should not outweigh their benefits, the County's internal controls have been designed to provide reasonable assurance that the financial statements will be free from material misstatements. To the best of our knowledge and belief, the data presented is accurate in all material respects and disclosures.

The Comprehensive Annual Financial report is developed to provide meaningful financial information to legislative bodies, creditors, investors and citizens. It is presented in three sections: introductory, financial and statistical. The introductory section includes this transmittal letter and a presentation of the County's organizational structure and elected officials. The financial section includes the independent auditor's report, the management discussion and

analysis, government-wide financial statements, fund financial statements and combining and individual fund financial statements and schedules. The statistical section presents various financial and demographic information generally presented on a multi-year basis.

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 fiscal year ended December 31, 2004, are free from material misstatement. The independent audit involved examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements and assessing the overall financial statement presentation. The auditor concluded, based upon the audit, that there was a reasonable basis for rendering an unqualified opinion that Skagit County's financial statements for the fiscal year ended December 31, 2004 are fairly presented in conformity with GAAP. The independent auditor's report is presented as the first component of the financial section of this report.

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

The County is required to undergo an annual single audit in conformity with the provisions of the Single Audit Act of 1984 and U.S. Office of Management and Budget (OMB) Circular A-133, Audits of State, Local Governments and Non-Profit Organizations. Information related to this 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 36.04.390. The County operates under a commissioner form of government. Locally elected officials include the County Assessor, Auditor, Clerk, Prosecuting Attorney, Sheriff, Treasurer, three Superior Court Judges, two District Court Judges as well as the three member Board of County Commissioners. 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 a County chief administrative officer. The County provides the following services to its constituents: Sheriff, road construction and maintenance, solid waste management, permits and planning, parks and recreation, judicial administration, public health, social services and general administrative services.

As required by GAAP, the financial statements present Skagit County, the primary government and its discretely presented component unit, the Skagit County Emergency Medical Services Commission (EMS). GASB Statement 14 establishes the standards for defining and reporting on the financial reporting entity and applies to the primary government as well as to separately issued financial statements of governmental component units. The Skagit County Emergency Medical Services Commission was effectively established on April 1, 2003 by ordinance of the Board of County Commissioners. The EMS was established pursuant to the Revised Code of Washington 35.21.730 and 36.01.095. The purpose of the commission is to provide efficient and effective emergency medical and related services throughout Skagit County in compliance with

state law. Skagit County is funding the EMS with an excess property tax levy approved by the voters through 2006. The Board of County Commissioners appoints the members of the EMS board and has final approval on the EMS operating budget.

Skagit County is located between Whatcom and Snohomish Counties in the northwestern part of the State. Interstate 5 travels through the county. This location has led to an atmosphere of discovery within the last few years. There has been an increase in individuals seeking housing within the County. The location is good for commuting to the more urbanized areas to the south and north.

The Pacific Northwest region is experiencing an increase in population. Between 1995 and 2004, the County has experienced a 16.9% increase in population, according to information provided by Washington State Employment Security Department. Along with the population increase, housing units have proportionally increased.

Skagit County remains a pristine, beautiful place to live and enjoy the outdoors. The County has beautiful natural water areas that include freshwater lakes, streams, rivers and saltwater beaches. Backpacking, hiking and camping in the beautiful natural parks, as well as the annual Tulip Festival, continue to bring tourists to this area.

The total land area of Skagit County in square miles is 1,735. Of that, 93,495 acres are devoted to farmland, 156,085 acres are devoted to parkland (national, state and county) and 364,582 acres are National Forest Land. This is one factor in population density which is 62.7 persons per square mile.

The annual budget for Skagit County serves as the 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 fund are required to submit requests for appropriations to the County Auditor's Office on the second Monday in August. A compilation of the requests is submitted to the Board of County Commissioners on the first Tuesday in September. The Commissioners schedule a budget hearing, which must begin between the first Monday in October and the first Monday in December. The hearing may be continued from day to day for no more than five days. At the conclusion of the hearing, the Commissioners adopt the budget.

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

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

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. The County has a high percentage of employment concentrated in industries that are seasonal by nature. The County's unemployment rate remains higher than the State average, in part, because of the seasonality effect. The rate for 2004 is 7.0%, down from 7.8% in 2003. However, historically, the rate has hovered as high as 9.0% as recently as 1995.

Property and sales tax revenues have increased 70.1% from 1995 to the present, and this at a time when the property tax levies have been limited to a 1% increase limitation factor for the past several years. This suggests a confident consumer spending base. This trend is also suggested in the increase in the number of building permits issued which reverses the opposite downward movement begun in 1999.

Skagit County benefits from its proximity to the larger economies and population bases in the counties immediately to its south. The Boeing Corporation and Microsoft appear to be poised for a resurgence in business activity. The County's housing market is expected to benefit from this positive turn as are the County's general sales activities.

Long- term Financial Planning

Many departments such as the Sheriff Department, County Prosecutor, Public Defender, County Clerk and the different court offices which comprise the Law and Justice System in Skagit County are understaffed. This was not completely due to an increase in crime in the County, rather an increase in the requirements imposed by the State. To compound the issues in Law and Justice, the County Jail which was built in the 1970s has been overcrowded in recent years, currently housing an average daily population 235% larger than its originally constructed capacity. In November, 2003, we asked the taxpayers of the County to approve a one-tenth of one percent increase in sales tax, which would be dedicated to staffing as well as infrastructure needs. This tax failed on the November ballot. Alternatives for expansion or building a new jail are being investigated. We dedicated an additional \$500,000 toward Law and Justice Departments for the 2004 fiscal year. To accommodate this action, many Public Service departments such as the Health Department, Parks and Recreation, and Senior Services realized reductions. The 2005 budget authorized a minor increase in staffing in this area, specifically funded by grant dollars for domestic violence projects and programs. Also the Washington State Legislature has authorized an additional Superior Court Judge for the county, although the position will probably not be filled until 2006.

In recent years, health benefit costs have been spiraling out of control. Increases have been realized in double-digit proportions. In an effort to control these increases, employees including Department Heads and Elected Officials are required to pay five percent (5%) of all employee health benefits. This has been a difficult decision. However, in order for the County to maintain an acceptable level of benefits, we must continue to discuss and seek further options for cost savings.

Financial Policies

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

1. The budget shall be balanced within available resources. In addition to annual fiscal objectives, efforts need to be made to consider future long-term service needs.
2. “Banked capacity” of \$765,403 for the General fund and \$786,404 for the Road Fund shall be preserved for emergency situations (i.e. flood or earthquake relief), and shall not be directed toward county operations.
3. Where programs are dependent upon the continued availability of grant support, departments need to ensure the sustainability of the grant source and the implications of grant funds being reduced or eliminated.
4. A minimum reserve balance of 10% shall be maintained for all operating funds.
5. Revenues collected in excess of the minimum reserve shall be held for one-time, special purpose needs that fulfill strategic objectives of the county.
6. Departments with programs that are primarily funded with permit and service fees shall analyze these fees during the course of the year to ensure that all costs are being captured within the fee structures established and shall recommend adjustments as appropriate.

Major Initiatives

The county finished remodeling the office building purchased in 2003 to house the Commissioners’ offices, Public Works and Planning departments. The much larger Commissioner’s hearing room provides expanded seating, improved acoustics and multi-media tools for presentation. In addition to alleviating crowding at the downtown campus, this move allows easier public access and consolidation of services, as well as improved flood plain elevation for these departments.

Skagit County purchased an additional building to expand the Mount Vernon Family Resource Center. The Mount Vernon Family Resource Center was acquired in 1997 to allow four community based agencies to better serve their low income clients by being situated in one location. This purchase was made from reserves and will be reimbursed with bond sales in 2005. The bond debt will be repaid through a combination of lease payments and grants.

In 2004 Skagit County Commissioners and mayors traveled to Washington, D.C. to ask for additional funding for the Skagit River Flood Prevention Feasibility Study and to request more flood storage in the Baker River System. The US Congress appropriated \$750,000 for this study and the Washington State Legislature added an additional \$500,000. Working with Puget Sound Energy, as part of their FERC re-licensing process, a settlement agreement was reached between the county and PSE to provide 29,000 acre feet of additional flood control storage behind Baker River dams. This agreement has to be approved by FERC and other federal agencies. These items will assist in moving forward Skagit County’s plan to minimize flood damage and loss of life due to flooding of the river.

Awards and Acknowledgements


The Government Finance Officers Association of the United States and Canada (GFOA) awarded a Certificate of Achievement for Excellence in Financial reporting to Skagit County for its Comprehensive Annual report for the fiscal year ended December 31, 2003. Skagit County has received this prestigious award for fourteen out of the last sixteen years and for the last eight consecutive years. In order to be awarded a Certificate of Achievement, the County must publish an easily readable and efficiently organized comprehensive annual report. This report must satisfy both generally accepted accounting principles and applicable legal requirements.

A Certificate of Achievement is valid for a period of one year only. We believe our current financial report continues to meet the Certificate of Achievement Program's requirements and we are submitting it to the GFOA to determine its eligibility.

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

Respectfully submitted,

A handwritten signature in black ink that reads "Norma Brummett". The signature is written in a cursive style with a large, stylized initial 'N'.

Norma Brummett
County Auditor

Certificate of Achievement for Excellence in Financial Reporting

Presented to

Skagit County,
Washington

For its Comprehensive Annual
Financial Report
for the Fiscal Year Ended
December 31, 2003

A Certificate of Achievement for Excellence in Financial Reporting is presented by the Government Finance Officers Association of the United States and Canada to government units and public employee retirement systems whose comprehensive annual financial reports (CAFRs) achieve the highest standards in government accounting and financial reporting.



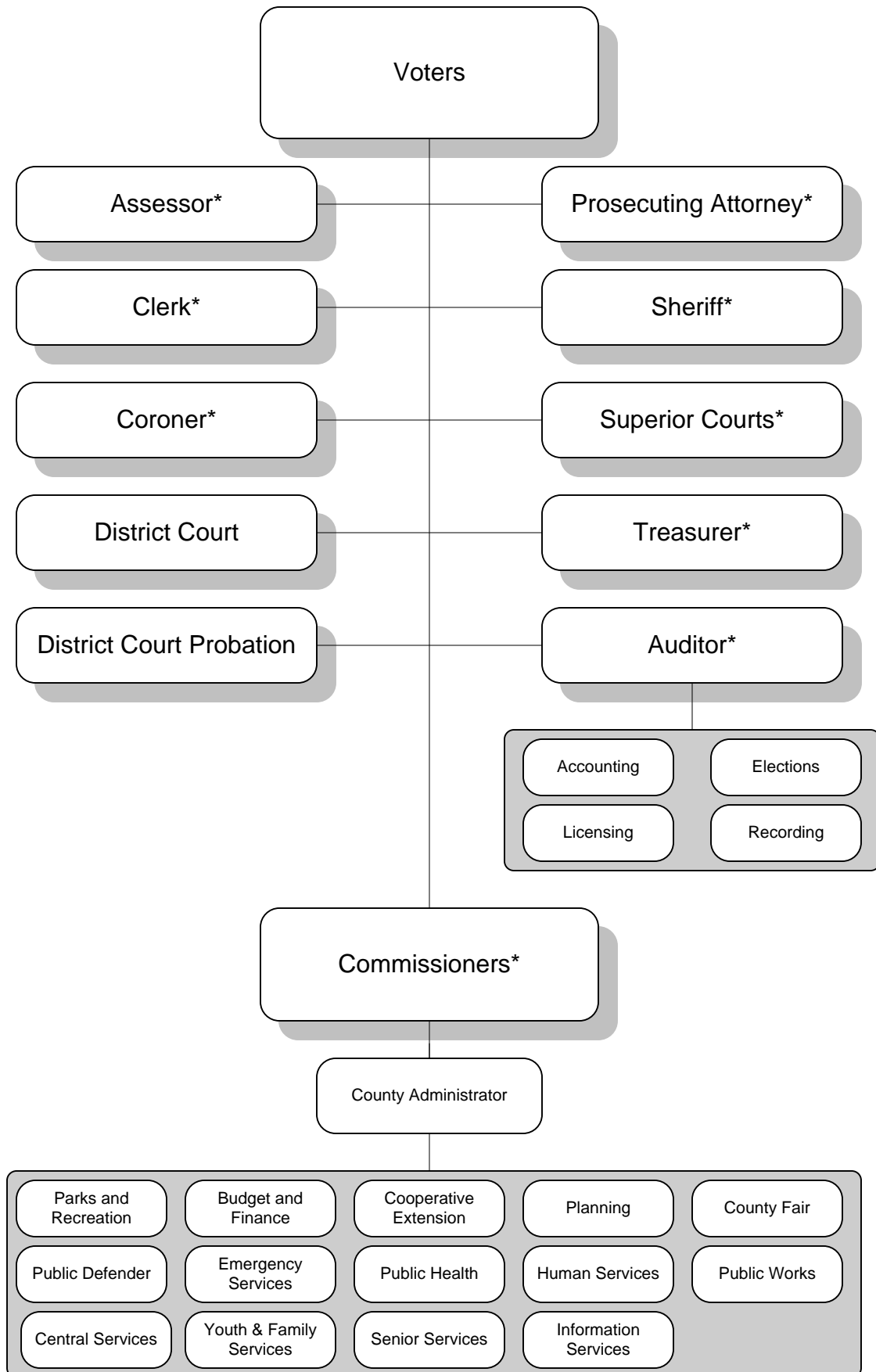
President

Executive Director

SKAGIT COUNTY, WASHINGTON ELECTED OFFICIALS

	TERM EXPIRES
COUNTY COMMISSIONERS	
DISTRICT NUMBER 1 DON MUNKS	DECEMBER 2008
DISTRICT NUMBER 2 KENNETH DAHLSTEDT.....	DECEMBER 2008
DISTRICT NUMBER 3 TED ANDERSON.....	DECEMBER 2006
SUPERIOR COURT JUDGES	
SUSAN COOK	DECEMBER 2008
MICHAEL RICKERT	DECEMBER 2008
JOHN MEYER.....	DECEMBER 2008
DISTRICT COURT JUDGES	
STEVE J. SKELTON.....	DECEMBER 2006
DAVID SVAREN.....	DECEMBER 2006
ASSESSOR	
MARK LEANDER.....	DECEMBER 2006
AUDITOR	
NORMA BRUMMETT	DECEMBER 2006
CLERK	
NANCY SCOTT	DECEMBER 2006
CORONER	
BRUCE BACON.....	DECEMBER 2006
PROSECUTING ATTORNEY	
THOMAS SEGUINE.....	DECEMBER 2006
SHERIFF	
RICK GRIMSTEAD	DECEMBER 2006
TREASURER	
KATIE JUNGQUIST	DECEMBER 2006

Skagit County Organization Chart



* Elected official(s)

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PO Box 40021
Olympia, Washington 98504-0021

**Washington State Auditor
Brian Sonntag**

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INDEPENDENT AUDITOR'S REPORT

June 10, 2005

Board of Commissioners
Skagit County
Mount Vernon, Washington

We have audited the accompanying financial statements of the governmental activities, the business-type activities, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information of Skagit County, Washington, as of and for the year ended December 31, 2004, as listed in the table of contents. These financial statements are the responsibility of the County's management. Our responsibility is to express opinions on these financial statements based on our audit.

We conducted our audit in accordance with auditing standards generally accepted in the United States of America, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatements. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information of Skagit County, as of December 31, 2004, and the respective changes in financial position and cash flows, where applicable, thereof, for the year then ended, in conformity with accounting principles generally accepted in the United States of America.

The management's discussion and analysis on pages 2 through 16 is not a required part of the basic financial statements but is supplementary information required by the Governmental Accounting Standards Board. We have applied certain limited procedures, which consisted principally of inquiries of management regarding the methods of measurement and presentation of the required supplementary information. However, we did not audit the information and express no opinion on it.

Our audit was performed for the purpose of forming opinions on the basic financial statements that collectively comprise the County's basic financial statements. The accompanying information listed as combining financial statements and supplemental information on pages 63 through 162 is presented for purposes of additional analysis and is not a required part of the basic financial statements. The combining financial statements and supplemental information has been subjected to auditing procedures applied in the audit of the basic financial statements and, in our opinion, is fairly stated, in all material respects, in relation to the basic financial statements taken as a whole.

The information identified in the table of contents as the introductory and Statistical Sections have not been subjected to the auditing procedures applied in the audit of the basic financial statements and, accordingly, we express no opinion on it.

Sincerely,

**BRIAN SONNTAG, CGFM
STATE AUDITOR**



MANAGEMENT'S DISCUSSION AND ANALYSIS

Skagit County's discussion and analysis offers readers of the County's financial statements a narrative overview and analysis of the County's financial activities for the fiscal year ended December 31, 2004. We encourage readers to consider the information presented here in conjunction with additional information that we have furnished in our letter of transmittal, and in the financial statements and notes to the financial statements (which immediately follow this discussion).

FINANCIAL HIGHLIGHTS

- The total assets of Skagit County exceeded its liabilities at December 31, 2004 by over \$432 million dollars. Net assets invested in capital assets (net of depreciation and related debt) account for 91% of this amount, with a value of over \$392 million. Of the remaining net assets, \$21.8 million was restricted for specific projects or programs and \$18.3 million may be used to meet the government's ongoing obligations to citizens and creditors, without legal restriction.
- As of December 31, 2004, Skagit County's governmental activities reported combined ending net assets of over \$428 million. Of that amount, over \$395 million was invested in capital assets, \$21.8 million was legally restricted for specific projects or programs, and \$11.7 million was available for spending at the government's discretion.
- Fund balance for the General Fund was \$7.06 million dollars at December 31, 2004.
- Fund balance for the County Road fund was \$9.56 million dollars at December 31, 2004.
- In March 2005, the County issued \$160,000 in general obligation bonds to purchase land adjacent the existing Mount Vernon Family Resource Center and \$5.475 million in general obligation bonds to refund existing debt in the Solid Waste Fund for a net present value savings of nearly \$360,000.
- Skagit County's total long-term debt at December 31, 2004 was \$18.5 million, with a remaining capacity for non-voted debt at \$137 million.

OVERVIEW OF THE FINANCIAL STATEMENTS

This discussion and analysis is intended to serve as an introduction to Skagit County's basic financial statements. The basic financial statements are comprised of three components: 1) government-wide financial statements, 2) fund financial statements, and 3) notes to the financial statements.

Government-wide Financial Statements

There are two government-wide financial statements designed to provide readers with a broad overview of Skagit County's finances in a manner similar to a private-sector business. Both of the government-wide financial statements distinguish functions of Skagit County that are principally supported by taxes and intergovernmental revenues (referred to as "governmental activities") from functions that are intended to recover all or a significant portion of their costs through user fees and charges (referred to as "business-type activities"). The governmental

activities of Skagit County include a full range of local government services provided to the public, such as law enforcement and public safety; the superior, juvenile, and district court systems; legal prosecution and indigent defense; jails and corrections; road construction and maintenance; planning and community development; parks and open space preservation; and care and welfare of the disadvantaged and mentally ill. In addition, other general government services are provided, such as elections, property assessment, tax collection, and the issuance of licenses. The business-type activities of Skagit County include Solid Waste and Drainage Utility.

The statement of net assets presents information on all of Skagit County's assets and liabilities, with the difference between the two reported as net assets. This statement serves a purpose similar to that of the balance sheet of a private-sector business. Over time, increases or decreases in net assets may serve as a useful indicator of whether the financial position of the County is improving or deteriorating. However, this is just one indicator of the financial health of the County. Other indicators include the condition of the County's infrastructure systems (roads, drainage systems, bridges, etc.), changes in property tax base, and general economic conditions within the County.

The statement of activities presents information showing how the government's net assets changed during the year. Because it separates program revenue (revenue generated by specific programs through charges for services, grants, and contributions) from general revenue (revenue provided by taxes and other sources not tied to a particular program), it shows to what extent each program has to rely on taxes for funding. All changes in net assets are reported using the accrual basis of accounting, similar to the method used by most private-sector companies. The accrual basis of accounting requires that revenues be reported when they are earned and expenses are reported when the goods and services are received, regardless of the timing of the cash flow. Items such as uncollected taxes, unpaid vendor invoices for items received in 2004, and earned but unused vacation leave, will be included in the statement of activities as revenue and expense, even though the cash associated with these items will not be received or distributed in 2004.

The financial statements present information on a "Component Unit". The Emergency Medical Services Commission was established in April of 2003 by the Board of Skagit County Commissioners pursuant to the Revised Code of Washington 35.21.730 and 36.01.095. The component unit is not covered in this discussion. Additional information concerning the component unit may be found in Note I of the Notes to the Financial Statements.

Fund Financial Statements

A fund is a grouping of related accounts that is used to maintain control over resources that have been segregated for specific activities or objectives. Skagit County, like other state and local governments, uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements. All of the funds of Skagit County can be divided into three categories: Governmental Funds, Proprietary Funds, and Fiduciary Funds. Governmental Funds are used to account for most, if not all, of a government's tax-supported activities. Proprietary Funds are used to account for a government's business type activities, where all or part of the costs of activities are supported by fees and charges that are paid directly by those who benefit from the activities. Fiduciary Funds are used to account for resources that are held by the government as a trustee or agent for parties outside of the government. The resources of fiduciary funds cannot be used to support the government's own programs.

Governmental Funds

The Governmental Funds Balance Sheet and the Governmental Funds Statement of Revenues, Expenditures, and Changes in Fund Balances present separate columns of financial data for the General Fund, the County Road Fund, and the Distressed County Public Facility Fund, all of which are considered to be major funds, based on criteria established by GASB Statement #34. (GASB Statement #34 defines a major fund as a fund whose assets, liabilities, revenues or expenditures comprise 1) at least 10% of the total dollar amount of the same category within either all government or all enterprise funds, as appropriate, and 2) at least 5% of the total dollar amount of all governmental and enterprise funds combined for the same category.) Data from the remaining governmental funds are combined into a single, aggregated presentation. The governmental fund financial statements can be found immediately following the government-wide financial statements. Individual fund data for each of the non-major governmental funds is provided in the form of combining statements, outside of the basic financial statements.

Governmental funds are used to account for essentially the same functions reported as governmental activities in the government-wide financial statements. However, unlike government-wide financial statements' use of accrual accounting, governmental fund financial statements focus on near-term inflows and outflows of spendable resources and on balances of spendable resources available at the end of the fiscal year. Such information is useful in evaluating a government's near-term financing requirements in comparison to near-term resources available.

Because the focus of governmental fund financial statements is narrower than that of government-wide financial statements, it is useful to compare information presented for governmental funds with similar information presented for governmental activities in the government-wide financial statements. By doing so, readers may better understand the long-term impact of the government's near-term financing decisions. Both the governmental fund balance sheet and the governmental fund statement of revenues, expenditures, and changes in fund balances provide reconciliation to the governmental activities column in the government-wide statements in order to facilitate this comparison.

The County maintains budgetary controls over its operating funds. The objective of budgetary controls is to ensure compliance with legal provisions embodied in the annual appropriated budget. Budgets for governmental funds are established in accordance with state law, and are adopted on a fund level, except for the General Fund, which is adopted on a department level. Capital outlays are approved on an item-by-item basis or project basis. A budgetary comparison statement is provided for the General Fund and the County Road Fund to demonstrate compliance with the budget.

Proprietary Funds

There are two types of proprietary funds. Enterprise Funds are used to report the same functions presented as business-type activities in the government-wide financial statements. The County uses enterprise funds to account for its Solid Waste and Drainage Utility activities. Internal Service Funds (the second type of proprietary funds) accumulate and allocate costs internally among the County's various functions. The County uses internal service funds to account for its vehicle fleet, medical and unemployment insurance, computer equipment replacement reserves, and various other administrative services. The revenues and expenses of the internal service funds that are duplicated in other funds through allocations are eliminated

in the government-wide statements, with the remaining balances included in the governmental activities column.

Proprietary fund statements follow the governmental fund statements in this report. They provide the same type of information as the government-wide financial statements, only in more detail, since both apply the accrual basis of accounting. In comparing the Proprietary Fund Statement of Net Assets to the business-type column on the Government-Wide Statement of Net Assets, you will notice that the total net assets agree, and therefore need no reconciliation. In comparing the total assets and total liabilities between the two statements, you will notice slightly different amounts. This is because the "internal balances" line on the government-wide statement combines the "due from other funds" (assets) and the "due to other funds" (liabilities) from the proprietary fund statement in a single line in the asset section of the government-wide statement.

Individual fund data for each of the non-major proprietary funds is provided in the form of combining statements. The proprietary fund combining statements follow the governmental fund combining statements in this report.

Fiduciary Funds

Fiduciary funds are used to account for resources held for the benefit of parties outside the government. Fiduciary funds are not reflected in the government-wide financial statement because the resources of those funds are not available to support Skagit County's own programs. The accounting used for fiduciary funds is much like that used for proprietary funds.

Skagit County has one type of fiduciary fund: Agency Funds (which are clearing accounts for assets held by Skagit County in its role as custodian until the funds are allocated to the private parties, organizations, or government agencies to which they belong). The Statement of Fiduciary Net Assets can be found following the proprietary fund financial statements.

Notes to the Financial Statements

The notes provide additional information that is essential to a full understanding of the data provided in the government-wide and fund financial statements. The notes to the financial statements can be found immediately following the basic financial statements in this report.

GOVERNMENT-WIDE FINANCIAL ANALYSIS

Statement of Net Assets

Skagit County's total assets stand at over \$461 million as of December 31, 2004, a decrease of \$11 million from the previous year, while liabilities stand at nearly \$29 million, in increase of less than \$1 million from December 31, 2003.

As noted earlier, net assets may serve over time as a useful indicator of a government's financial position. Skagit County's net assets total \$432,177,912 at December 31, 2004 compared to \$443,867,334 in 2003. This net decrease of over \$11 million (2.63%) is discussed in the paragraphs following the Skagit County's Net Assets table shown on the next page.

Skagit County's Net Assets

	Governmental Activities		Business-Type Activities		Total		% Change
	2004	2003	2004	2003	2004	2003	
Current and Other Assets	\$51,814,418	\$53,814,420	\$7,190,939	\$6,857,145	\$59,005,357	\$60,671,565	-2.75%
Capital Assets and Construction in Progress (Net of Depreciation)	<u>397,931,287</u>	<u>407,563,599</u>	<u>4,193,741</u>	<u>3,948,911</u>	<u>402,152,028</u>	<u>411,512,510</u>	-2.27%
Total Assets	449,745,705	461,378,019	11,384,680	10,806,056	461,130,385	472,184,075	-2.34%
Long-Term Liabilities	15,190,125	14,597,209	7,225,345	7,979,376	22,415,470	22,576,585	-0.71%
Other Liabilities	<u>5,958,288</u>	<u>4,898,732</u>	<u>578,715</u>	<u>841,424</u>	<u>6,537,003</u>	<u>5,740,156</u>	13.88%
Total Liabilities	21,148,413	19,495,941	7,804,060	8,820,800	28,952,473	28,316,741	2.25%
Net Assets:							
Invested in Capital Assets, Net of Related Debt	395,086,287	404,523,601	(2,957,718)	(3,948,367)	392,128,569	400,575,234	-2.11%
Restricted	21,766,319	23,912,628	-	-	21,766,319	23,912,628	-8.98%
Unrestricted	<u>11,744,685</u>	<u>13,445,849</u>	<u>6,538,339</u>	<u>5,933,623</u>	<u>18,283,024</u>	<u>19,379,472</u>	-5.66%
Total Net Assets	\$428,597,290	\$441,882,078	\$3,580,620	\$1,985,256	\$432,177,912	\$443,867,334	-2.63%

Of the \$59 million in current and other assets (compared to \$60.7 million at December 31, 2003), over \$44.5 million is in cash and cash equivalents and investments (down from nearly \$46 million in 2003), \$8.4 million is in accounts receivable and amounts due from other governments (down from \$8.6 million in 2003), \$5.3 million is in inventories/prepayments (down from nearly \$5.4 million in 2003), and the remaining \$0.8 million is spread among various assets. At December 31, 2004, cash and cash equivalents and investments accounted for 75.5% (compared to 75.8% in 2003), while accounts receivable and amounts due from other governments accounted for 14% (no change from 2003).

At December 31, 2004, the County had outstanding liabilities of nearly \$29 million (a \$636,000 increase over 2003), with \$22.4 million in long term liabilities (a decrease of \$160,000 over 2003). Of the long term liabilities, nearly \$4 million was due within a year (up from \$1.3 million in 2003), with the remainder due over an extended period of time. Refer to the notes to the financial statements (Note V.) for a more in depth discussion of long term debt.

The largest portion of the County's net assets (93%) reflects its investment in capital, 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 for future spending. Although the County's 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, more than 5% of the County's net assets are subject to external restrictions on how they may be used (restricted by the Revised Code of the State of Washington or by contractual agreements with parties outside of the primary government). The remaining balance of \$18.3 million (4.2% of net assets), represents the amount that may be used to meet the County's ongoing obligations.

At December 31, 2004, Skagit County reports positive balances in all three categories of net assets for the government as a whole as well as for governmental activities. Business-type activities report a negative balance in capital assets and a positive balance in unrestricted assets, with no restricted assets. The negative balance in capital assets is the result of the closure and demolition of the incinerator in 1994 and 2000 respectively in the Solid Waste Fund with the underlying debt remaining as a liability of the fund.

Statement of Changes in Net Assets

The County's total net assets decreased by \$11.7 million in 2004. Governmental activities showed a decrease of \$13.3 million while business-type activities showed an increase of \$1.6 million. Key elements in changes in net assets are shown in the following table:

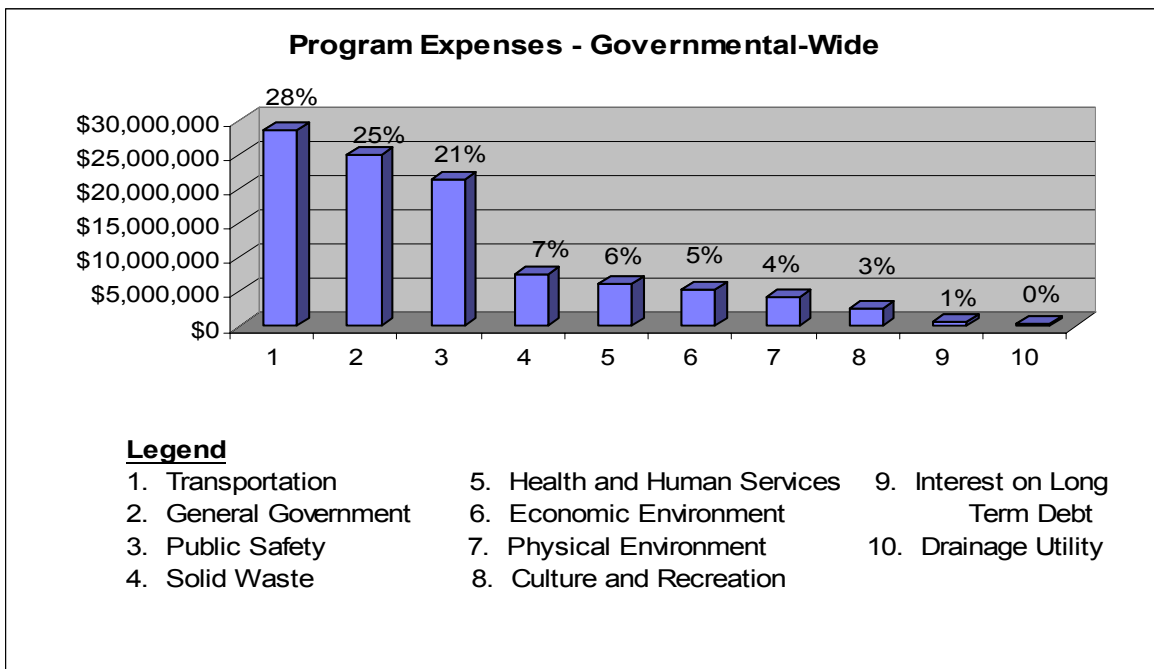
Skagit County Changes in Net Assets

	Governmental Activities		Business-Type Activities		Total Primary Government	
	2004	2003	2004	2003	2004	2003
Revenues:						
Program Revenues:						
Charges for Services	\$12,295,788	\$15,415,985	\$9,202,503	\$8,851,374	\$ 21,498,291	\$ 24,267,359
Operating Grants and Contributions	15,204,303	14,447,434	178,300	154,314	15,382,603	14,601,748
Capital Grants and Contributions	9,355,516	9,242,276	24,399	-	9,379,915	9,242,276
General Revenues:						
Taxes	43,212,366	38,497,885	-	-	43,212,366	38,497,885
Interest Earnings on Investments	1,229,215	1,330,705	78,106	60,784	1,307,321	1,391,489
Gain/(Loss) on Sale of Assets	(563,436)	469,053	-	-	(563,436)	469,053
Special Item	-	3,667,067	-	-	-	3,667,067
Total Revenues	<u>80,733,752</u>	<u>83,070,405</u>	<u>9,483,308</u>	<u>9,066,472</u>	<u>90,217,060</u>	<u>92,136,877</u>
Program Expenses:						
General Government	25,021,132	24,267,759	-	-	25,021,132	24,267,759
Public Safety	21,411,406	17,143,366	-	-	21,411,406	17,143,366
Physical Environment	4,289,893	3,138,267	-	-	4,289,893	3,138,267
Transportation	28,630,892	15,574,415	-	-	28,630,892	15,574,415
Economic Environment	5,409,542	4,932,106	-	-	5,409,542	4,932,106
Health and Human Services	6,045,448	5,732,219	-	-	6,045,448	5,732,219
Culture and Recreation	2,611,408	4,991,191	-	-	2,611,408	4,991,191
Solid Waste	-	-	7,523,230	7,132,390	7,523,230	7,132,390
Drainage Utility	-	-	351,798	374,143	351,798	374,143
Interest on Long Term Debt	530,488	519,350	-	-	530,488	519,350
Total Expenses Before Transfers	<u>93,950,209</u>	<u>76,298,673</u>	<u>7,875,028</u>	<u>7,506,533</u>	<u>101,825,237</u>	<u>83,805,206</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	(13,216,457)	6,771,732	1,608,280	1,559,939	(11,608,177)	8,331,671
Transfers	12,915	1,184	(12,915)	(1,184)	-	-
Change in Net Assets	(13,203,542)	6,772,916	1,595,365	1,558,755	(11,608,177)	8,331,671
Net Assets as of January 1	441,882,078	435,109,162	1,985,256	426,498	443,867,335	435,535,660
Prior Period Adjustment	(81,246)	-	-	-	(81,246)	-
Net Assets of Jan 1, Restated	<u>441,800,832</u>	<u>435,109,162</u>	<u>1,985,256</u>	<u>426,498</u>	<u>443,786,089</u>	<u>435,535,660</u>
Net Assets as of December 31	<u>\$428,597,290</u>	<u>\$441,882,078</u>	<u>\$3,580,620</u>	<u>\$1,985,255</u>	<u>\$432,177,912</u>	<u>\$443,867,331</u>

Total revenues for Skagit County were \$90.2 million in 2004, a \$1.9 million decrease (2%) from 2003. Governmental activities provided over \$80 million (89%), while business-type activities added nearly \$9.5 million. This split changed only slightly from 2003 when governmental activities provided 90% of total revenues. Within governmental activities, tax revenue accounted for 53.5% of total revenue sources (compared to 46% in 2003), with grants and contributions accounting for 30% (up from 28.5% in 2003). A significant reason for the increases is due to a special item in 2003 that accounted for nearly 4.5% of total revenues.

Of the \$9.5 million in business-type activities program revenues and interest earnings, 97% was provided by charges for services, with the remaining amount provided by grants, contributions, and interest income. There is no significant change from 2003.

Expenses for the year totaled \$101.8 million, an increase of over \$18 million from 2003. An amount equal to 72% of the increase was capitalizable as an increase to infrastructure in 2003 and nearly 24% is attributable to public safety. Governmental Activities accounted for nearly \$94 million (92%), with the largest program expenses in the areas of transportation, general government, and public safety, respectively. These three programs accounted for 80% of total governmental expenses, and increase from 75% in 2003. Of the \$7.9 million in business-type expenses, 96% are associated with the solid waste program, only one half of one percent increase from 2003. Following is a graph, which illustrates by program where funds were spent in 2004.

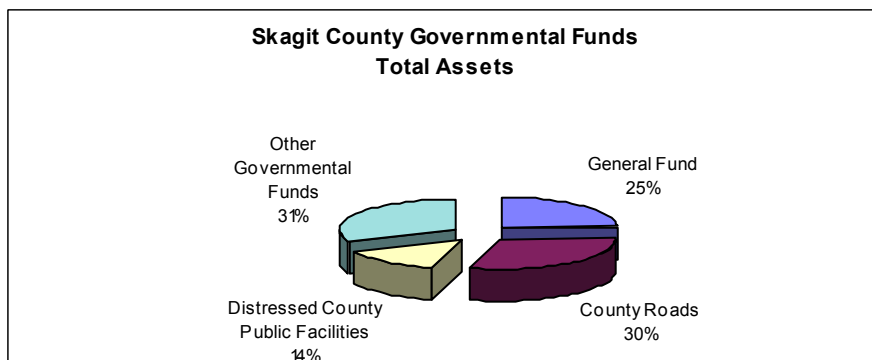


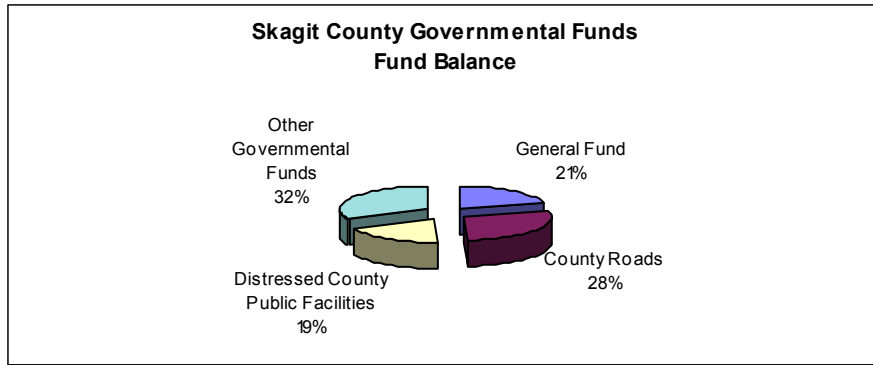
FINANCIAL ANALYSIS OF THE COUNTY'S FUNDS

As noted earlier, Skagit County uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements. Following are financial analyses of the County's governmental and proprietary funds.

Governmental Funds Balance Sheet Analysis

The General Fund, County Road Fund, and Distressed County Public Facility fund are the County's major funds in 2004 (no change from 2003). Together these funds account for 69% of total governmental fund assets and 68% of total governmental fund balance.



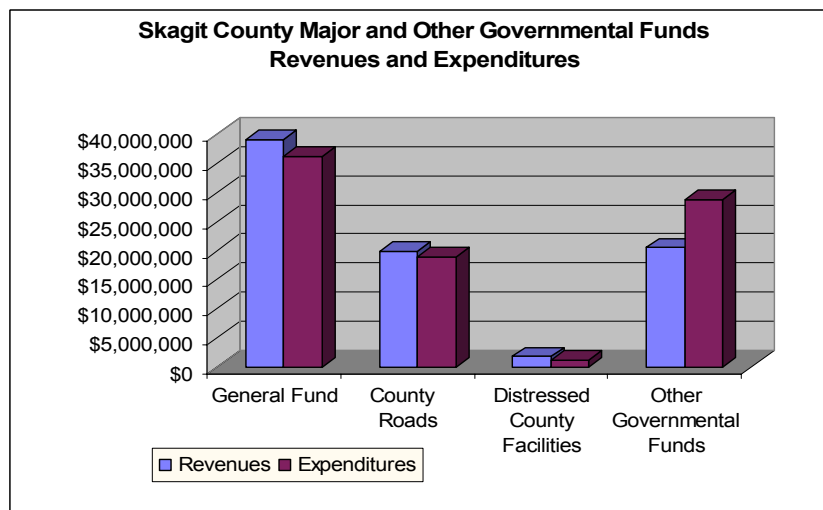


The focus of Skagit County’s governmental funds is to provide information on near-term inflows, outflows, and balances of spendable resources. In particular, unreserved fund balance may serve as a useful measure of a government’s net resources available for spending at the end of the fiscal year. As of December 31, 2004, the county’s governmental funds reported combined fund balances of \$33.9 million, a decrease from \$37 million in 2004. Of this total amount, nearly \$32.4 million (96%) is unreserved and available for spending within the designated funds. The \$33.9 million compares to combined ending fund balance of \$37 million in 2003. Reserved fund balance of \$1.5 million is not available for new spending because it has already been committed to prepaid expenses, loans, debt service, and petty cash.

The General Fund is the chief operating fund of Skagit County. On December 31, 2004, unreserved fund balance of the General Fund decreased from \$8.4 million in 2003 to \$6.8 million, while total fund balance decreased from \$8.9 million to a little over \$7 million. Total assets in the General Fund amounted to nearly \$11 million, accounting for 24.5% of total governmental fund assets, a decrease from \$13 million (28%) in 2003.

Governmental Funds Revenue/Expenditure Analysis

The following chart shows the revenue and expenditure amounts for the year ended December 31, 2004 for the three major governmental funds and for all other governmental funds.



The revenue indicators in the chart do not include one-time only financing sources, such as proceeds from new debt or the sale of assets. Total revenues for governmental funds increased

by \$2.7 million in 2004, with the increase accounted for in other governmental funds. During the same period, total expenditures increased nearly \$6.3 million. The General Fund accounted for nearly \$2 million, the County Road fund accounted for \$1.3 million, the Distressed County Facilities Fund accounted for a \$253,000 decrease, with the remaining balance of \$3.2 million accounted for in other governmental funds. The General Fund and the County Road fund account for 73% of all governmental fund revenue (down from 75% in 2003) and 65% of all expenditures (down from 66% in 2003). The Distressed County Public Facility is considered a major fund by the merits of its total assets.

The net change in fund balance for the General Fund in 2004 was a negative \$1.8 million. This is due in part to the creation of a Central Services Fund that removed certain functions from the General Fund, but the General Fund still pays for the services it receives. The decrease in fund balance for both the County Road fund and the Distressed County Public Facility fund was insignificant and due to the schedule of projects. Governmental funds had an overall negative net change in fund balance of nearly \$3.1 million for 2004.

Enterprise Funds Net Assets Analysis

Both of the enterprise funds of Skagit County, Solid Waste and the Drainage Utility, are considered major funds for 2004. The following table reflects the Proprietary Funds Statement of Net Assets as of December 31, 2004.

Skagit County Proprietary Fund Net Assets						
Business-Type Activities - Enterprise Funds						
	Solid Waste		Drainage Utility		Total	
	2004	2003	2004	2003	2004	2003
ASSETS						
Current Assets						
Cash/Cash Equivalents	298,486	970,906	252,685	257,727	551,171	1,228,633
Other Current Assets	4,785,356	4,067,770	2,329,831	1,947,438	7,115,187	6,015,208
Total Current Assets	5,083,842	5,038,676	2,582,516	2,205,165	7,666,358	7,243,841
Noncurrent Assets						
Construction In Progress	-	-	731,313	430,713	731,313	430,713
Capital Assets	2,949,246	2,917,647	3,056,681	2,992,409	6,005,927	5,910,056
Less Accumulated Depreciation	(2,210,165)	(2,141,483)	(333,333)	(250,375)	(2,543,498)	(2,391,858)
Unamortised Issuance Costs	21,259	28,548	-	-	21,259	28,548
Total Noncurrent Assets	760,339	804,712	3,454,661	3,172,747	4,215,000	3,977,459
Total Assets	5,844,181	5,843,388	6,037,179	5,377,912	11,881,359	11,221,300
LIABILITIES AND FUND EQUITY						
Current Liabilities						
Accounts Payable and Other Current Liabilities	1,808,156	1,950,412	94,864	66,256	1,903,020	2,016,668
Total Current Liabilities	1,808,156	1,950,412	94,864	66,256	1,903,020	2,016,668
Noncurrent Liabilities						
Notes and Loans Payable	6,397,719	7,165,826	-	-	6,397,719	53,550
Other Noncurrent Liabilities	-	46,876	-	6,674	-	7,165,826
Total Noncurrent Liabilities	6,397,719	7,212,702	-	6,674	6,397,719	7,219,376
Total Liabilities	8,205,875	9,163,114	94,864	72,930	8,300,739	9,236,044
Net Assets						
Invested in Capital Assets, Net of Related Debt	(6,412,380)	(7,121,114)	3,454,662	3,172,747	(2,957,718)	(3,948,367)
Unrestricted	4,050,686	3,801,388	2,487,653	2,132,235	6,538,339	5,933,623
Total Net Assets	(2,361,694)	(3,319,726)	5,942,315	5,304,982	3,580,620	1,985,256

As of December 31, 2004, the County's enterprise funds reported combined net assets of \$3.58 million (compared to just under \$2 million in 2003), made up of a deficit of \$2.36 million in the Solid Waste fund (down from \$3.3 million in 2003) and a positive \$5.94 million in the Drainage Utility (up from \$5.3 million in 2003). The deficit in Solid Waste is due to the closure and demolition of the incinerator in 1994 and 2000 respectively, with the underlying debt remaining as a liability of the fund. The combined funds have \$6.5 million unrestricted and available in accordance with the needs of the programs (compared to \$5.9 million in 2003).

Enterprise Funds Revenue/Expenditure Analysis

Revenues from the Solid Waste fund contributed 89% of the total revenues for enterprise funds in 2004, the same as in 2003. Following is a table, which gives a condensed look at revenues, expenses, and net change in fund balance for the enterprise funds.

Skagit County Enterprise Funds Revenues and Expenses

	Business-Type Activities - Enterprise Funds					
	Solid Waste		Drainage Utility		Total	
	2004	2003	2004	2003	2004	2003
<i>Revenues</i>						
Charges for Services	8,227,772	7,884,405	972,069	965,973	9,199,841	8,850,378
Intergovernmental	178,300	154,314	-	-	178,300	154,314
Interest Revenue	48,128	37,375	29,978	23,409	78,106	60,784
Miscellaneous Revenue	2,662	996	-	-	2,662	996
Total Operating Revenues	8,456,862	8,077,090	1,002,047	989,382	9,458,909	9,066,472
<i>Expenditures</i>						
Personal Services	1,282,858	1,279,218	111,496	185,759	1,394,354	1,464,977
Contractual Services	4,640,235	4,355,293	-	-	4,640,235	4,355,293
Other Supplies and Expenses	1,199,045	1,042,791	157,345	122,660	1,356,390	1,165,451
Depreciation	68,682	63,350	82,957	65,724	151,639	129,074
Loss on Disposition of Capital Assets	-	-	-	-	-	-
Interest Expense	332,410	391,738	-	-	332,410	391,738
Total Operating Expenditures	7,523,230	7,132,390	351,798	374,143	7,875,028	7,506,533
Income (Loss) Before Transfers	933,632	944,700	650,249	615,239	1,583,881	1,559,939
Capital Contributions	24,399	-	-	-	24,399	-
Interfund Transfers	-	(395)	(12,915)	(789)	(12,915)	(1,184)
Change in Net Assets	958,031	944,305	637,334	614,450	1,595,365	1,558,755
Total Net Assets - Beginning	(3,319,728)	(4,264,033)	5,304,981	4,690,531	1,985,253	426,498
Total Net Assets - Ending	(2,361,697)	(3,319,728)	5,942,315	5,304,981	3,580,618	1,985,253

Total expenses for the funds ran slightly over 83% of revenues, less than a 1% change from 2003. The net positive change in net assets was nearly \$1.6 million, an increase of \$23,942 over 2003.

GENERAL FUND BUDGETARY HIGHLIGHTS

General Fund Changes in Budget

Differences between the original General Fund budget and the final amended budget for the total revenues was minimal at \$415,233, an increase of 1%, while changes to total expenditures was more significant at nearly \$2.9 million, an increase of 8.3%. The following table shows the changes between the original and the final General Fund budget as of December 31, 2004.

Skagit County, Washington
General Fund Changes in Budget
As of December 31, 2004

	2004		Changes Favorable (Unfavorable)
	Original Budget	Final Budget	
<u>Revenues</u>			
Taxes	\$23,860,451	\$23,860,451	\$0
Licenses & Permits	995,000	995,000	-
Intergovernmental Revenue	6,101,101	6,449,084	347,983
Charges for Goods and Services	4,561,580	4,617,580	56,000
Fines and Forfeits	1,583,650	1,583,650	-
Interest Revenue	994,600	994,600	-
Miscellaneous Revenues	369,937	381,187	11,250
Total Revenues	38,466,319	38,881,552	415,233
<u>Expenditures</u>			
General Government Services	18,073,391	19,464,646	1,391,255
Security of Persons and Property	12,764,998	14,208,145	1,443,147
Utilities and Environment	318,211	324,211	6,000
Economic Environment	2,833,162	2,833,162	0
Mental/Physical Health	228,710	229,277	567
Culture and Recreation	440,051	452,231	12,180
Capitalized Expenditures	29,500	53,500	24,000
Total Expenditures	34,688,023	37,565,172	2,877,149
Excess (Deficit) Revenues Over Expenditures	3,778,296	1,316,380	(2,461,916)
<u>Other Financing Sources (Uses)</u>			
Fixed Asset Dispositions	0	0	0
Operating Transfers In	0	0	0
Operating Transfers Out	(4,655,238)	(4,830,490)	(175,252)
Total Other Financing Sources (Uses)	(4,655,238)	(4,830,490)	(175,252)
Excess (Deficit) Resources Over Uses	(876,942)	(3,514,110)	(2,637,168)
Fund Balance, January 1	7,675,167	7,675,167	-
Fund Balance, December 31	\$6,798,225	\$4,161,057	(\$2,637,168)

Budgeted expenditure increases outpaced revenue increases by over \$2.46 million in 2004. Budgeted revenues increased by \$415 thousand from the original budget while budgeted expenditures increased nearly \$2.9 million. The largest change in the revenue budget was an increase of \$295 thousand in federal grants. The largest changes in the expenditure budget were for general government and the security of persons and property.

The General Fund shows a budget increase in expenditures in all programs except economic environment. Security of persons and property accounts for 50% of the increase with general government services accounting for 48%. The remainder was split among the all other programs except economic environment. Significant increases for the general fund budget are noted below:

- \$1,175,000 for the Sheriff's Department for salaries and benefits associated with settling a union contract; increased jail expenses; and contracting with a small town for law enforcement services.
- \$66,000 for District Court for an increase in jury trials.
- \$36,000 for the Prosecuting Attorney's Office for salaries and benefits associated with settling a union contract.
- \$35,000 for contracted attorneys in Assigned Counsel.
- \$75,000 for capital equipment purchases in Central Services.
- \$90,000 for expenses related to LEOFF I employees.
- \$350,000 for insurance services (including expenses incurred in prior years and paid in the 2004).
- \$500,000 for attorney fees related to litigation and ongoing legal matters.

General Fund Budget to Actual

Total General Fund budgeted revenues of nearly \$39 million were slightly under actual revenues received of \$39.1 million. Although there were differences in the makeup of the revenues from the budget to the actual, there are no significant variances to report.

The variances from budgeted expenditures in the categories of general government services and security of persons and property account for nearly 84% of the total expenditure variance and economic environment accounts for nearly 10%. The remaining 6% is spread amount the remaining categories. Overall the general fund finished the year 3.85% under budget.

Skagit County, Washington
General Fund Changes - Budget vs Actual
As of December 31, 2004

	2004		Changes Favorable (Unfavorable)
	Final Budget	Actual	
<u>Revenues</u>			
Taxes	\$23,860,451	\$24,287,822	\$427,371
Licenses & Permits	995,000	1,161,804	166,804
Intergovernmental Revenue	6,449,084	6,681,647	232,563
Charges for Goods and Services	4,617,580	4,212,571	(405,009)
Fines and Forfeits	1,583,650	1,528,701	(54,949)
Interest Revenue	994,600	907,921	(86,679)
Miscellaneous Revenues	381,187	321,311	(59,876)
Total Revenues	<u>38,881,552</u>	<u>39,101,778</u>	<u>220,225</u>
<u>Expenditures</u>			
General Government Services	19,464,646	18,579,736	884,910
Security of Persons and Property	14,208,145	13,877,946	330,199
Utilities and Environment	324,211	320,525	3,686
Economic Environment	2,833,162	2,695,081	138,081
Mental/Physical Health	229,277	214,881	14,396
Culture and Recreation	452,231	429,617	22,614
Capitalized Expenditures	53,500	-	53,500
Total Expenditures	<u>37,565,172</u>	<u>36,117,788</u>	<u>1,447,386</u>
Excess (Deficit) Revenues Over Expenditures	<u>1,316,380</u>	<u>2,983,990</u>	<u>1,667,610</u>
<u>Other Financing Sources (Uses)</u>			
Fixed Asset Dispositions	-	2,928	2,928
Operating Transfers In	-	8,000	8,000
Operating Transfers Out	(4,830,490)	(4,825,735)	4,755
Total Other Financing Sources (Uses)	<u>(4,830,490)</u>	<u>(4,814,807)</u>	<u>15,683</u>
Excess (Deficit) Resources Over Uses	<u>(3,514,110)</u>	<u>(1,830,818)</u>	<u>1,683,293</u>
Fund Balance, January 1	<u>7,675,167</u>	<u>8,893,354</u>	<u>1,218,187</u>
Fund Balance, December 31	<u>\$4,161,057</u>	<u>\$7,062,536</u>	<u>\$2,901,480</u>

CAPITAL ASSET AND DEBT ADMINISTRATION

Capital Assets

Skagit County's total investment in capital assets, including construction in progress, for its governmental and business-type activities as of December 31, 2004, amounts to over \$392 million (net of accumulated depreciation and related debt). This investment in capital assets includes land, development rights, buildings, improvements, machinery and equipment,

infrastructure, and construction in progress on buildings and improvements. Major capital asset events during the current fiscal year included the following:

- In April of 2004, Skagit County purchased land adjacent an existing park that includes 1400 feet of waterfront property and 37 acres of woodlands for \$1.1 million.
- Remodeling continued on the Skagit County Commissioners Administrative building in the amount of \$1.6 million.
- During 2004 Skagit County purchased development rights on 560.71 acres of farmland through the Farmland Legacy Program for \$1.06 million. The program also received a donation of an easement on 46.4 acres.

Additional information on Skagit County's capital assets can be found in note IV.E of the Notes to the Financial Statements.

Long-Term Debt

At December 31, 2004, Skagit County had total bonded debt outstanding of almost \$17.2 million (down from \$18.4 million in 2003). Of that, \$9.96 million (down from \$10.6 million) is classified as governmental activity and \$7.2 million (down from \$8 million) is classified as business type activity. All is backed by the full faith and credit of the County.

Skagit County's total bonded debt had a net decrease of \$1.2 million during 2004. The County's remaining capacity for non-voted debt at December 31, 2004 was approximately \$137 million. Additional information on the County's long-term debt can be found in Note V of the Notes to the Financial Statements.

ECONOMIC FACTORS

In June 2004, the County and the Sheriff's Guild settled a labor agreement that had expired December 31, 2001. The contract includes cost of living adjustments that total 8.5% from 2001 through 2004. The financial impact of this was approximately \$800,000.

The Growth Management Act continues to focus economic growth in urban growth areas which are eventually annexed by the cities, impacting sales tax. Over the past 10 years taxable sales in incorporated areas has increased by 95% while unincorporated Skagit County has increased only 26.5%. Over the same time period, taxable sales in the unincorporated area have dropped from 20% to 14% of total sales within Skagit County.

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

- In November 1999, the voters in Washington approved Initiative 695, which eliminated the annual motor vehicle excise tax and replaced it with a \$30 annual fee on motor vehicles. Although this initiative was later ruled unconstitutional by the courts, the Legislature moved to enact the \$30 annual fee in special session. As a result, a portion of funding the County receives from the State for 2000 through 2002 was reduced by approximately \$2.7 million. The County received partial funding of approximately \$1.7 million over the same time period.

- Voters also approved Initiative 747, which capped property tax growth each year at a maximum of 1%, plus any additions for new construction. I-747 was required to be fully implemented beginning with 2002.
- In April of 2003, the voters approved a 1/10th of 1% increase in sales tax to fund emergency communication systems and facilities.

Requests for Information

This financial report is designed to provide a general overview of Skagit County's finances for all those with an interest in the government's finances. Questions concerning any of the information provided in this report or requests for additional financial information should be addressed to either of the following:

Gary Rowe, County Administrator
County Commissioner's Office
1800 Continental Place, Suite 100
Mount Vernon, WA 98273
360-336-9300

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

Basic Financial Statements

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

Government-wide Financial Statements

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

Fund Financial Statements

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

SKAGIT COUNTY, WASHINGTON

Statement of Net Assets

December 31, 2004

	Primary Government			Component Unit
	Governmental Activities	Business-Type Activities	Total	
ASSETS				
Cash/Cash Equivalents	\$21,897,712	\$551,171	\$22,448,883	\$473,295
Investments	15,912,640	6,211,476	22,124,116	800,000
Receivables	2,761,514	789,333	3,550,847	641,088
Due From Other Governments	4,777,014	80,238	4,857,252	1,222,539
Internal Balances	489,455	(489,455)	0	0
Inventories/Prepayments	5,276,938	26,917	5,303,855	0
Deferred Charges	0	21,259	21,259	0
Restricted Assets:				
Restricted for Debt Service:				
Cash/Cash Equivalents	46,167	0	46,167	0
Investments	652,978	0	652,978	49,241
Capital Assets (Net of Depreciation)	397,931,287	3,462,428	401,393,715	844,471
Construction in Progress	0	731,313	731,313	0
Total Assets	\$449,745,703	\$11,384,680	\$461,130,385	\$4,030,634
 LIABILITIES				
<u>Liabilities</u>				
Accounts Payable and Other Current Liabilities	\$3,003,403	\$469,706	\$3,473,109	\$165,982
Accrued Liabilities	1,865,163	109,009	1,974,172	135,703
Due to Other Governments	1,089,722	0	1,089,722	0
Long Term Liabilities:				
Other Due Within One Year	3,137,758	827,626	3,965,384	0
Other Due In More Than One Year	12,052,367	6,397,719	18,450,086	109,118
Total Liabilities	\$21,148,413	\$7,804,060	\$28,952,473	\$410,803
 <u>Net Assets</u>				
Invested in Capital Assets, Net of Related Debt	\$395,086,287	(\$2,957,718)	\$392,128,569	\$844,471
Restricted for:				
General Government	1,869,960	0	1,869,960	0
Public Safety	697,197	0	697,197	650,713
Physical Environment	1,575,902	0	1,575,902	0
Transportation	9,825,568	0	9,825,568	0
Economic Environment	6,808,506	0	6,808,506	0
Health & Human Services	282,188	0	282,188	0
Culture and Recreation	7,853	0	7,853	0
Debt Service	699,145	0	699,145	0
Unrestricted (Deficit)	11,744,685	6,538,339	18,283,024	2,124,647
Total Net Assets	\$428,597,290	\$3,580,620	\$432,177,912	\$3,619,832

SKAGIT COUNTY, WASHINGTON

Statement of Activities
December 31, 2004

Functions/Programs Primary Government:	Program Revenues			Net (Expenses) Revenue and Changes in Net Assets			Component Unit
	Expenses	Operating Grants and Contributions		Primary Government			
		Charges for Services	Capital Grants and Contributions	Governmental Activities	Business-Type Activities	Total	
Governmental Activities:							
General Government	\$25,021,132	\$4,868,606	\$4,258,410	\$0	\$0	(\$15,894,116)	\$0
Public Safety	21,411,406	1,174,478	3,229,568	0	0	(17,007,360)	0
Physical Environment	4,289,893	346,421	2,623,976	0	0	(1,319,496)	0
Transportation	28,630,892	2,286,975	136,441	8,136,159	0	(18,071,317)	0
Economic Environment	5,409,542	2,143,732	732,622	0	0	(2,533,188)	0
Health and Human Services	6,045,448	768,609	3,940,425	0	0	(1,336,414)	0
Culture and Recreation	2,611,408	706,967	282,861	1,219,357	0	(402,223)	0
Interest on Long Term Debt	530,488	0	0	0	0	(530,488)	0
Total Governmental Activities	<u>\$93,950,209</u>	<u>\$12,295,788</u>	<u>\$15,204,303</u>	<u>\$9,355,516</u>	<u>\$0</u>	<u>(\$57,094,602)</u>	<u>\$0</u>
Business-Type Activities							
Solid Waste	\$7,523,230	\$8,230,434	\$178,300	\$24,399	\$0	\$909,903	\$0
Drainage Utility	351,798	972,069	0	0	0	620,271	0
Total Business-Type Activities	7,875,028	9,202,503	178,300	\$24,399	\$0	\$1,530,174	\$0
Total Primary Government	<u>\$ 101,825,237</u>	<u>\$ 21,498,291</u>	<u>\$ 15,382,603</u>	<u>\$ 9,379,915</u>	<u>\$ (57,094,602)</u>	<u>\$ (55,564,428)</u>	<u>\$0</u>
Component Unit							
Emergency Medical Services Commission	\$ 4,764,193	\$ 2,627,890	\$ 2,569,307	\$0	\$0	\$0	\$ 433,004
Total Component Unit	<u>\$ 4,764,193</u>	<u>\$ 2,627,890</u>	<u>\$ 2,569,307</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$ 433,004</u>
General Revenues							
Taxes							
Property					\$28,043,642		\$0
Sales					10,725,952		0
Other					4,442,772		0
Interest and Investment earnings					1,229,215	78,106	6,843
Gain/(Loss) on Sales of Capital Assets					(563,436)		0
Transfers					12,915	(12,915)	0
Total General Revenues and Transfers					<u>\$43,891,060</u>	<u>\$65,191</u>	<u>\$6,843</u>
Change in Net Assets					<u>(\$13,203,542)</u>	<u>\$1,595,365</u>	<u>\$ 439,847</u>
Net Assets as of January 1					441,882,078	1,985,256	2,485,379
Prior Period Adjustment					(81,246)	0	694,606
Net Assets as of January 1, restated					<u>\$441,800,832</u>	<u>\$1,985,256</u>	<u>\$3,179,985</u>
Net Assets as of December 31					<u>\$428,597,290</u>	<u>\$3,580,620</u>	<u>\$3,619,832</u>

See accompanying notes to the financial statements

SKAGIT COUNTY, WASHINGTON

Balance Sheet Governmental Funds December 31, 2004

	Major Funds				Total
	General Fund	County Roads	Distressed County Public Facilities	Other Governmental Funds	
ASSETS					
Cash/Cash Equivalents	\$6,970,560	\$1,943,306	\$2,311,435	\$8,708,527	\$19,933,828
Investments	0	6,819,175	4,079,960	3,976,853	14,875,988
Taxes Receivable	637,442	441,611	0	135,307	1,214,360
Accounts Receivable	1,259,509	125,805	0	20,231	1,405,545
Interest Receivable	91,053	0	0	0	91,053
Due From Other Funds	818,104	563,032	0	106,008	1,487,144
Due From Other Governmental Units	805,428	2,962,431	0	983,696	4,751,555
Interfund Loans Receivable	168,000	400,000	0	0	568,000
Inventories/Prepayments	234,818	67,785	0	185,150	487,753
Total Assets	\$10,984,914	\$13,323,145	\$6,391,395	\$14,115,772	\$44,815,226
 LIABILITIES AND FUND BALANCES					
<u>Liabilities</u>					
Accounts/Vouchers Payable	\$482,715	\$1,153,210	\$9,040	\$956,133	\$2,601,098
Due To Other Funds	446,304	1,852,256	0	152,474	2,451,034
Due To Other Governmental Units	11,342	0	0	1,078,380	1,089,722
Accrued Wages Payable	845,844	196,148	0	193,038	1,235,030
Accrued Employee Benefits	232,012	54,377	0	56,323	342,712
Custodial Accounts	7,212	69,512	0	95,911	172,635
Deferred Revenue	1,896,951	441,611	0	135,307	2,473,869
Long-Term Interfund Loans Payable	0	0	0	568,000	568,000
Total Liabilities	\$3,922,380	\$3,767,114	\$9,040	\$3,235,566	\$10,934,100
 <u>Fund Balance</u>					
Reserved for:					
Prepaid Items	\$92,422	\$25,605	\$0	\$27,205	\$145,232
Reserved for Loans Receivable	168,000	400,000	0	0	568,000
Debt Service	0	0	0	699,145	699,145
Reserved for Petty Cash	23,630	1,450	0	49,400	74,480
Unreserved, Undesignated, Reported in:					
General Fund	6,778,484	0	0	0	6,778,484
Special Revenue Funds	0	9,128,976	0	7,016,874	16,145,850
Capital Project Funds	0	0	6,382,355	3,087,580	9,469,935
Total Fund Balances	\$7,062,536	\$9,556,031	\$6,382,355	\$10,880,204	\$33,881,126
Total Liabilities and Fund Balances	\$10,984,914	\$13,323,145	\$6,391,395	\$14,115,772	\$44,815,226

Skagit County, Washington
Reconciliation of the Balance Sheet of Governmental Funds
To the Statement of Net Assets
For the Year Ended December 31, 2004

Total fund balances as shown on the Governmental Fund Balance Sheet	\$33,881,126
Capital assets used in governmental activities are not financial resources and therefore are not reported in the funds. This amount reflects the initial investment in capital assets net of depreciation at 12/31/2004. (This amount does not include internal service fund capital assets, which are included as a reconciling item in a note found below.)	391,637,596
Other long-term assets are not available to pay for current period expenditures and, therefore are deferred in the funds.	2,522,580
Internal Service Funds are used to charge the costs of services to individual funds. The assets and liabilities of the Internal Service Funds are included in governmental activities in the statement of net assets.	14,264,573
Long-term liabilities that are not due and payable in the current period and are not reported in the funds.	(13,708,585)
Total net assets as reported on the Statement of Net Assets:	\$428,597,290

SKAGIT COUNTY, WASHINGTON
Statement of Revenues, Expenditures and Changes in Fund Balance
Governmental Funds
For the year ended December 31, 2004

	Major Funds		
	General Fund	County Roads	Distressed County Facilities
Revenues			
Property Taxes	\$15,753,499	\$9,228,148	\$0
Sales and Use Taxes	6,864,022	0	1,696,189
Other Taxes	1,670,302	180,323	0
Licenses and Permits	1,161,804	420	0
Intergovernmental	6,681,647	8,136,159	0
Charges for Services	4,212,571	2,188,757	0
Fines and Forfeits	1,528,701	0	0
Interest Earnings	907,921	88,801	79,860
Donations	81,141	0	0
Other Revenues	240,170	97,798	0
Total Revenues	\$39,101,778	\$19,920,406	\$1,776,049
Expenditures			
Current:			
General Governmental Services	\$18,579,736	\$3,913,709	\$0
Public Safety	13,877,946	0	0
Physical Environment	320,525	0	0
Transportation	0	13,366,816	0
Economic Environment	2,695,081	0	1,088,894
Health and Human Services	214,881	0	0
Culture and Recreation	429,617	0	0
Debt Service:			
Principal	0	0	0
Interest	0	0	0
Capital Outlay	0	1,549,762	0
Total Expenditures	\$36,117,788	\$18,830,287	\$1,088,894
Excess (Deficit) Revenues Over Expenditures	\$2,983,990	\$1,090,119	\$687,155
Other Financing Sources (Uses)			
Issuance of Long Term Debt	\$0	\$0	\$0
Proceeds of Sale of Capital Assets	2,928	0	0
Transfers In	8,000	0	0
Transfers Out	(4,825,735)	(1,765,633)	(629,809)
Total Other Financing Source (Uses)	(\$4,814,807)	(\$1,765,633)	(\$629,809)
Net Change in Fund Balance	(\$1,830,818)	(\$675,514)	\$57,346
Fund Balance-January 1	8,893,354	10,231,547	6,325,009
Prior Period Adjustment	0	0	0
Fund Balance-January 1 restated	<u>\$8,893,354</u>	<u>\$10,231,547</u>	<u>\$6,325,009</u>
Fund Balance-December 31	<u><u>\$7,062,536</u></u>	<u><u>\$9,556,031</u></u>	<u><u>\$6,382,355</u></u>

SKAGIT COUNTY, WASHINGTON

Statement of Revenues, Expenditures and Changes in Fund Balance Governmental Funds

For the year ended December 31, 2004

	Other Governmental Funds	<u>Total</u>
Revenues		
Property Taxes	\$3,135,786	\$28,117,433
Sales and Use Taxes	2,165,741	10,725,952
Other Taxes	2,592,147	4,442,772
Licenses and Permits	259,990	1,422,214
Intergovernmental	8,834,512	23,652,318
Charges for Services	1,806,366	8,207,694
Fines and Forfeits	275,700	1,804,401
Interest Earnings	103,922	1,180,504
Donations	826,360	907,501
Other Revenues	491,589	829,557
Total Revenues	<u>\$20,492,113</u>	<u>\$81,290,346</u>
Expenditures		
Current:		
General Governmental Services	\$995,697	\$23,489,142
Public Safety	7,179,771	21,057,717
Physical Environment	3,955,205	4,275,730
Transportation	63,954	13,430,770
Economic Environment	1,546,555	5,330,530
Health and Human Services	5,714,195	5,929,076
Culture and Recreation	2,144,008	2,573,625
Debt Service:		
Principal	759,276	759,276
Interest	527,654	527,654
Capital Outlay	5,863,454	7,413,216
Total Expenditures	<u>\$28,749,769</u>	<u>\$84,786,738</u>
Excess (Deficit) Revenues Over Expenditures	<u>(\$8,257,656)</u>	<u>(\$3,496,392)</u>
Other Financing Sources (Uses)		
Issuance of Long Term Debt	\$486,036	\$486,036
Proceeds of Sale of Capital Assets	6,000	8,928
Transfers In	8,021,495	8,029,495
Transfers Out	(870,403)	(8,091,580)
Total Other Financing Source (Uses)	<u>\$7,643,128</u>	<u>\$432,879</u>
Net Change in Fund Balance	(\$614,528)	(\$3,063,514)
Fund Balance-January 1	11,575,974	37,025,884
Prior Period Adjustment	(81,246)	(81,246)
Fund Balance-January 1 restated	<u>\$11,494,728</u>	<u>\$36,944,638</u>
Fund Balance-December 31	<u>\$10,880,204</u>	<u>\$33,881,126</u>

Skagit County, Washington
Reconciliation of the Statement of Revenues, Expenditures
and Changes in Fund Balances of Governmental Funds
To the Statement of Activities
For the Year Ended December 31,2004

Net change in fund balances as shown on Governmental Funds Statement of Revenues, Expenditures and Changes in Fund Balance:	(\$3,063,514)
Governmental funds report capital outlays as expenditures and proceeds from the sale of capital assets as revenues. In the Statement of Activities, the cost of those assets is capitalized and depreciated over the period of the asset's useful life. When capital assets are disposed of, the difference between the original cost and depreciation and the proceeds are booked as gain or (loss) on the sale. This entry takes into account the differences in how capital assets are treated between the Statement of Activities and the governmental fund statements.	(10,027,886)
Internal Service Fund expenses are allocated to other funds. The net expense of certain internal service fund activities is reported with governmental activities on the Statement of Activities	(280,481)
The issuance of long-term debt provides current financial resources to governmental funds, while the repayment of principal on long-term debt consumes the current financial resources of governmental funds. Neither transaction, however, has any effect on net assets. This entry is the net effect of these differences in the treatment of long-term debt issuance and payments.	270,406
Governmental funds report revenue in the current period for revenues deferred in prior periods since they were not available financing sources at the time. Government-wide statements record revenues at the time they are earned. This amount accounts for the change in deferred revenues during 2003.	6,842
Some expenses reported in the statement of activities do not require the use of current financial resources and, accordingly, are not reported as expenditures in governmental funds.	(108,912)
Change in net assets as reflected in the Statement of Activities	(\$13,203,542)

SKAGIT COUNTY, WASHINGTON

General Fund

Statement of Revenues, Expenditures and Changes in Fund Balance Budget (GAAP Basis) and Actual For the Year Ended December 31, 2004

	Original Budget	Final Budget	ACTUAL	Variance with Final Budget Positive/ (Negative)
REVENUES:				
Taxes	\$23,860,451	\$23,860,451	\$24,287,822	\$427,371
Licenses & Permits	995,000	995,000	1,161,804	166,804
Intergovernmental Revenue	6,101,101	6,449,084	6,681,647	232,563
Charges for Goods and Services	4,561,580	4,617,580	4,212,571	(405,009)
Fines and Forfeits	1,583,650	1,583,650	1,528,701	(54,949)
Interest Revenue	994,600	994,600	907,921	(86,679)
Miscellaneous Revenues	369,937	381,187	321,311	(59,876)
TOTAL REVENUES	\$38,466,319	\$38,881,552	\$39,101,778	\$220,225
EXPENDITURES:				
General Government Services	\$18,073,391	\$19,464,646	\$18,579,736	\$884,910
Security of Persons and Property	12,764,998	14,208,145	13,877,946	330,199
Utilities and Environment	318,211	324,211	320,525	3,686
Economic Environment	2,833,162	2,833,162	2,695,081	138,081
Mental/Physical Health	228,710	229,277	214,881	14,396
Culture and Recreation	440,051	452,231	429,617	22,614
Capitalized Expenditures	29,500	53,500	0	53,500
TOTAL EXPENDITURES	\$34,688,023	\$37,565,172	\$36,117,788	\$1,447,386
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	\$3,778,296	\$1,316,380	\$2,983,990	\$1,667,610
OTHER FINANCING SOURCES (USES):				
Fixed Asset Dispositions	\$0	\$0	\$2,928	\$2,928
Operating Transfers In	0	0	8,000	8,000
Operating Transfers Out	(4,655,238)	(4,830,490)	(4,825,735)	4,755
TOTAL OTHER FINANCING SOURCES (USES)	(\$4,655,238)	(\$4,830,490)	(\$4,814,807)	\$15,683
EXCESS (DEFICIENCY) OF REVENUES AND OTHER FINANCING SOURCES OVER EXPENDITURES AND OTHER FINANCING USES	(\$876,942)	(\$3,514,110)	(\$1,830,818)	\$1,683,293
FUND BALANCES:				
Fund Balance, January 1	\$7,675,167	\$7,675,167	\$8,893,354	\$1,218,187
FUND BALANCE, DECEMBER 31	\$6,798,225	\$4,161,057	\$7,062,536	\$2,901,480

SKAGIT COUNTY, WASHINGTON
General Fund
Statement of Revenues - Budget (GAAP Basis) and Actual
For the Year Ended December 31, 2004

	Original Budget	Final Budget	Actual	Variance with Final Budget Positive/ (Negative)
General Property Taxes	\$15,537,451	\$15,537,451	\$15,753,499	\$216,048
Timber Harvest Taxes	200,000	200,000	121,761	(78,239)
Retail Sales and Use Taxes	6,800,000	6,800,000	6,864,022	64,022
Business Taxes	100,000	100,000	88,717	(11,283)
Excise Taxes	223,000	223,000	296,252	73,252
Penalties and Interest on Delinquent Taxes	1,000,000	1,000,000	1,163,572	163,572
Total Taxes	\$23,860,451	\$23,860,451	\$24,287,822	\$427,371
Business Licenses and Permits	\$1,000	\$1,000	\$25	(\$975)
Non-Business Licenses and Permits	994,000	994,000	1,161,779	167,779
Total Licenses and Permits	\$995,000	\$995,000	\$1,161,804	\$166,804
Federal Entitlements, Impact Payments and in-Lieu Taxes	\$348,500	\$348,500	\$391,896	\$43,396
Federal Grants	986,897	1,282,201	1,353,871	71,670
State Grants	1,372,823	1,365,002	1,203,725	(161,277)
State Shared Revenues	1,202,500	1,202,500	1,323,089	120,589
State Entitlements, Impact Payments and in-Lieu Taxes	728,000	728,000	859,659	131,659
Intergovernmental Service Revenues	1,462,381	1,522,881	1,549,407	26,526
Total Intergovernmental Revenues	\$6,101,101	\$6,449,084	\$6,681,647	\$232,563
General Government	\$1,882,080	\$1,882,080	\$1,739,342	(\$142,738)
Security of Persons and Property	765,900	796,900	680,201	(116,699)
Economic Environment	783,400	783,400	771,825	(11,575)
Mental and Physical Health	31,500	31,500	32,776	1,276
Culture and Recreation	1,000	1,000	0	(1,000)
Interfund/Interdepartmental-Sales and Service Charges	1,097,700	1,122,700	988,427	(134,273)
Total Charges for Goods and Services	\$4,561,580	\$4,617,580	\$4,212,571	(\$405,009)
Superior Court-Felony/Misdemeanor Penalties	\$83,000	\$83,000	\$48,447	(\$34,553)
Civil Penalties	7,100	7,100	8,958	1,858
Civil Infraction Penalties	1,017,050	1,017,050	993,131	(23,919)
Civil Parking Infraction Penalties	2,000	2,000	1,252	(748)
Criminal Traffic Misdemeanor Fines	365,000	365,000	345,522	(19,478)
Criminal Non-Traffic Fines	75,000	75,000	81,258	6,258
Criminal Costs	22,500	22,500	26,291	3,791
Non-Court Fines/Forfeits	12,000	12,000	23,842	11,842
Total Fines and Forfeits	\$1,583,650	\$1,583,650	\$1,528,701	(\$54,949)
Interest Earnings	\$994,600	\$994,600	\$907,921	(\$86,679)
Rents, Leases and Concessions	\$158,614	\$158,614	\$126,759	(\$31,855)
Contributions and Donations from Private Sources	107,223	108,973	81,141	(27,832)
Other	104,100	113,600	113,411	(189)
Total Miscellaneous Revenues	\$1,364,537	\$1,375,787	\$1,229,232	(\$146,555)
Total Revenues	\$38,466,319	\$38,881,552	\$39,101,778	\$220,225

**SKAGIT COUNTY, WASHINGTON
GENERAL FUND**

**Statement of Expenditures - Budget (GAAP Basis) and Actual
For the Year Ended December 31, 2004**

EXPENDITURES	Original Budget	Final Budget	Actual	Variance with Final Budget Positive/ (Negative)
General Governmental Services				
Assessor				
Salaries and Wages	\$1,013,550	\$1,037,262	\$1,035,894	\$1,368
Personnel Benefits	281,796	288,876	286,537	2,339
Supplies	23,800	23,800	18,391	5,409
Other Services and Charges	33,125	33,125	40,030	(6,905)
Interfund Payments for Services	12,592	12,592	11,987	605
Total Assessor	\$1,364,863	\$1,395,655	\$1,392,839	\$2,816
Auditor				
Salaries and Wages	\$674,594	\$674,594	\$669,039	\$5,555
Personnel Benefits	192,856	192,856	185,583	7,273
Supplies	24,400	24,400	21,815	2,585
Other Services and Charges	46,400	46,400	29,886	16,514
Total Auditor	\$938,250	\$938,250	\$906,323	\$31,927
Board of Equalization				
Salaries and Wages	\$32,000	\$32,000	\$24,012	\$7,988
Personnel Benefits	2,668	4,218	3,473	745
Supplies	500	800	455	345
Other Services and Charges	900	1,550	1,153	397
Total Board of Equalization	\$36,068	\$38,568	\$29,093	\$9,475
Clerk of Courts				
Salaries and Wages	\$684,029	\$684,029	\$681,269	\$2,760
Personnel Benefits	205,648	205,648	194,006	11,642
Supplies	22,500	22,500	22,340	160
Other Services and Charges	22,000	22,000	14,545	7,455
Total Clerk of Courts	\$934,177	\$934,177	\$912,160	\$22,017
Commissioners				
Salaries and Wages	\$290,716	\$290,716	\$291,127	(\$411)
Personnel Benefits	59,653	59,653	59,591	62
Supplies	4,000	4,000	2,701	1,299
Other Services and Charges	31,750	31,750	32,332	(582)
Total Commissioners	\$386,119	\$386,119	\$385,751	\$368
Administrative Services				
Salaries and Wages	\$539,378	\$543,378	\$559,344	(\$15,966)
Personnel Benefits	127,840	127,840	129,603	(1,763)
Supplies	15,900	15,900	14,652	1,248
Other Services and Charges	260,950	260,950	165,181	95,769
Total Administrative Services	\$944,068	\$948,068	\$868,780	\$79,288

**SKAGIT COUNTY, WASHINGTON
GENERAL FUND**

**Statement of Expenditures - Budget (GAAP Basis) and Actual
For the Year Ended December 31, 2004**

EXPENDITURES	Original Budget	Final Budget	Actual	Variance with Final Budget Positive/ (Negative)
District Court				
Salaries and Wages	\$879,198	\$879,198	\$861,753	\$17,445
Personnel Benefits	217,903	217,903	209,947	7,956
Supplies	20,000	22,500	25,844	(3,344)
Other Services and Charges	75,500	156,500	140,617	15,883
Interfund Payments for Services	0	0	1,571	(1,571)
Total District Court	\$1,192,601	\$1,276,101	\$1,239,732	\$36,369
Indigent Defense Services				
Salaries and Wages	\$942,438	\$942,438	\$924,530	\$17,908
Personnel Benefits	228,699	228,699	220,277	8,422
Supplies	16,350	16,350	14,586	1,764
Other Services and Charges	142,275	142,275	161,915	(19,640)
Interfund Payments for Services	0	0	2,440	(2,440)
Indigent Defense Services Total	\$1,329,762	\$1,329,762	\$1,323,748	\$6,014
General Maintenance				
Salaries and Wages	\$385,544	\$385,544	\$379,750	\$5,794
Personnel Benefits	136,505	136,505	133,549	2,956
Supplies	83,880	83,880	84,521	(641)
Other Services and Charges	743,317	743,317	575,602	167,715
Interfund Payments for Services	3,992	3,992	3,992	0
Total General Maintenance	\$1,353,238	\$1,353,238	\$1,177,414	\$175,824
Prosecuting Attorney				
Salaries and Wages	\$1,747,630	\$1,861,082	\$1,800,139	\$60,943
Personnel Benefits	469,402	492,406	470,255	22,151
Supplies	64,880	72,780	60,668	12,112
Other Services and Charges	559,789	1,144,093	973,823	170,270
Interfund Payments for Services	3,116	3,116	9,026	(5,910)
Total Prosecuting Attorney	\$2,844,817	\$3,573,477	\$3,313,911	\$259,566
Superior Courts				
Salaries and Wages	\$691,984	\$693,984	\$703,099	(\$9,115)
Personnel Benefits	139,876	139,876	132,546	7,330
Supplies	14,500	14,500	14,992	(492)
Other Services and Charges	274,250	298,176	289,111	9,065
Interfund Payments for Services	0	0	2,303	(2,303)
Total Superior Courts	\$1,120,610	\$1,146,536	\$1,142,051	\$4,485
Treasurer				
Salaries and Wages	\$443,463	\$443,463	\$416,212	\$27,251
Personnel Benefits	125,076	125,076	115,704	9,372
Supplies	20,000	20,000	17,708	2,292
Other Services and Charges	74,925	74,925	69,459	5,466
Interfund Payments for Services	0	0	7,265	(7,265)
Total Treasurer	\$663,464	\$663,464	\$626,348	\$37,116

**SKAGIT COUNTY, WASHINGTON
GENERAL FUND**

**Statement of Expenditures - Budget (GAAP Basis) and Actual
For the Year Ended December 31, 2004**

EXPENDITURES	Original Budget	Final Budget	Actual	Variance with Final Budget Positive/ (Negative)
Non Departmental				
Salaries and Wages	\$125,814	\$125,814	\$116,075	\$9,739
Personnel Benefits	70,742	160,742	151,524	9,218
Supplies	0	0	13,808	(13,808)
Other Services and Charges	974,046	992,046	942,588	49,458
Intergovernmental/Interfund Services and Taxes	367,573	367,573	276,200	91,373
Interfund Payments for Services	3,149,496	3,499,496	3,434,856	64,640
Total Non Departmental	\$4,687,671	\$5,145,671	\$4,935,051	\$210,620
Water Quality Relief Program				
Other Services and Charges	\$0	\$0	\$4,395	(\$4,395)
Total Water Quality Relief Program	\$0	\$0	\$4,395	(\$4,395)
Assigned Council				
Salaries and Wages	\$90,365	\$94,147	\$94,673	(\$526)
Personnel Benefits	33,806	34,148	33,511	637
Supplies	2,600	2,600	1,267	1,333
Other Services and Charges	91,200	138,200	129,415	8,785
Total Assigned Council	\$217,971	\$269,095	\$258,866	\$10,229
Mediation Services				
Salaries and Wages	\$46,942	\$50,592	\$50,603	(\$11)
Personnel Benefits	5,667	7,070	6,831	239
Supplies	1,500	1,500	1,385	115
Other Services and Charges	5,603	7,303	4,455	2,848
Total Mediation Services	\$59,712	\$66,465	\$63,274	\$3,191
Total General Governmental Services	\$18,073,391	\$19,464,646	\$18,579,736	\$884,910
Security of Persons and Property				
Civil Service Commission				
Salaries and Wages	\$15,836	\$25,036	\$24,838	\$198
Personnel Benefits	1,276	2,076	2,166	(90)
Supplies	1,650	1,650	1,840	(190)
Other Services and Charges	400	400	469	(69)
Civil Service Commission Total	\$19,162	\$29,162	\$29,313	(\$151)
Jail Maintenance				
Salaries and Wages	\$50,866	\$50,866	\$50,652	\$214
Personnel Benefits	16,592	16,592	16,192	400
Supplies	23,000	23,000	13,926	9,074
Other Services and Charges	213,595	213,595	195,573	18,022
Total Jail Maintenance	\$304,053	\$304,053	\$276,343	\$27,710

**SKAGIT COUNTY, WASHINGTON
GENERAL FUND**

**Statement of Expenditures - Budget (GAAP Basis) and Actual
For the Year Ended December 31, 2004**

EXPENDITURES	Original Budget	Final Budget	Actual	Variance with Final Budget Positive/ (Negative)
District Court Probation				
Salaries and Wages	\$205,085	\$227,969	\$224,278	\$3,691
Personnel Benefits	57,561	61,216	59,249	1,967
Supplies	3,500	5,900	2,773	3,127
Other Services and Charges	6,050	6,350	2,109	4,241
Interfund Payments for Services	0	0	1,964	(1,964)
Total District Court Probation	\$272,196	\$301,435	\$290,373	\$11,062
Juvenile Probation				
Salaries and Wages	\$2,174,294	\$2,234,747	\$2,223,435	\$11,312
Personnel Benefits	585,569	603,101	602,989	112
Supplies	73,047	79,897	65,840	14,057
Other Services and Charges	516,282	611,447	416,719	194,728
Interfund Payments for Services	11,455	11,455	20,554	(9,099)
Total Juvenile Probation	\$3,360,647	\$3,540,647	\$3,329,537	\$211,110
Sheriff				
Salaries and Wages	\$5,660,610	\$6,460,955	\$6,440,156	\$20,799
Personnel Benefits	1,736,761	1,817,744	1,782,359	35,385
Supplies	266,805	316,805	344,792	(27,987)
Other Services and Charges	551,724	825,724	732,449	93,275
Intergovernmental/Interfund Services and Taxes	71,004	89,584	90,245	(661)
Capital Outlays	0	0	0	0
Interfund Payments for Services	522,036	522,036	562,379	(40,343)
Total Sheriff	\$8,808,940	\$10,032,848	\$9,952,380	\$80,468
Total Security of Persons and Property	\$12,764,998	\$14,208,145	\$13,877,946	\$330,199
Utilities and Environment				
Sheriff				
Salaries and Wages	\$34,361	\$34,361	\$34,573	(\$212)
Personnel Benefits	7,982	7,982	7,951	31
Supplies	4,250	4,250	1,590	2,660
Other Services and Charges	72,000	72,000	78,858	(6,858)
Interfund Payments for Services	4,956	4,956	4,962	(6)
Total Sheriff	\$123,549	\$123,549	\$127,934	(\$4,385)
Noxious Weed Control				
Salaries and Wages	\$68,254	\$68,254	\$64,729	\$3,525
Personnel Benefits	18,928	18,928	18,752	176
Supplies	6,575	12,575	19,535	(6,960)
Other Services and Charges	5,325	5,325	2,371	2,954
Interfund Payments for Service	2,592	2,592	2,092	500
Total Noxious Weed Control	\$101,674	\$107,674	\$107,479	\$195

**SKAGIT COUNTY, WASHINGTON
GENERAL FUND**

**Statement of Expenditures - Budget (GAAP Basis) and Actual
For the Year Ended December 31, 2004**

EXPENDITURES	Original Budget	Final Budget	Actual	Variance with Final Budget Positive/ (Negative)
Water Quality Relief Program				
Salaries and Wages	\$17,868	\$17,868	\$16,327	\$1,541
Personnel Benefits	4,345	4,345	3,918	427
Supplies	1,500	1,500	1,191	309
Other Services and Charges	54,200	54,200	49,057	5,143
Interfund Payments for Services	0	0	63	(63)
Total Water Quality Relief Program	\$77,913	\$77,913	\$70,556	\$7,357
Pest/Nuisance Control Services				
Salaries and Wages	\$8,000	\$8,000	\$9,032	(\$1,032)
Personnel Benefits	871	871	1,572	(701)
Supplies	1,155	1,155	676	479
Other Services and Charges	4,178	4,178	2,616	1,562
Interfund Payments for Services	871	871	660	211
Total Pest/Nuisance Control Services	\$15,075	\$15,075	\$14,556	\$519
Total Utilities and Environment	\$318,211	\$324,211	\$320,525	\$3,686
Economic Environment				
Boundary Review Board				
Salaries and Wages	\$41,804	\$41,804	\$42,362	(\$558)
Personnel Benefits	7,840	7,840	7,966	(126)
Supplies	150	150	131	19
Other Services and Charges	5,780	5,780	4,815	965
Total Boundary Review Board	\$55,574	\$55,574	\$55,274	\$300
Hearing Examiner				
Salaries and Wages	\$18,900	\$18,900	\$18,630	\$270
Personnel Benefits	3,219	3,219	3,156	63
Supplies	400	400	385	15
Other Services and Charges	48,475	48,475	46,410	2,065
Total Hearing Examiner	\$70,994	\$70,994	\$68,581	\$2,413
Planning and Community Development				
Salaries and Wages	\$1,622,203	\$1,622,203	\$1,664,488	-\$42,285
Personnel Benefits	395,795	395,795	398,781	(2,986)
Supplies	20,067	20,067	27,117	(7,050)
Other Services and Charges	605,850	605,850	428,354	177,496
Interfund Payments for Services	32,679	32,679	35,118	(2,439)
Total Planning and Community Development	\$2,676,594	\$2,676,594	\$2,553,858	\$122,736
Agricultural Advisory Board				
Salaries and Wages	\$12,647	\$12,647	\$12,710	-\$63
Personnel Benefits	4,065	4,065	2,204	1,861
Supplies	1,485	1,485	261	1,224
Other Services and Charges	11,803	11,803	2,194	9,609
Total Agricultural Advisory Board	\$30,000	\$30,000	\$17,369	\$12,631
Total Economic Environment	\$2,833,162	\$2,833,162	\$2,695,082	\$138,080

SKAGIT COUNTY, WASHINGTON
GENERAL FUND
Statement of Expenditures - Budget (GAAP Basis) and Actual
For the Year Ended December 31, 2004

EXPENDITURES	Original Budget	Final Budget	Actual	Variance with Final Budget Positive/ (Negative)
<u>Mental and Physical Health</u>				
Coroner				
Salaries and Wages	\$83,078	\$83,078	\$82,848	\$230
Personnel Benefits	24,153	24,153	24,960	(807)
Supplies	2,800	2,800	2,828	(28)
Other Services and Charges	95,925	96,492	87,386	9,106
Interfund Payments for Services	8,754	8,754	8,754	0
Total Coroner	\$214,710	\$215,277	\$206,776	\$8,501
District Court				
Other Services and Charges	\$14,000	\$14,000	\$8,105	\$5,895
Total District Court	\$14,000	\$14,000	\$8,105	\$5,895
<u>Total Mental and Physical Health</u>	\$228,710	\$229,277	\$214,881	\$14,396
<u>Culture and Recreation</u>				
Cooperative Extension				
Salaries and Wages	\$114,340	\$114,340	\$102,241	\$12,099
Personnel Benefits	29,198	29,198	27,849	1,349
Supplies	9,700	10,600	6,167	4,433
Other Services and Charges	95,115	106,395	106,027	368
Total Cooperative Extension	\$248,353	\$260,533	\$242,284	\$18,249
Historical Museum				
Salaries and Wages	\$155,241	\$155,241	\$154,287	\$954
Personnel Benefits	36,457	36,457	33,047	3,410
Total Historical Museum	\$191,698	\$191,698	\$187,334	\$4,364
<u>Total Culture and Recreation</u>	\$440,051	\$452,231	\$429,618	\$22,613
<u>Other Expenditures/Expenses</u>				
Sheriff				
Capital Outlays	\$29,500	\$53,500	\$0	\$53,500
Total Sheriff	\$29,500	\$53,500	\$0	\$53,500
<u>Total Other Expenditures</u>	\$29,500	\$53,500	\$0	\$53,500
GRAND TOTAL EXPENDITURES	\$34,688,023	\$37,565,172	\$36,117,788	\$1,447,386

SKAGIT COUNTY, WASHINGTON

County Roads

Statement of Revenues, Expenditures and Changes in Fund Balance Budget (GAAP Basis) and Actual For the Year Ended December 31, 2004

	Original Budget	Final Budget	Actual	Variance with Final Budget Positive/ (Negative)
Revenues				
General Property Taxes	\$9,070,000	\$9,070,000	\$9,228,148	\$158,148
Timber Harvest Taxes	250,000	250,000	156,476	(93,524)
Excise Taxes	35,000	35,000	23,847	(11,153)
Total Taxes	<u>\$9,355,000</u>	<u>\$9,355,000</u>	<u>\$9,408,471</u>	<u>\$53,471</u>
Licenses and Permits	\$0	\$0	\$420	\$420
Intergovernmental	9,638,729	9,638,729	8,136,159	(1,502,570)
Charges for Services	1,938,897	1,938,897	2,188,757	249,860
Interest Earnings	85,500	85,500	88,801	3,301
Donations	0	0	0	0
Other Revenues	110,000	110,000	97,798	(12,202)
Total Revenues	<u>\$21,128,126</u>	<u>\$21,128,126</u>	<u>\$19,920,406</u>	<u>(\$1,207,720)</u>
Expenditures				
General Governmental Services	\$1,831,725	\$1,831,725	\$3,913,709	(\$2,081,984)
Transportation	20,306,012	21,665,716	13,366,816	8,298,900
Capital Outlay	162,000	162,000	1,549,762	(1,387,762)
Total Expenditures	<u>\$22,299,737</u>	<u>\$23,659,441</u>	<u>\$18,830,287</u>	<u>\$4,829,154</u>
Excess (Deficit) Revenues Over Expenditures	<u>(\$1,171,611)</u>	<u>(\$2,531,315)</u>	<u>\$1,090,119</u>	<u>\$3,621,434</u>
Other Financing Sources (Uses)				
Operating Transfers Out	(\$1,975,544)	(\$1,975,544)	(\$1,765,633)	\$209,911
Total Other Financing Source (Uses)	<u>(\$1,975,544)</u>	<u>(\$1,975,544)</u>	<u>(\$1,765,633)</u>	<u>\$209,911</u>
Net Change in Fund Balance	(\$3,147,155)	(\$4,506,859)	(\$675,514)	\$3,831,345
Fund Balance-January 1	8,738,625	8,738,625	10,231,547	1,492,922
Fund Balance-December 31	<u>\$5,591,470</u>	<u>\$4,231,766</u>	<u>\$9,556,031</u>	<u>\$5,324,265</u>

SKAGIT COUNTY, WASHINGTON

Statement of Net Assets

Proprietary Funds

December 31, 2004

	Business-Type Activities-Enterprise Funds			Governmental Activities
	Solid Waste	Drainage Utility	Total	Internal Service Funds
ASSETS				
<u>Current Assets</u>				
Cash/Cash Equivalents	\$298,486	\$252,685	\$551,171	\$2,010,051
Investments	3,920,754	2,290,722	6,211,476	1,689,630
Accounts Receivable	758,280	31,053	789,333	1,845
Due From Other Funds	551	6,672	7,223	1,690,491
Due from Other Governmental Units	80,238	0	80,238	25,459
Inventories/Prepayments	25,533	1,384	26,917	4,789,185
Total Current Assets	\$5,083,842	\$2,582,516	\$7,666,358	\$10,206,662
<u>Noncurrent Assets</u>				
<u>Capital Assets</u>				
Land	\$446,252	\$21,723	\$467,975	\$0
Buildings	1,825,299	0	1,825,299	180,888
Improvements Other Than Buildings	59,918	3,028,989	3,088,907	0
Machinery and Equipment	617,777	5,969	623,746	13,415,246
Less Accumulated Depreciation	(2,210,165)	(333,333)	(2,543,498)	(7,302,443)
Construction In Progress	0	731,313	731,313	0
Unamortised Issuance Costs	21,259	0	21,259	0
Total Noncurrent Assets	\$760,339	\$3,454,661	\$4,215,000	\$6,293,691
Total Assets	\$5,844,181	\$6,037,179	\$11,881,359	\$16,500,353
LIABILITIES AND FUND EQUITY				
<u>Current Liabilities</u>				
Accounts/Vouchers Payable	\$437,087	\$32,619	\$469,706	\$1,777,830
Due to other Funds	451,172	45,506	496,678	237,148
Interest Payable	25,295	0	25,295	0
Accrued Wages Payable	47,527	12,145	59,672	91,269
Accrued Employee Benefits	14,164	3,825	17,989	23,517
Accrued Taxes Payable	6,053	0	6,053	77
Bonds Payable	775,000	0	775,000	0
Compensated Absences	\$51,857	\$769	\$52,626	\$105,939
Total Current Liabilities	\$1,808,156	\$94,864	\$1,903,020	\$2,235,780
<u>Noncurrent Liabilities</u>				
Notes and Loans Payable	6,397,719	0	6,397,719	0
Total Noncurrent Liabilities	\$6,397,719	\$0	\$6,397,719	\$0
Total Liabilities	\$8,205,875	\$94,864	\$8,300,739	\$2,235,780
<u>Net Assets</u>				
Invested in Capital Assets, Net of Related Debt	(\$6,412,380)	\$3,454,662	(\$2,957,718)	\$6,293,691
Unrestricted	4,050,686	2,487,653	6,538,339	7,970,882
Total Net Assets	(\$2,361,694)	\$5,942,315	\$3,580,620	\$14,264,573

SKAGIT COUNTY, WASHINGTON
Statement of Revenues, Expenses and Changes in Fund Net Assets
Proprietary Funds
For the Year December 31, 2004

	<u>Business - Type Activities - Enterprise Funds</u>			<u>Governmental</u>
	<u>Solid</u>	<u>Drainage</u>	<u>Total</u>	<u>Internal</u>
<u>Operating Revenues</u>	<u>Waste</u>	<u>Utility</u>		<u>Services</u>
Charges for Services	\$8,227,772	\$972,069	\$9,199,841	\$9,497,992
Other Operating Revenue	0	0	0	5,278,653
Total Operating Revenues	<u>\$8,227,772</u>	<u>\$972,069</u>	<u>\$9,199,841</u>	<u>\$14,776,645</u>
<u>Operating Expenditures</u>				
Personal Services	\$1,282,858	\$111,496	\$1,394,354	\$2,652,194
Contractual services	4,640,235	0	4,640,235	3,551,729
Other Supplies and Expenses	1,199,045	157,345	1,356,390	3,325,248
Depreciation	68,682	82,957	151,639	849,125
Payment to Claimants	0	0	0	5,297,632
Total Operating Expenditures	<u>\$7,190,820</u>	<u>\$351,798</u>	<u>\$7,542,618</u>	<u>\$15,675,928</u>
Operating Income (Loss)	<u>\$1,036,952</u>	<u>\$620,271</u>	<u>\$1,657,223</u>	<u>(\$899,283)</u>
<u>Non-Operating Revenue (Expenses)</u>				
Intergovernmental	\$178,300	\$0	\$178,300	\$0
Interest Revenue	48,128	29,978	78,106	30,672
Miscellaneous Revenue	2,662	0	2,662	233,283
Gain (Loss) on Disposition of Capital Asset	0	0	0	9,933
Interest Expense	(332,410)	0	(332,410)	0
Miscellaneous Expense	0	0	0	(86,092)
Total Non-Operating Revenue (Expenses)	<u>(\$103,320)</u>	<u>\$29,978</u>	<u>(\$73,342)</u>	<u>\$187,796</u>
Income (Loss) before Contributions and Transfers	\$933,632	\$650,249	\$1,583,881	(\$711,487)
Capital Contributions	24,399	0	24,399	356,006
Transfers In	0	0	0	75,000
Transfers Out	0	(12,915)	(12,915)	0
Change in Net Assets	<u>\$958,031</u>	<u>\$637,334</u>	<u>\$1,595,365</u>	<u>(\$280,481)</u>
Net Assets as of January 1	<u>(3,319,726)</u>	<u>5,304,982</u>	<u>1,985,255</u>	<u>14,545,056</u>
Net Assets as of December 31	<u><u>(\$2,361,694)</u></u>	<u><u>\$5,942,315</u></u>	<u><u>\$3,580,620</u></u>	<u><u>\$14,264,575</u></u>

SKAGIT COUNTY, WASHINGTON
Statement of Cash Flows
Proprietary Funds
For the Year December 31, 2004

	<u>Business - Type Activities - Enterprise Funds</u>			<u>Governmental</u>
	Solid Waste	Drainage Utility	Total	<u>Internal Services</u>
Cash Flows From Operating Activities:				
Receipts from Customers	\$8,043,832	\$976,005	\$9,019,837	\$146,305
Receipts from Interfund Services Provided	0	0	0	8,273,818
Miscellaneous Receipts	0	0	0	5,278,653
Payments to Employees	(1,271,540)	(116,196)	(1,387,736)	(2,536,200)
Payments to Suppliers	(5,318,442)	(90,763)	(5,409,205)	(11,210,663)
Payments for Interfund Services Used	(737,124)	(59,166)	(796,290)	(331,786)
Miscellaneous Receipts	2,662	0	2,662	147,191
Net cash provided (used) by operating activities	<u>\$719,388</u>	<u>\$709,880</u>	<u>\$1,429,268</u>	<u>(\$232,682)</u>
Cash Flows From Noncapital Financing Activities:				
Operating Grants Received	\$159,783	\$0	\$159,783	\$0
Transfers from Other Funds	0	0	0	75,000
Net cash provided (used) by noncapital financing activities	<u>\$159,783</u>	<u>\$0</u>	<u>\$159,783</u>	<u>\$75,000</u>
Cash Flows From Capital And Related Financing Activities				
Purchases of capital assets	(\$7,199)	(\$364,872)	(\$372,071)	(\$890,255)
Proceeds from sale of capital assets	0	0	0	104,990
Principal Paid on Capital Debt	(760,000)	0	(760,000)	0
Interest Paid on Capital Debt	(319,567)	0	(319,567)	0
Net cash provided (used) by capital and related financing activities	<u>(\$1,086,766)</u>	<u>(\$364,872)</u>	<u>(\$1,451,638)</u>	<u>(\$785,265)</u>
Cash Flows From Investing Activities:				
Interest Earnings	\$48,128	\$29,978	\$78,106	\$30,672
Net Cash Provided by Investing Activities	<u>\$48,128</u>	<u>\$29,978</u>	<u>\$78,106</u>	<u>\$30,672</u>
Net Increase in Cash & Cash Equivalents	(\$159,467)	\$374,986	\$215,519	(\$912,275)
Balances as of January 1	4,378,707	2,168,421	6,547,128	4,611,957
Balances as of December 31	<u>\$4,219,240</u>	<u>\$2,543,407</u>	<u>\$6,762,647</u>	<u>\$3,699,681</u>

SKAGIT COUNTY, WASHINGTON

Statement of Cash Flows

Proprietary Funds

For the Year December 31, 2004

	Business - Type Activities - Enterprise Funds			Governmental
	Solid Waste	Drainage Utility	Total	Activities Internal Services
Reconciliation of Operating Income (Loss) to Net Cash Provided by Operating Operating Income/(Loss)	<u>\$1,036,952</u>	<u>\$620,271</u>	<u>\$1,657,223</u>	<u>(\$899,283)</u>
Adjustments to Reconcile Operating Income to Net Cash Provided by Operating Activities:				
Depreciation Expense	\$68,682	\$82,957	\$151,639	\$849,125
Miscellaneous Receipts	2,662	0	2,662	147,191
Changes in assets and liabilities:				
Receivables, net	(183,948)	(2,736)	(186,684)	(1,077,867)
Prepayments	(2,269)	371	(1,898)	(16,744)
Inventories	0	0	0	124,900
Accounts and other payables	<u>(202,691)</u>	<u>9,017</u>	<u>(193,674)</u>	<u>639,998</u>
Net Cash Provided by Operating Activities	<u>\$719,388</u>	<u>\$709,880</u>	<u>\$1,429,268</u>	<u>(\$232,682)</u>
Non Cash investing, capital and Financing activities				
Contribution of capital assets	\$24,399	\$0	\$24,399	\$356,006

SKAGIT COUNTY, WASHINGTON
Statement of Fiduciary Net Assets
Fiduciary Funds
For the Year Ended December 31,2004

ASSETS	Agency Funds
Cash	\$23,053,638
Investments	231,229,658
Taxes receivable	3,070,795
Deposits	35,000
TOTAL ASSETS	<u><u>\$257,389,091</u></u>
LIABILITIES	
Warrants payable	\$12,031,066
Custodial accounts	245,358,025
TOTAL LIABILITIES	<u><u>\$257,389,091</u></u>
NET ASSETS	<u><u>\$0</u></u>

See accompanying notes to the financial statements

SKAGIT COUNTY, WASHINGTON
Notes to the Financial Statements
For the Year Ended December 31, 2004

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 units. The Governmental Accounting Standards Board (GASB) is the accepted standard setting body for establishing governmental accounting and financial reporting principles. The chart of accounts conforms to the Budgeting, Accounting, and Reporting Systems (BARS) prescribed by the office of the State Auditor, to promote uniformity among the cities and counties of Washington resulting in better comparability. The significant accounting policies are described below.

A. 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 the following services to its constituents: Sheriff, road construction and maintenance, solid waste management, permits and planning, parks and recreation, judicial administration, public health, social services and general administrative services. As required by GAAP, the financial statements present Skagit County, the primary government and its discretely presented component unit, the Skagit County Emergency Medical Services Commission (EMS.)

The GASB Statement 14 establishes the standards for defining and reporting on the financial reporting entity and applies to the primary government as well as to separately issued financial statements of governmental component units. The Statement defines the reporting entity as consisting of the primary government and organizations for which the primary government is financially accountable. Fiscal accountability is defined as a situation in which the primary government has substantive authority to appoint a voting majority of a components governing board and it is either able to impose its will or there is a potential for the component to provide specific financial benefits to, or to impose specific financial burdens on the primary government.

Discretely Presented Component Unit

The Skagit County Emergency Medical Services Commission was effectively established on April 1, 2003 by ordinance of the Board of County Commissioners. The EMS was established pursuant to the Revised Code of Washington 35.21.730 and 36.01.095. The purpose of the commission is to provide efficient and effective emergency medical and related services throughout Skagit County in compliance with state law. Skagit County is funding the EMS with an excess property tax levy approved by the voters through 2006. The Board of County Commissioners appoints the members of the EMS board and has final approval on the EMS operating budget. More information concerning the EMS Commission, including complete financial statements can be obtained at the EMS offices in Mt. Vernon, Washington.

B. Government-Wide and Fund Financial Statements

Government wide financial statements consist of the statement of net assets and the statement of activities. These statements report information on all of the non-fiduciary activities of the primary government and its component unit. 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 separate from business-type activities, which rely to a significant extent on fees and charges for support. The component unit is reported separately from the county.

The statement of activities demonstrates the degree to which the 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.

Program revenue includes a) charges to customers or applicants who purchase, use, or directly benefit from goods, services or privileges provided by a given function or segment. b) Grants and contributions that are restricted to meeting the operation or capital requirements of a particular function or segment. Taxes and other items not properly included among program revenues are reported instead 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, even though 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.

C. Measurement Focus, Basis of Accounting, and Financial Statement Presentation

The government wide financial statements are reported using the economic resources measurement focus and the accrual basis of accounting, as are the proprietary fund and fiduciary fund financial statements. Under this measurement focus, 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 as soon as they are both measurable and available. Revenues are considered to be available when they are collectible within the current period or as 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 30 days of the end of the fiscal period. Revenues susceptible to accrual are earned interest, certain charges for services, and intergovernmental revenues, such as grants, where program expenditures are the prime factor for determining reimbursement. Other revenues such as sales based taxes, licenses, fines and fees are not considered susceptible for accrual since they are not generally measurable until received. Expenditures are generally recorded when the related fund liability is incurred, as under accrual accounting. However, debt service expenditures and expenditures related to compensated absences and claims and judgments are recorded only when payment is due.

Skagit County reports the following major governmental funds:

- The General Fund is the County’s primary operating fund. It is used to account for all activities of the general government not accounted for in another fund.
- The County Road Fund accounts for the design, construction, and maintenance of County roads.
- The Distressed County Public Facilities Fund accounts for the collection of the 0.04% sales and use tax authorized by RCW 82.14.370 and the Board of County Commissioners and the expenditure for the purposes of financing and construction of public facilities.

Skagit County reports two major proprietary funds:

- The Solid Waste Fund accounts for 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 to pay for the costs related to drainage utility facilities.

Additionally, the County reports the following fund types:

- Internal Services Funds account for equipment rental, central support, liability insurance, self-insurance and technology services provided to other departments or agencies of the government, or to other governments on a cost reimbursement basis.
- Agency Funds are custodial in nature and do not present results of operations or have a measurement focus. These funds account for assets that the County holds for others in an agency capacity.

Private sector standards of accounting and financial reports issued prior to December 1, 1989, generally are followed in both government-wide and proprietary fund financial statements to the extent that those standards do not conflict with or contradict guidance on the Governmental Accounting Standards Board. Governments also have the option of following subsequent private-sector guidance for their business-type activities and enterprise funds, subject to the same limitations. The County has elected not to apply subsequent private-sector guidance.

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 the government. Elimination of these charges would distort the direct costs and program revenues reported for the various functions concerned.

Amounts reported as program revenues include a) charges to customers or applicants for goods, services or privileges provided, b) operating grants and contributions, and c) capital grants and contributions, including special assessments.

Internally, dedicated resources are reported as general revenues rather than program revenues. Likewise, general revenues include all taxes.

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 and the Drainage Utility Fund are charges to customers for sales and services. Operating expenses for enterprise funds and internal service funds include the cost of personal services, contractual services, other supplies and expenses, and depreciation on capital assets. Revenues and expenses not meeting this definition are reported as non-operating revenues and expenses.

When both restricted and unrestricted resources are available for use, it is the government's policy to use restricted resources first, and then unrestricted resources, as they are needed.

D. Assets, Liabilities and Net Assets or Equity

1. Cash and Cash Equivalents

Only cash in checking accounts and petty cash are recorded as cash on the financial statements. All demand deposits are recorded as investments. In the preparation of the statement of cash flows, cash and cash equivalents include not only "cash on hand", but cash with fiscal agent and cash in demand deposits with maturity of three months or less. (See Note IV) All deposits are stated at cost.

It is the County's policy to invest all cash surpluses. As of December 31, 2004, the Treasurer was holding \$39,602,283 in short-term residual investments of surplus cash. (See Note IV.) This amount is classified on the balance sheet as cash and cash equivalents in various funds. The interest on these investments is credited to the General Fund, except where prohibited by statute or bond covenant.

2. Investments at Cost — See Note IV.

3. Receivables and Payables

Activities between funds that are representative of lending/borrowing arrangements at the end of the fiscal year are referred to as either "due to/from other funds" (i.e., the current portion of interfund loans). 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 proprietary funds have been eliminated and were not included in the government-wide statement of net assets.

Taxes Receivable consists of property taxes and related interest and penalties accumulated from the previous years. All real property taxes are secured by liens on the corresponding property.

Accounts Receivable consists of amounts owed from private individuals for goods or services. The significant sources are time payments on the courts assessments. All receivables have been recorded net of estimated uncollectible amounts. Uncollectible court-related receivables are estimated to be 69%.

Receivables due from other governments include amounts due from grantors for grants issued for specific programs and capital projects.

Interest Receivable consists of amounts earned on investments at the end of the year and fair value changes in accordance with GASB 31, Accounting and Financial Reporting for Certain Investments and for External Investment Pools, are included.

4. 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 valued by the first-in first-out method.

Inventories in the Equipment Rental and Revolving Fund are valued at average weighted cost method. Inventories are valued by the first-in first-out method.

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

5. Capital Assets

Capital assets include land, improvements to land, easements, buildings, building improvements, vehicles, machinery, equipment, infrastructure, and all other tangible or intangible assets that are used in operations and that have initial useful lives extending beyond a single reporting period. 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 normally 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 the proprietary fund statements. Capital assets are recorded as expenditures of the current period in the government fund financial statements.

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

Improvements to capital assets that materially add to the value or extend the life of the asset are capitalized. Other repairs and normal maintenance are not capitalized. Major outlays for capital assets and improvements are capitalized as projects are constructed. 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.

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

Buildings – 6 to 40 years
Improvements – 15 to 40 years
Furniture and Equipment – 5 to 20 years
Information Technology Equipment – 3 to 20 years
Vehicles – 4 to 21 years
Infrastructure – 20 to 50 years

6. 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 incurred in the government-wide and proprietary fund financial statements. A liability for these amounts is reported in governmental funds only if they have matured, for example, as a result of employee resignations and retirements. The non-current portion for governmental funds is not reported in the governmental fund statements and represents a reconciling item between the fund and government-wide presentations.

County employees receive vacation and sick leave monthly at rates established by County resolution or union contract. At termination of employment, employees with required length of service may receive cash payment for all accumulated vacation leave up to a maximum of 30 days. The payment is based upon current wages at termination. Accumulated sick leave is not paid at termination of employment.

7. Long-Term Obligations — See Note V.

8. Fund Equity

Fund equity is recognized as fund balance in governmental fund types, and as net assets in proprietary fund types. Certain fund equity may be reserved for a specific future use, or to denote unavailability for current operations. Designations of fund balance represent tentative management plans that are subject to change. Unless otherwise noted, fund balances and retained earnings (deficits) are unreserved and undesignated.

II. RECONCILIATION OF GOVERNMENT-WIDE AND FUND FINANCIAL STATEMENTS

A. Explanation of Certain Differences Between the Governmental Fund Balance Sheet and the Government-Wide Statement of Net Assets

The governmental fund balance sheet includes reconciliation between fund balance — total governmental funds and nets assets — governmental activities reported in the government-wide statement of net assets. One element of that reconciliation explains, "Other long-term assets are not available to pay for current period expenditures and, therefore are deferred in the funds." The details of this reconciliation are as follows:

Unavailable Deferred Revenue	\$2,473,869
Interest Receivable	<u>48,711</u>
Net Adjustment to Increase Total Governmental Funds to Arrive at Net Assets Governmental Activities	<u>\$2,522,580</u>

Another element of that reconciliation explains, "Long-term liabilities, including bonds payable, are not due and payable in the current period and therefore are not reported in the funds." The details of this reconciliation are as follows:

Bonds Payable	\$9,960,000
Minus: Issuance Discount	(45,163)
Revolving Fund Debt	2,335,382
Compensated Absences	<u>1,458,365</u>
Net Adjustment to Reduce - Total Governmental Funds to Arrive at Net Assets - Governmental Activities	<u>\$13,708,584</u>

B. Explanation of Certain Differences Between the Governmental Fund Statement of Revenues, Expenditures, and Changes in Fund Balances and the Government-Wide Statement of Net Assets

The governmental fund statement of revenues, expenditures and changes in fund balances includes a reconciliation between net changes in fund balances — total governmental funds and changes in net assets of governmental activities as reported in the government-wide statement of activities. One element of that reconciliation explains, “Governmental funds report capital outlays as expenditures. However, in the statement of activities, the cost of those assets is allocated over their estimated useful lives and reported as depreciation expense. When capital assets are disposed of, the difference between original cost minus depreciation, and the proceeds is booked as a gain or (loss) on the sale. The details of this difference are as follows:

Capital Outlay	\$7,618,591
Depreciation Expense	(16,742,587)
Disposition of Capital Assets (Net Book Value)	(903,890)
Net Adjustment to Increase Net Changes in Fund Balance - Total Governmental Funds to Arrive at Changes in Net Assets of Governmental Activities	<u>(\$10,027,886)</u>

Another element of that reconciliation states “the issuance of long-term debt (e.g. bonds) provides current financial resources to governmental funds, while the repayment of the principal of long-term debt consumes the current financial resources of governmental funds. Neither transaction, however, has any effect on net assets. Also, governmental funds report the effect of issuance costs when the debt is first issued, whereas these amounts are deferred and amortized in the statement of activities.” The details of this difference are as follows:

Issuance of Revolving Fund Debt	\$486,036
Less Discount	2834
Principal Payments:	
General Obligation Debt	(435,000)
Revolving Fund Debt	(324,276)
Net Adjustment to Increase Net Changes in Fund Balances Total Governmental Funds to Arrive at Changes in Net Assets of Governmental Activities	<u>\$270,406</u>

III. STEWARDSHIP, COMPLIANCE AND ACCOUNTABILITY

A. Budgetary Information

1. 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.

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 the legal authority for expenditures at that level. All appropriations lapse thirty days after the close of each fiscal year. All expenditures incurred prior to year-end, but not paid until this thirty-day period are considered expenditures against the budget for the prior year and are reported as accounts payable.

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

2. 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:

- a) On or before the second Monday in July, County officials are requested to prepare estimates of revenues and expenditures for the next fiscal year.
- b) On or before the second Monday in August, each County official submits detailed estimates of probable revenues and expenditures to the County Auditor for the ensuing year.
- c) On or before the first Tuesday in September, the County Auditor submits the County's compiled Preliminary Annual Budget to the Board of County Commissioners.
- d) The Commissioners conduct public meetings/hearings on the proposed budget from September through October.
- e) The Commissioners make adjustments to the proposed budget and adopt, by resolution, a final balanced budget no later than December 31.
- f) Upon adoption, the final budget is available to the public.

3. Amending the Budget

The following processes are the only methods by which a budget can be modified.

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. Supplemental appropriations are required because of several factors. These include the awarding of State and Federal grants during the year, the release of contingency funds for expenditure in specific programs, and enhanced revenues, which provide funding for, expanded program requirements. After conducting the aforementioned public hearing, the County Commissioners may amend the budgeted appropriations by adoption of a Supplemental Budget resolution. Management has no authority to amend the budget in any other manner.

When the County Commissioners determine that it is in the best interest of the County to increase or decrease the appropriation for a particular object class without altering the total budget of any fund, it may do so by resolution approved by a simple majority during a public meeting. These budget modifications are called budget line item changes. The budget amounts shown in the financial statements are the final authorized amounts as revised during the year, including budget amendments and budget line item changes.

B. Deficit Fund Equity

The following funds exhibit deficit fund balances as of December 31, 2004:

The ***Communication System Fund*** deficit was \$8,624 at December 31, 2004. The collection of sales tax and phone tax will resolve this deficit in 2005.

The ***Lake Management District No. 1 Fund*** deficit was \$99,001 at December 31, 2004. Operating assessments being collected from property owners in the District will resolve this deficit over the next three years.

The **Lake Management District No. 2 Fund** deficit was \$38,813 at December 31, 2004. Operating assessments being collected from property owners in the District will resolve this deficit over the next five years.

The **Lake Management District No. 3 Fund** deficit was \$32,855 at December 31, 2004. Operating assessments being collected from property owners in the District will resolve deficit issues the District will experience over the next seven years.

The **Solid Waste Fund** deficit is \$2,361,695 at December 31, 2004, and is a result of the closure of the incinerator and its demolition. The Resource Recovery Facility changed its operations from incinerating to long-hauling solid waste in May of 1994. The Solid Waste Fund's long-hauling of solid waste realized net operating income of \$1,036,952 for the fiscal year ended December 31, 2004.

IV. DETAILED NOTES ON ALL FUNDS

A. Deposits and Investments

Deposits

The Skagit County Treasurer is empowered by the State to act as the treasurer not only for the County but also for special purpose districts located in the County. In this role, the Treasurer is empowered and it is the County's policy to deposit and invest all temporary cash surpluses. At the end of the year, the carrying amount of the government and agency deposits was \$38,177,517 and the bank balance was \$6,102,253 all of which was covered by federal depository insurance or collateralized with securities which are either held by the County or by the County's agent in the County's name. This amount is classified on the balance sheet as cash, cash equivalents, and deposits in various funds. The FDIC (federal depository insurance corporation) insures all deposits of the County up to \$100,000 and the Washington Public Deposit Protection Commission for amounts over \$100,000.

Investments

As required by Washington State law, all investments of Skagit County and applicable Agency's 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 loans institutions.

Skagit County's and applicable Agency's investments are categorized to give an indication of the risk assumed at year-end. Descriptions of the categories are:

- 1) Category 1- Insured or registered in the name of the governmental entity or held by the entity or by its agent in the entity's name;
- 2) Category 2-Uninsured and unregistered, with securities held by the counter-party's trust department or by its agent in the entity's name.
- 3) Category 3-Uninsured and unregistered, with securities held by the counter-party, its trust department, or its agent, but not held in the entity's name.

	<u>1</u>	<u>CATEGORIES 2</u>	<u>FAIR VALUE</u>
U.S. Gov't Securities	\$142,365,675	\$0	\$141,634,187
Bankers' Acceptances	817,948	0	820,388
Commercial Paper	9,170,102	8,981,110	18,160,650
Registered Warrants	831,387	0	831,387
Subtotal	<u>\$153,185,112</u>	<u>\$8,981,110</u>	<u>\$161,446,612</u>
Investment in State Treasurer's Investment Pool			\$94,210,722
TOTAL INVESTMENTS	<u><u>\$153,185,112</u></u>	<u><u>\$8,981,110</u></u>	<u><u>\$255,657,334</u></u>

U.S. Government securities and commercial paper are stated at fair value. All other investments are stated at amortized cost which approximates fair value. The fair value of the County's position in the State Treasurer's Investment Pool is the same as the value of the pool shares. Authority to manage the Skagit County Investment Program derives from RCW 36.29.020. Regulatory oversight is provided by the County Finance Committee comprised of the Treasurer as Chair, the Auditor as Secretary, and the County Commissioners Chair. The State Treasurer's Investment Pool was created by the Washington State Legislature in 1986 and is overseen by the State Treasurer. The State Finance Committee administers the pool and is advised by the local Government Investment Pool Advisory committee comprised of twelve members selected from the active pool participants. The pool is operated in a manner consistent with the SEC Rule 2a7. Management intends to hold the time deposits and securities until maturity.

Gains or losses on investments sold or exchanged are recognized at the time the transactions are completed.

B. Property Taxes

The County Treasurer acts as an agent to collect property taxes levied in the County for all taxing authorities. Collections are distributed at the end of each month.

PROPERTY TAX CALENDAR

January 1	Taxes are levied and become an enforceable lien against properties.
February 15	Collection of current year's taxes authorized
April 30	First of two installment payments is due.
May 31	Assessed value of property established for next year's levy at 100 percent of market value.
October 31	Second installment is due.

Property taxes are recorded as a receivable when levied, offset by deferred revenue. Property tax revenue is recognized when the revenue becomes available. During the year, property tax revenues are recognized when cash is collected. Collections are distributed at the end of each month. Property taxes are levied and attach as a lien on property as of January 1. Anticipated refunds of taxes are recorded as reductions of revenue when they are measurable and their validity seems certain. No allowance for uncollectible taxes is established because delinquent taxes are considered fully collectible.

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

- A) Washington State law in RCW 84.55.010 limits the 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.
- B) The Washington State Constitution limits the total regular property taxes to 1 percent of 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.
- C) The County may voluntarily levy taxes below the legal limit. Special levies approved by the voters are not subject to the above limitations.

The following identifies the tax rates levied collection in 2004:

	LEVY IN DOLLARS ASSESSED PER THOUSAND	TOTAL VALUE	LEVY
2003			
County	\$1.8141	\$9,109,187,252	\$16,521,752
Roads	1.9560	4,709,757,229	9,212,285
Conservation Futures	.0588	9,109,187,252	535,620
2004			
County	\$1.7999	\$9,635,294,684	\$17,339,344
Roads	1.9792	4,951,571,336	9,800,150
Conservation Futures	.0581	9,635,294,684	559,811

The County tax rate reported is comprised of a levy for general governmental services and special revenue assessments.

The County is also 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 future development rights for preservation purposes.

C. Receivables

Receivables as of year-end for the County's individual major funds, non-major, internal service and agency funds in the aggregate, including the applicable allowance for uncollectible accounts are as follows:

	Taxes	Accounts	Due from Other Governments	Interest & Penalties	Total
General Fund	\$637,442	\$1,259,509	\$805,428	\$91,053	\$2,793,432
County Roads	441,611	125,805	2,962,431	0	3,529,847
Distressed County	0	0	0	0	0
NonMajor Governmental	135,307	20,231	983,696	0	1,139,234
Solid Waste	0	758,280	80,238	0	838,518
Drainage Utility	31,053	0	0	0	31,053
Internal Service	0	1,845	25,459	0	27,304
Agency	3,070,795	0	0	0	3,070,795
Total Receivables	\$4,316,208	\$2,165,670	\$4,857,252	\$91,053	\$11,430,183

Governmental funds report deferred revenue in connection with receivables for revenues that are not considered available to liquidate liabilities of the current period. Governmental funds also defer revenue recognition in connection with resources that have been received, but not yet earned. At the end of the year, the various components of deferred revenue and unearned revenue reported in the governmental funds were as follows:

	<u>Unavailable</u>	<u>Unearned</u>
Property Taxes Receivable (General Fund)	\$637,442	
Property Taxes Receivable (Road Fund)	441,611	
Property Taxes Receivable (Other Governmental Funds)	135,307	
Revenue earned but not yet available	1,259,509	
Grants received prior to meeting all eligibility requirements	<u>0</u>	<u>\$114,689</u>
Total Deferred/Unearned Revenue for Governmental Funds	<u><u>\$2,473,869</u></u>	<u><u>\$114,689</u></u>

D. Interfund Receivables, Payables and Transfers

The composition of interfund balances as of December 31, 2004 is as follows:

Due To/From other funds:

<u>Receivable Fund</u>	<u>Payable Fund</u>	<u>Amount</u>
General Fund	County Roads	\$617,894
	Non-Major Gov't Fund	50,916
	Solid Waste Fund	65,177
	Internal Services Funds	<u>84,117</u>
		\$818,104
County Roads	General Fund	\$602
	Non-Major Gov't Fund	68,200
	Solid Waste Fund	337,375
	Drainage Utility Fund	32,589
	Internal Services Funds	<u>124,266</u>
	\$563,032	
Non-Major Gov't Fund	General Fund	\$6,183
	County Roads	52,164
	Non-Major Gov't Fund	7,894
	Drainage Utility Fund	12,917
	Solid Waste Fund	23,450
	Internal Services Funds	<u>3,400</u>
	\$106,008	
Solid Waste Fund	General Fund	\$322
	County Roads	9
	Non-Major Gov't Fund	<u>220</u>
	\$551	
Drainage Utility	County Roads	<u>\$6,672</u>
		\$6,672
Internal Services Funds	General Fund	\$439,197
	County Roads	1,175,518
	Non-Major Gov't Fund	25,243
	Solid Waste Fund	25,168
	Internal Services Funds	<u>25,365</u>
	\$1,690,491	
Total		<u><u>\$3,184,858</u></u>

These interfund transactions usually involve the exchange of goods and services in a normal business relationship.

Interfund loans receivable/payable:

Borrowing Fund	Lending Fund	Balance 1/1/04	New Loans	Repay	Balance 12/31/04
Lake Management No.2	General Fund	\$40,579	\$5,921	\$6,500	\$40,000
Best Place	General Fund	100,000	0	100,000	0
Lake Management No. 3	General Fund	38,941	11,959	24,400	26,500
Lake Management No. 1	General Fund	96,110	57,490	54,100	99,500
Hansen Creek Sub Flood	General Fund	0	2,000	0	2,000
River Improvement	County Roads	0	400,000	0	400,000
	TOTAL	\$275,630	\$477,370	\$185,000	\$568,000

Interfund loans receivable and payable are created as a result of cash or property transfers resulting in a subsequent promise of repayment. The loans were made to provide cash flow for operations.

Interfund transfers:

Transfer Out	Transfer In			
	General Fund	Non-Major Gov	Internal Service	Total
General Fund	\$0	\$4,750,735	\$75,000	\$4,825,735
County Roads	0	1,765,633	0	1,765,633
Non-Major Gov	8,000	1,492,212	0	1,500,212
Drainage Utility	0	12,915	0	12,915
Total	\$8,000	\$8,021,495	\$75,000	\$8,104,495

Interfund operating transfers represent subsidies and contributions provided to operating funds and capital project funds. The purpose of the general fund transfers is to subsidize capital project activities and debt service. Operating transfers out on non-major governmental funds generally represents debt service and capital project funding.

E. Capital Assets

Capital asset activity for the year ended December 31, 2004 was as follows:

	Beginning Balance	Increases	Decreases	Ending Balance
Governmental Activities				
Capital assets, not being depreciated				
Land	\$13,302,552	\$1,621,369	\$360,870	\$14,563,051
Development rights	4,054,941	1,189,611	0	5,244,552
Total capital assets not being depreciated	\$17,357,493	\$2,810,980	\$360,870	\$19,807,603
Capital assets, being depreciated				
Buildings	\$37,482,117	\$2,510,292	\$229,959	\$39,762,449
Improvements	3,990,058	1,318,490	0	5,308,548
Machinery and equipment	17,462,315	1,682,050	1,256,947	17,887,419
Infrastructure	460,175,630	937,177	0	461,112,807
Total capital assets being depreciated	\$519,110,120	\$6,448,009	\$1,486,906	\$524,071,223
Less accumulated depreciation for:				
Buildings	\$12,808,230	\$930,484	\$48,120	\$13,690,594
Improvements	2,341,011	221,459	0	2,562,470
Machinery and equipment	10,919,262	1,133,958	500,068	11,553,152
Infrastructure	102,835,511	15,305,811	0	118,141,323
Total accumulated depreciation	\$128,904,014	\$17,591,712	\$548,188	\$145,947,539
Total capital assets, being depreciated net	\$390,206,106	(\$11,143,703)	\$938,718	\$378,123,684
Governmental activities capital assets net	\$407,563,599	(\$8,332,723)	\$1,299,588	\$397,931,287

Depreciation expenses were charged to functions as follows:

General Governmental Services	\$1,137,252
Public Safety	85,626
Physical Environment	3,915
Transportation	15,455,100
Economic Environment	22,614
Mental and Physical Health	9,443
Culture and Recreation	<u>28,637</u>

In addition depreciation on capital assets held by the County's Internal Services Funds is charged to various functions based upon their usage of the assets 849,125

Total governmental activities depreciation expense 17,591,712

	Beginning Balance	Increases	Decreases	Ending Balance
Business Type Activities				
Capital assets, not being depreciated				
Land	\$466,513	\$ 1,462	\$ 0	\$467,975
Construction in progress	430,713	323,412	22,812	731,313
Total capital assets, not being depreciated	<u>\$897,226</u>	<u>\$324,874</u>	<u>\$22,812</u>	<u>\$1,199,288</u>
Capital assets, being depreciated				
Buildings	\$1,825,299	\$ 0	\$ 0	\$1,825,299
Improvements	3,026,097	62,810	0	3,088,907
Machinery and equipment	592,147	31,599	0	623,746
Total capital assets being depreciated	<u>\$5,443,543</u>	<u>\$94,409</u>	<u>\$0</u>	<u>\$5,537,952</u>
Less accumulated depreciation for:				
Buildings	\$1,680,256	\$20,289	0	\$1,700,545
Improvements	272,054	86,355	0	358,409
Machinery and equipment	439,548	44,996	0	484,544
Total accumulated depreciation	<u>\$2,391,858</u>	<u>\$151,640</u>	<u>\$0</u>	<u>\$2,543,498</u>
Total capital assets, being depreciated net	<u>\$3,051,685</u>	<u>\$(57,231)</u>	<u>\$0</u>	<u>\$2,994,454</u>
Business type activities, capital assets net	<u>\$3,948,911</u>	<u>\$267,643</u>	<u>\$22,812</u>	<u>\$4,193,742</u>

Depreciation expenses were charged to functions as follows:

Solid Waste	\$68,682
Drainage Utility	<u>82,957</u>

Total Business type activities depreciation expense \$151,640

V. LONG-TERM DEBT

Skagit County's long-term debt consists of general obligation bonds, liability for compensated absences and loans.

The government issues general obligation bonds to provide funds for the acquisition and construction of major capital facilities. These bonds are reported in the proprietary fund if re-payment is expected to occur from proprietary revenues. All other long-term indebtedness of the County is reported in the governmental column of the government-wide statement of net assets. General obligation bonds are direct obligations and pledge the full faith and credit of the government. These bonds are issued as 20-23 year serial bonds with equal or increasing amounts of principal maturing each year.

In the instance of proprietary fund debt, 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. Bond issuance costs are amortized over the term of the related debt. Governmental funds recognize bond premiums, discounts and issuance costs during the current period. The face amount of the debt is 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, whether withheld or not from proceeds are reported as debt service expenditures.

State law provides that debt cannot be incurred in excess of the following percentages of the value of the taxable property of the county:

1.5% - no vote required

2.5% - vote required

5.0% - vote required, with the provision that the voted debt is utilized for utilities, parks or open space development.

The accompanying Limitation of Indebtedness computation discloses the County's legal debt margin as of December 31, 2004.

**SCHEDULE OF LEGAL LIMIT OF DEBT MARGIN
FOR THE YEAR ENDED DECEMBER 31, 2004**

Purpose of Indebtedness	Remaining Capacity
General Government (no vote required)	\$137,289,185
General Government (vote required)-2.5%	\$96,352,947

A. General Obligation Bonds

Amount
Outstanding

The \$5,365,000 1996 Bonds were issued to provide funds for general County purposes, and are scheduled to mature December 1, 2015. The Bonds maturing on or after December 1, 2007 are subject to redemption at the option of the County in whole or in part at any time on or after December 1, 2006. Principal and interest payments are made annually on December 1. Interest rates range from 3.90% to 5.25%. This issue is being serviced through the Solid Waste Proprietary Fund. Principal payments of \$35,000 and interest payments of \$262,238 were made in 2004.

\$ 5,170,000

The \$875,000 1997 Bonds were issued for the purpose of acquiring an office building and renovating an adjacent building owned by the County, for use by non-profit agencies as a family resource center. The County has entered into lease purchase agreements with non-profit social service agencies that have the mission of serving families in Skagit County. Repayment will be made from these lease purchase agreements. Principal payments are made annually on June 1 with interest

\$600,000

being paid on June 1 and December 1. The interest rate ranges from 4.10% in 1999 to 5.20% in 2013. The bonds are scheduled to mature on June 1, 2013 and are serviced through the County's Debt Service Fund. . Principal payments of \$50,000 and interest payments of \$30,795 were made in 2004.

In 2000, Limited Tax General Obligation Bonds in the amount of \$8,000,000 were issued for the purpose of funding grants to communities within the County to construct economic development public facility projects that further the goals of promoting ongoing operations of business, expansion of existing businesses, attracting and assisting new businesses. Repayment will be made from the imposition of a Distressed County Sales and Use Tax deducted from the tax otherwise required to be collected by the State. The Bonds are scheduled to mature from December 1, 2001 through December 1, 2022. The Bonds sold at interest rates yielding 4.80% in 2001 to 5.625% in 2022. The bonds of this issue, maturing on and prior to December 1, 2009, are not subject to redemption prior to their stated maturities. The Bonds maturing on or after December 1, 2010 are subject to redemption at the County's option. The Bonds are serviced through the County's Debt Service Fund. Principal payments are made annually on December 1 and interest payments are made on June 1 and December 1. Principal payments of \$240,000 and interest payments of \$389,809 were made in 2004. \$7,115,000

In 2003, Limited Tax General Obligation and Refunding Bonds in the amount of \$5,340,000 were issued:

i) The County's purpose was to use \$2,520,000 of the proceeds to pay the costs of acquiring and renovating a building to house the County's Public Works, Planning and Administration Departments. This portion of the 2003 issue will be serviced through the County's Debt Service Fund and payment will be made by the General Fund and the Public Works Fund. Principal payments are made annually on December 1 and interest is paid on June 1 and December 1. The interest rate ranges from 2.00% in 2003 to 4.10% in 2017. Principal payments of \$145,000 and interest payments of \$77,463 were made in 2004. \$2,245,000

ii) The County's purpose was to use \$2,820,000 of the proceeds to refund the callable maturities of its outstanding 1993 Limited Tax General Obligation Refunding Bonds. The 1993 Bonds were issued to refund the callable portion of the County's 1987 Limited Tax General Obligation Bonds. The 1987 Bonds were issued to pay a part of the costs of construction of a solid waste incinerator. The refunding bond will be serviced through the Solid Waste Proprietary Fund. Principal payments are made annually on December 1 and interest is paid on June 1 and December 1. The interest rate ranges from 2.00% in 2003 to 2.30% in 2007. Principal payments of \$725,000 and interest payments of \$57,325 were made in 2004. \$2,055,000

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

Year Ending	Governmental Activities		Business-type Activities	
	Principal	Interest	Principal	Interest
December 31				
2005	\$ 450,000	\$481,217	\$775,000	\$303,540
2006	465,000	463,747	790,000	287,060
2007	485,000	445,028	625,000	270,112
2008	505,000	424,844	525,000	254,563
2009	525,000	403,292	550,000	229,625
2010-2014	2,945,000	1,634,188	3,215,000	707,453
2015-2019	2,895,000	909,379	745,000	39,112
2020-2022	1,690,000	192,831	0	0
Totals	\$9,960,000	\$4,954,523	\$7,225,000	\$2,091,465

B. Revolving Fund Loans

The loans were acquired for the purposes of creating local loan fund programs to provide loans to landowners to make improvements to their personal property in order to correct on-site sewage and poor farm practice problems impacting water quality in Skagit County. Repayment of these loans will be made from the proceeds of the local loan fund programs.

	<u>Amount Outstanding</u>
<p>The County entered into a loan agreement in 1997 with the State of Washington, Water Pollution Control Revolving Fund, Department of Ecology. The project title is Skagit County Water Quality Improvement Fund Project, Local Loan Fund. The interest rate is 3.50%. The loan closed in early 2000 in the total amount of \$354,615. Principal payments of \$281,201 and interest payments of \$7,985 were made in 2004. The loan was prepaid in 2004, resulting in an economic gain from a present value perspective of \$37,399.</p>	\$0
<p>The County entered into an additional loan agreement in 1997 with the State of Washington, Water Pollution Control Revolving Fund, Department of Ecology. The project title is Skagit County Clean Water District –Edison Subarea. The Department of Ecology has reconciled all costs of various State and Federal grant and loan funds and reduced the loan amount to \$346,479 and closed the loan in 2000. Principal payments of \$17,768 were made in 2004. The loan is interest free.</p>	\$257,638
<p>The County entered into a loan agreement in 2000 with the State of Washington Water Pollution Control Revolving Fund, Department of Ecology. The project title is Water Quality Improvement Fund Project. The total revised loan amount is \$1,571,356, the interest rate is 1.5%, and the term is 20 years The loan closed in early 2004. Principal payments of \$25,307 and interest payments of \$21,603 were made in 2004.</p>	\$1,546,049
<p>The County entered into a second loan agreement in 2000 with the State of Washington Water Pollution Control Revolving Fund, Department of Ecology. The project title is Edison Subsurface Effluent Disposal Field. The total revised loan amount is \$57,479. The loan is interest free and the term is 20 years. There have been no payments made in 2004.</p>	\$57,479
<p>The County entered into a loan agreement in 2004 with the State of Washington, Department of Ecology. The project title is Skagit County Local Loan Fund. The total amount available is \$1,500,000. The County has been obligated in 2004 in the amount of \$474,216. The projected closing date is December 2007 with payments to begin in 2008. The interest rate is 1.50% and the term is 20 years.</p>	\$474,216

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

Year Ending		
<u>December 31</u>	<u>Principal</u>	<u>Interest</u>
2005	\$93,082	\$22,926
2006	92,677	21,858
2007	93,760	20,775
2008	101,905	26,805
2009	117,379	25,505
2010-2014	609,182	105,235
2015-2019	639,552	65,981
2020-2024	504,778	24,031
2025-2027	83,067	2,195
Totals	\$2,335,382	\$315,311

C. Changes in Long-Term Liabilities

During the year ended December 31, 2004, the following changes occurred in long-term liabilities:

	<u>Beginning Balance</u>	<u>New Issue</u>	<u>Retirements</u>	<u>Ending Balance</u>	<u>Due Within One Year</u>
Governmental Activities:					
Bonds Payable					
General Obligation Bonds	\$10,395,000	\$0	\$435,000	\$9,960,000	\$450,000
Less Deferred Amount For Issuance Discounts/ Premiums	(47,997)	0	(2,834)	(45,163)	(2,834)
Total Bonds Payable	<u>\$10,347,003</u>	<u>\$0</u>	<u>\$432,166</u>	<u>\$9,914,837</u>	<u>\$447,166</u>
Revolving Fund Loans	2,173,622	486,036	324,276	2,335,382	93,082
Claims and Judgments Payable	677,453	101,187	436,244	342,396	0
Compensated Absences	1,399,131	1,843,898	1,678,724	1,564,305	1,564,305
Long term Liabilities	<u>\$14,597,209</u>	<u>\$2,431,121</u>	<u>\$2,871,410</u>	<u>\$14,156,920</u>	<u>\$2,104,553</u>
Business –Type Activities					
Bonds Payable					
General Obligation Bonds	\$7,985,000	\$0	\$760,000	\$7,225,000	\$775,000
Less Deferred Amounts For Issuance Discounts/ Premiums	(28,968)	0	819	(29,787)	131
On refunding	(30,206)	0	(7,712)	(22,494)	(7,712)
Total Bonds Payable	<u>\$7,925,826</u>	<u>\$0</u>	<u>\$753,107</u>	<u>\$7,172,719</u>	<u>\$767,419</u>
Compensated Absences	53,550	56,030	56,954	52,626	52,626
Long term Liabilities	<u>\$7,979,376</u>	<u>\$56,030</u>	<u>\$810,061</u>	<u>\$7,225,345</u>	<u>\$820,045</u>

For governmental activities, the General Fund or the respective Special Revenue Fund generally liquidates compensated absences. Claims and judgments are liquidated by the Insurance Service Fund.

VI. PENSION PLANS

Substantially all Skagit 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 Department of Retirement Systems (DRS), a department within the primary government of the State of Washington, issues a publicly available comprehensive annual financial report (CAFR) that includes financial statements and required supplementary information for each plan. The DRS CAFR may be obtained by writing to: Department of Retirement Systems, Communication Unit, P.O. Box 48380, Olympia WA 98504-8380. The following disclosures are made pursuant to GASB Statement No. 27, *Accounting for Pensions by State and Local Government Employers*.

A. Public Employees' Retirement System (PERS) Plans 1, 2 and 3.

Plan Description

PERS is a cost-sharing multiple-employer retirement system comprised of three separate plans for membership purposes: Plan 1 and 2 are defined benefit plans and Plan 3 is a combination defined benefit/defined contribution plan. Membership in the system includes: elected officials; state employees; employees of the Supreme, Appeals, and Superior courts (other than judges currently in a judicial retirement

system); employees of legislative committees; community and technical colleges, college and university employees (not in national higher education retirement programs); judges of district and municipal courts; and employees of local governments. PERS participants who joined the system by September 30, 1977, are Plan 1 members. Those who joined on or after October 1, 1977 and by either, February 28, 2002 for state and higher education employees, or August 31, 2002 for local government employees, are Plan 2 members unless they exercise an option to transfer their membership to Plan 3. PERS participants joining the system on or after March 1, 2002 for state and higher education employees, or September 1, 2002 for local government employees have the irrevocable option of choosing membership in either PERS Plan 2 or PERS Plan 3. The option must be exercised within 90 days of employment. An employee is reported in Plan 2 until a choice is made. Employees who fail to choose within 90 days default to PERS Plan 3. PERS defined benefit retirement benefits are financed from a combination of investment earnings and employer and employee contributions. PERS retirement benefit provisions are established in state statute and may be amended only by the State Legislature.

Plan 1 retirement benefits are vested after an employee completes five years of eligible service. Plan 1 members are eligible for retirement at any age after 30 years of service, or at the age of 60 with five years of service, or at the age of 55 with 25 years of service. The annual pension is 2 percent of the average final compensation per year of service, capped at 60 percent. The average final compensation is based on the greatest compensation during any 24 eligible consecutive compensation months. If qualified, after reaching the age of 66 a cost-of-living allowance is granted based on years of service credit and is capped at 3 percent annually.

Plan 2 retirement benefits are vested after any employee completes five years of eligible service. Plan 2 members may retire at the age of 65 with five years of service, or at the age of 55 with 20 years of service, with an allowance of 2 percent of the average final compensation per year of service. The average final compensation is based on the greatest compensation during any eligible consecutive 60-month period. Plan 2 retirements prior to the age of 65 received reduced benefits. If retirement is at age 55 or older with at least 30 years of service, a 3 percent per year reduction applies; otherwise an actuarial reduction will apply. There is no cap on years of service credit; and a cost-of-living allowance is granted (indexed to the Seattle consumer Price Index), capped at 3 percent annually.

Plan 3 has a dual benefit structure. Employer contributions finance a defined benefit component, and member contributions finance a defined contribution component. The defined benefit portion provides a benefit calculated at 1 percent of the average final compensation per year of service. The average final compensation is based on the greatest compensation during any eligible consecutive 60-month period. Plan 3 members become eligible for retirement if they have: at least ten years of service; or five years including twelve months that were earned after age 54; or five service credit years earned in PERS Plan 2 prior to June 1, 2003. Plan 3 retirements prior to the age of 65 received reduced benefits. If retirement is at age 55 or older with at least 30 years of service, a 3 percent per year reduction applies; otherwise an actuarial reduction will apply. There is no cap on years of service credit; and Plan 3 provides the same cost-of-living allowance as Plan 2. The defined contribution portion can be distributed in accordance with an option selected by the member, either as a lump sum or pursuant to other options authorized by the Employee Retirement Benefits Board.

There are 1,168 participating employers in PERS. Membership in PERS consisted of the following as of the latest actuarial valuation date for the plans of September 30, 2003:

Retirees and Beneficiaries Receiving Benefits	65,362
Terminated Plan Members Entitled to But Not Yet Receiving Benefits	20,001
Active Plan Members Vested	100,469
Active Plan Members Nonvested	54,081
Total	239,913

Funding Policy

Each biennium, the state Pension Funding Council adopts Plan 1 employer contribution rates, Plan 2 employer and employee contribution rates, and Plan 3 employer contribution rates. Employee contribution rates for Plan 1 are established by statute at 6 percent for state agencies and local government unit employees, and 7.5 percent for state government elected officers. The employer and employee contribution rates for Plan 2 and the employer contribution rate for Plan 3 are developed by the Office of the State Actuary to fully fund Plan 2 and the defined benefit portion of Plan 3. All employers are required to contribute at the level established by the

Legislature. PERS Plan 3 defined contribution is a non-contributing plan for employers. Employees who participate in the defined contribution portion of PERS Plan 3 do not contribute to the defined benefit portion of PERS Plan 3. The Employee Retirement Benefits Board sets Plan 3 employee contribution rates. Six rate options are available ranging from 5 to 15 percent; two of the options are graduated rates dependent on the employee's age. The methods used to determine the contribution requirements are established under state statute in accordance with chapters 41.40 and 41.45 RCW.

The required contribution rates expressed as a percentage of current-year covered payroll, as of December 31, 2003 were as follows:

	PERS Plan 1	PERS Plan 2	PERS Plan 3
Employer*	1.38%	1.38%	1.38%**
Employee	6.00%	1.18%	***

*The employer rates include the employer administrative expense fee currently set at 0.19%.

**Plan 3 defined benefit portion only.

***Variable from 5.0% minimum to 15.0% maximum based on rate selected by the PERS 3 member.

Both Skagit County and the employees made the required contributions. The County's required contributions for the years ending December 31 were as follows:

	PERS Plan 1	PERS Plan 2	PERS Plan 3
2004	\$38,765	\$291,408	\$50,638
2003	\$38,544	\$298,235	\$36,390
2002	\$39,514	\$340,745	\$1,515

B. Law Enforcement Officers' and Fire Fighters' Retirement System (LEOFF) Plans 1 and 2

Plan Description

LEOFF is a cost-sharing multiple-employer retirement system comprised of two separate defined benefit plans. Membership in the system includes all full-time, fully compensated, local law enforcement officers and firefighters. LEOFF is comprised primarily of non-state employees, with the exception of the Department of Fish and Wildlife enforcement officers, who were first included prospectively effective July 27, 2003. LEOFF participants who joined the system by September 30, 1977 are Plan 1 members. Those who joined on or after October 1, 1977 are Plan 2 members. Effective July 1, 2003, the LEOFF Plan 2 Retirement Board was established to provide governance of LEOFF Plan 2. The Board's duties include adopting contribution rates and recommending policy changes to the Legislature for the LEOFF Plan 2 retirement plan. Effective January 1, 2003 firefighter emergency medical technicians (EMTs) may transfer PERS Plan 1 or Plan 2 service credit to LEOFF Plan 2 if while employed for the city, town, county or district, the EMT's job was relocated to a fire department from another city, town, county or district. LEOFF defined benefits are financed from a combination of investment earnings, employer and employee contributions, and a special funding situation in which the state pays the remainder through state legislative appropriations. LEOFF retirement benefit provisions are established in state statute and may be amended only by the State Legislature.

Plan 1 retirement benefits are vested after an employee completes five years of eligible service. Plan 1 members are eligible for retirement with five years of service at the age of 50. The benefit per year of service calculated as a percent of final average salary is as follows:

Term of Service	Percent of Final Average Salary
20 or more years	2.0%
10 but less than 20 years	1.5%
5 but less than 10 years	1.0%

The final average salary is the basic monthly salary received at the time of retirement, provided a member has held the same position or rank for 12 months preceding the date of retirement. Otherwise, it is the average of the highest consecutive 24 months' salary within the last 10 years of service. If membership was established in LEOFF after February 18, 1974, the service retirement benefit is capped at 60 percent of final average salary. A cost-of-living allowance is granted (indexed to the Seattle Consumer Price Index).

Plan 2 retirement benefits are vested after an employee completes five years of eligible service. Plan 2 members may retire at the age of 50 with 20 years of service, or at the age of 53 with five years of service, with an allowance of 2 percent of the final average salary per year of service. The final average salary is based on the highest consecutive 60 months. Plan 2 retirements prior to the age of 53 are reduced 3 percent for each year that the benefit commences prior to age 53. There is no cap on years of service credit; and a cost-of-living allowance is granted (indexed to the Seattle Consumer Price Index), capped at 3 percent annually.

There are 368 participating employers in LEOFF. Membership in LEOFF consisted of the following as of the latest actuarial valuation date for the plans of September 30, 2003:

Retirees and Beneficiaries Receiving Benefits	8,370
Terminated Plan members Entitled To But Not Yet Receiving Benefits	453
Active Plan Members Vested	11,548
Active Plan Members Nonvested	4,003
Total	24,374

Funding Policy

Starting on July 1, 2000, Plan 1 employers and employees will contribute zero percent as long as the plan remains fully funded. Employer and employee contribution rates are developed by the Office of the State Actuary to fully fund the plan. Plan 2 employers and employees are required to pay at the level adopted by the Department of Retirement Systems in accordance with Chapter 41.45 RCW. All employers are required to contribute at the level required by state law. The Legislature, by means of a special funding arrangement, appropriated 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 requirements of the Pension Funding Council. However, this special funding situation is not mandated by the state constitution and this funding requirement could be returned to the employers by a change of statute. The methods used to determine the contribution rates are established under state statute in accordance with chapters 41.26 and 41.45 RCW.

The required contribution rates expressed as a percentage of current-year covered payroll, as of December 31, 2004, were as follows:

	LEOFF Plan 1	LEOFF Plan 2
Employer*	0.19%	3.25%**
Employee	0.00%	5.09%
State	n/a	2.03%

*The employer rates include the employer administrative expense fee currently set at 0.19%

**The employer rate for ports and universities is 5.28%

Both Skagit County and the employees made the required contributions. Skagit County's required contributions for the years ending December 31 were as follows:

	LEOFF 1 Plan 1	LEOFF Plan 2
2004	\$117	\$118,040
2003	\$100	\$94,293
2002	\$283	\$84,898

VII. RISK MANAGEMENT

A. Liability Insurance

Skagit County is a member of the Washington Counties Risk Pool ("Pool") which was formed August 18, 1988 when counties in the state of Washington joined together by signing an interlocal agreement to pool their self-insured losses and jointly purchase insurance and administrative services. Chapter 48.62 RCW authorizes the governing bodies of governmental entities to form together into or join a pool or organization for the joint purchasing of insurance and/or joint self-insuring, and/or the 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. The agreement to form the Pool was made pursuant to the provisions of Chapter 39.34 RCW, the Interlocal Cooperation Act. The Pool is presently comprised of twenty eight counties.

The Pool allows its member counties to establish a plan of self-insurance, jointly purchase excess insurance or reinsurance, and provide related services. All Pool joint self-insurance liability coverages, including public officials' errors and omissions, are on an "occurrence" basis. The Pool has also arranged for property and special events/concessionaires insurance coverages to be purchased as group purchase options for its member counties.

Member counties contract initially to remain in the Pool for five years, then renew annually automatically. Following the initial 5-year commitment, a county may terminate its Pool membership at the conclusion of any Pool fiscal year if the county has timely provided the required notice. Even after termination, a member county is responsible for contributions to the Pool for any unresolved, unreported, and in-process claims from the period(s) that it was a signatory of the interlocal agreement.

The Pool is governed by a board that is comprised of one director (and one or more alternates) appointed by each participating member county from the county's own officials or employees. An executive committee is selected by the governing board from the directors and alternates at the annual meeting that is responsible for overseeing the business affairs of the Pool.

Since the Pool is a cooperative program, there is contingent liability among the participating member counties. Claims that are filed with the Pool are subject to the deductible amount selected by the filing county. Member deductibles range from \$10,000 to \$500,000 per occurrence. The County has elected a deductible of \$500,000. The Pool, which is fully funded by the annual assessments contributed by its member counties, acquires reinsurance and excess insurance policies from unrelated underwriters with self-insurance retention of \$100,000 per occurrence. The member counties are responsible for amounts within their deductibles for each claim and the Pool is responsible for any difference remaining up to the \$100,000 self-insured retention. The reinsurance and excess insurance carriers cover all losses exceeding the Pool's \$100,000 retention or the member county's deductible, whichever is greater, to the maximum limits of their policies.

RCW 48.62.141 and the Interlocal Agreement provide for the contingent liability of participants in the program if assets of the program are insufficient to cover the program's liabilities. Deficits of the Pool are financed through retroactive assessments to member counties, but none of the present retroactive assessments are pertinent to Skagit County.

Claim settlements and loss expenses are accrued in the County's Liability Insurance Fund. This fund is responsible for collecting interfund premiums from insured funds and departments, and for paying risk pool premiums and claim settlements.

Revenues of the Insurance Services fund are derived from intergovernmental transfers for insurance premiums, actual claims incurred, defense costs and risk management activities. Funds that pay for either insurance or claims include the Current Expense Fund, County Road Funds, County Fair Fund, Solid Waste Operating Fund, and the Public Health Fund. In addition, money is sometimes recouped from insurance companies when a claim coverage dispute is resolved in favor of Skagit County.

Outstanding claims, not covered by the Washington Counties Risk Pool and where it is likely that a loss will occur, have been accrued as expenses with a corresponding liability in claims and judgments payable. Claim settlements have not exceeded insurance coverage for each of the past three fiscal years. The following schedule is a reconciliation between the current year's and the prior two year's claims liability:

GENERAL/AUTO LIABILITY AND PROERTY CLAIMS LIABILITY

Fiscal Year	Beginning Balance	Current Year Claims & Changes In Estimates	Claim Payments	Balance at End of Year
2002	\$387,462	\$14,236	\$194,753	\$206,945
2003	\$206,945	\$502,265	\$31,757	\$677,453
2004	\$677,453	\$101,187	\$436,244	\$342,396

B. Other Insurance

Employee on-the job injuries are covered by industrial insurance through Labor & Industries (L&I). All employees and some volunteers, except LEOFF-1 members and ferry crewmembers, are covered to statutory limits. Industrial insurance (L&I) rates are occupation and experience based, with base premiums adjusted for individual entity claims experience (modification multiplier).

The experience modification multiplier in 2002 was 1.000, in 2003 the modifier was 1.25, and in 2004 the modifier was 1.3937. As of July 1997 the County joined the Washington Counties Retrospective Rating group, which could lead to future dividends, based on group and individual experience. The experience multiplier for the year 2005 will be 1.4249.

Unemployment claims are processed by the Washington State Department of Employment Security. Skagit County is self-insured for unemployment claims, meaning the County reimburses Washington State for actual claims paid. Beginning in 2004, the County created an Unemployment Compensation Fund. The Fund receives payments from operating funds and departments based on estimates of future claims in the form of a percentage of current wages. Payments to the Department of Employment Security will be made from the Unemployment Fund. Current assets set aside for these claims at December 31, 2004 are \$22,068. There are no significant claims outstanding at December 31, 2004.

The County is self-insured for dental insurance claims which are administered through a claims processing firm.

Instead of paying monthly premiums to an indemnity plan provider, a sum equal to a monthly premium is transferred to the Insurance Services Fund on a monthly basis. Payments are then made to the claims processing firm as service provider invoices are submitted. The claims processing firm has been Washington Dental Service since May 1, 1996. Administrative fees and charges totaled \$71,124.

The following schedule is a reconciliation between the current year's and prior two years' claims liability.

	Beginning Balance	Current Year Charges & Changes In Estimates	Claim Payments	Balance At Year End
2002	\$100,389	\$730,209	\$722,259	\$108,339
2003	\$108,339	\$805,467	\$794,614	\$119,192
2004	\$119,192	\$752,766	\$758,224	\$113,734

In January 2003, the County began self-insuring for medical insurance claims for eligible County employees and eliminated it's medical indemnity plan. The claims processing is administered by Premera Blue Cross. The County's health benefits broker, Acordia, has determined the amounts equal to a monthly premium. The amounts are transferred to the Insurance Services fund and payments are made to the claims processor as service provider invoices are submitted. An excess coverage insurance policy covers claims in excess of \$100,000 per claimant with an additional \$50,000 aggregate deductible.

The policy cost was \$383,253 in 2004 and administrative fees and charges totaled \$569,311.

The following schedule is a reconciliation between the current year's and the prior years' claims liability.

	<u>Beginning Balance</u>	<u>Current Year Charges & Changes In Estimates</u>	<u>Claim Payments</u>	<u>Balance At Year End</u>
2003	\$0	\$3,577,616	\$3,345,892	\$231,724
2004	\$231,724	\$5,082,162	\$4,394,415	\$919,471

VIII. CONTINGENCIES AND LITIGATION

Amounts received or receivable from grantor agencies are subject to audit and adjustment by the grantor agencies, principally the federal government. Any disallowed claims, including amounts already collected, may constitute a liability of the applicable funds. The amount, if any, of expenditures which may be disallowed by the grantor cannot be determined at this time although the government expects such amounts, if any, to be immaterial.

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

In August, 2001, the Board of County Commissioners of Skagit County entered into a contingent loan agreement with the Housing Authority of Skagit County, a public body corporate and politic of the State of Washington. The Housing Authority had authorized the issuance of a line of credit revenue bond in the amount not to exceed \$350,000 at any one time, and being due May 31, 2004. The County and the Housing Authority have agreed that the County commits to make loans to the Authority to the extent necessary to make payments of the principal and interest on the bond when due, if the Authority is unable to do so. As of December 31, 2004, there have been no loans made by the County to the Housing Authority.

On March 24, 2003, the Board of County Commissioners of Skagit County entered into a contingent loan agreement with the Skagit Regional Public Facilities District, formed pursuant to RCW 36.100. The District has authorized the issuance and sale of limited sales tax obligation bonds in the aggregate principal amount of \$9,685,000. The County and the District entered into an interlocal agreement whereby the County agreed to lend to the District amounts sufficient, together with the sales tax and net operating revenues of the District, to pay all debt service on the bonds and any additional bonds. The aggregate principal amount of outstanding loans by the County is not to exceed \$10,000,000. The first bond payment date was on December 1, 2003. As of December 31, 2004, there have been no loans made by the County to the Public Facilities District.

IX. FUNDS

Fund Additions:

Fund 505, the Unemployment Compensation Fund, became active in January 2004. The fund was established to account for cost activities associated with unemployment compensation. The source of funding will be an annually determined rate applied to employees' gross pay.

X. PRIOR PERIOD ADJUSTMENT

The Emergency Medical Services Commission, a Discretely Presented Component Unit, reports a prior period adjustment of \$694,606. This consists of amounts due from municipalities for services but, inadvertently, not accrued in 2003.

The Public Health Fund, a non-major special revenue fund, reports a prior period adjustment of \$81,246. The advance cash amounts for prevention programs were inadvertently recorded as revenues in 2002 – (\$65,000) and in 2003 – (\$16,246).

XI. SUBSEQUENT EVENT

On March 30, 2005, the County issued \$5,475,000 in limited tax general obligation and refunding bonds, for the purpose of acquiring land (\$160,000) to be leased to social service agencies serving low income residents in the County and to advance refund a portion of the County's limited tax general obligation bonds issued 1996 and to pay costs of issuance of the bonds (\$5,315,000).

SKAGIT COUNTY, WASHINGTON
COMBINING BALANCE SHEET
NONMAJOR GOVERNMENTAL FUNDS
AS OF DECEMBER 31,2004

	Nonmajor Funds			Total
	Special Revenue	Debt Service	Capital Project	
ASSETS				
Cash/Cash Equivalents	\$6,274,204	\$46,167	\$2,388,157	\$8,708,527
Investments	2,623,876	652,978	700,000	3,976,853
Taxes Receivable	135,308	0	0	135,307
Accounts Receivable	20,231	0	0	20,231
Due From Other Funds	67,482	0	38,525	106,008
Due From Other Governmental Units	894,681	0	89,015	983,696
Inventory/Prepayments	185,150	0	0	185,150
Total Assets	\$10,200,933	\$699,145	\$3,215,696	\$14,115,772
LIABILITIES AND FUND BALANCES				
<u>Liabilities</u>				
Accounts/Vouchers Payable	\$828,570	\$0	\$127,566	\$956,133
Due To Other Funds	151,925	0	550	152,474
Due To Other Governmental Units	1,078,380	0	0	1,078,380
Accrued Wages Payable	193,036	0	0	193,038
Accrued Employee Benefits	56,324	0	0	56,323
Custodial Accounts	95,912	0	0	95,911
Deferred Revenue	135,308	0	0	135,307
Long-Term Interfund Loans Payable	568,000	0	0	568,000
Total Liabilities	\$3,107,455	\$0	\$128,116	\$3,235,566
<u>Fund Balance</u>				
Reserved for:				
Prepaid Items	\$27,206	\$0	\$0	\$27,205
Debt Service	0	699,145	0	699,145
Reserved for Petty Cash	49,400	0	0	49,400
Unreserved, Undesignated, Reported in:				
Special Revenue Funds	7,016,875	0	0	7,016,874
Capital Project Funds	0	0	3,087,580	3,087,580
Total Fund Balances	\$7,093,481	\$699,145	\$3,087,580	\$10,880,204
Total Liabilities and Fund Balances	\$10,200,933	\$699,145	\$3,215,696	\$14,115,772

SKAGIT COUNTY, WASHINGTON
COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
NONMAJOR GOVERNMENTAL FUNDS
FOR THE YEAR ENDED DECEMBER 31,2004

	Non Major Funds			Total
	Special Revenue	Debt Service	Capital Project	
<u>Revenues</u>				
Taxes	\$6,217,064	\$0	\$1,676,610	\$7,893,674
Licenses and Permits	259,990	0	0	259,990
Intergovernmental	8,210,634	0	623,879	8,834,512
Charges for Services	1,775,164	0	31,205	1,806,366
Fines and Forfeits	275,700	0	0	275,700
Interest Earnings	33,389	54,546	15,991	103,922
Donations	283,360	0	543,000	826,360
Other Revenues	155,165	334,594	1,827	491,589
Total Revenues	<u>\$17,210,466</u>	<u>\$389,140</u>	<u>\$2,892,512</u>	<u>\$20,492,113</u>
<u>Expenditures</u>				
Current:				
General Governmental Services	\$995,697	\$0	\$0	\$995,697
Public Safety	7,179,771	0	0	7,179,771
Physical Environment	3,955,203	0	0	3,955,205
Transportation	22,545	0	41,407	63,954
Economic Environment	1,546,557	0	0	1,546,555
Health and Human Services	5,714,192	0	0	5,714,195
Culture and Recreation	2,140,229	0	3,780	2,144,008
Debt Service:				
Principal	0	759,276	0	759,276
Interest	0	527,654	0	527,654
Capital Outlay	1,369,131	0	4,494,324	5,863,454
Total Expenditures	<u>\$22,923,325</u>	<u>\$1,286,930</u>	<u>\$4,539,511</u>	<u>\$28,749,769</u>
Excess (Deficit) Revenues Over Expenditures	<u>(\$5,712,859)</u>	<u>(\$897,790)</u>	<u>(\$1,646,999)</u>	<u>(\$8,257,656)</u>
<u>Other Financing Sources (Uses)</u>				
Issuance of General Long-Term Debt	\$486,036	\$0	\$0	\$486,036
Proceeds of Capital Assets	0	0	6,000	6,000
Transfers In	5,014,357	933,067	2,074,071	8,021,495
Transfers Out	(34,239)	0	(836,164)	(870,403)
Total Other Financing Source (Uses)	<u>\$5,466,154</u>	<u>\$933,067</u>	<u>\$1,243,907</u>	<u>\$7,643,128</u>
Net Change in Fund Balance	<u>(\$246,705)</u>	<u>\$35,277</u>	<u>(\$403,092)</u>	<u>(\$614,528)</u>
Fund Balance-January 1	\$7,421,434	\$663,868	\$3,490,672	\$11,575,974
Prior Period Adjustment	(81,246)			(81,246)
Fund Balance-December 31	<u><u>\$7,093,481</u></u>	<u><u>\$699,145</u></u>	<u><u>\$3,087,580</u></u>	<u><u>\$10,880,204</u></u>

SKAGIT COUNTY, WASHINGTON NONMAJOR SPECIAL REVENUE FUNDS

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.

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

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

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

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.

Centennial Document 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/Developmental Disabilities Fund - A fund established to coordinate assistance in conformance with State and Federal standards in the areas of mental health and developmental disabilities.

Senior 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.

Salmon Recovery – A fund established to account for salmon recovery projects

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

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

Crime/Victim Witness 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.

Best Place Fund – A fund established to account for the implementation and operation of literacy programs made possible by a Department of Education grant to a local school district.

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

Special Assessment Funds - Special Assessment Funds in Skagit County are established to account for the financing for the on-going flood and drainage problems. Each property owner in the selective areas is apportioned an assessment on a per acre basis f

Sedro Woolley Lateral SFCZ

Blanchard SFCZ

Shangrila SFCZ

Britt Slough SFCZ

Hansen Creek SFCZ

Warner Prairie SFCZ

Mt. Vernon South SFCZ

Dunbar SFCZ

Sedro Wolley Flood

Similk Beach Pump Station SFCZ

Control District

Bryson Road SFCZ

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.

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.

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 31,2004

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ASSETS:	PUBLIC HEALTH	SPECIAL PATHS	EMERGENCY MANAGEMENT	COUNTY FAIR
Cash	\$1,023,476	\$441,752	\$69,712	\$27,542
Investments	213,563	46,423	0	0
Taxes receivable	0	0	0	0
Accounts receivable	0	0	0	0
Due from other funds	32,123	0	13,594	0
Due from another government unit	173,984	0	66,312	0
Inventory	124,451	0	0	0
Prepayments	25,508	0	4,536	666
TOTAL ASSETS:	\$1,593,105	\$488,175	\$154,155	\$28,208
LIABILITIES AND FUND BALANCES:				
LIABILITIES:				
Accounts/vouchers payable	\$51,783	\$958	\$6,142	\$3,140
Due to other funds	20,314	685	2	2,548
Interfund loans payable	0	0	0	0
Due to other government units	0	0	2,760	0
Accrued wages	82,280	0	16,420	1,826
Custodial accounts	95,454	0	0	106
Deferred revenue	0	0	0	0
Accrued Employee Benefits	24,323	0	4,575	580
TOTAL LIABILITIES	\$274,154	\$1,643	\$29,899	\$8,200
FUND BALANCES:				
Reserved for Petty Cash	\$650	\$0	\$0	\$150
Reserved for Prepayments	10,692	0	1,910	323
Unreserved, undesignated	1,307,609	486,532	122,347	19,534
TOTAL FUND BALANCES	\$1,318,951	\$486,532	\$124,257	\$20,007
TOTAL LIABILITIES AND FUND BALANCES	\$1,593,105	\$488,175	\$154,155	\$28,208

SKAGIT COUNTY, WASHINGTON
COMBINING BALANCE SHEET
NONMAJOR SPECIAL REVENUE FUNDS
AS OF DECEMBER 31,2004

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ASSETS:	VETERANS RELIEF	LAW LIBRARY	RIVER IMPROVEMENT	TREASURER'S O&M
Cash	\$20,040	\$18,805	\$423,516	\$23,499
Investments	0	0	0	225,000
Taxes receivable	4,587	0	0	0
Accounts receivable	0	0	52	0
Due from other funds	0	0	12,917	0
Due from another government unit	0	0	276,510	0
Inventory	0	0	0	0
Prepayments	0	97	2,940	0
TOTAL ASSETS:	\$24,627	\$18,902	\$715,935	\$248,499
LIABILITIES AND FUND BALANCES:				
LIABILITIES:				
Accounts/vouchers payable	\$0	\$6,453	\$175,435	\$434
Due to other funds	2,356	0	0	0
Interfund loans payable	0	0	400,000	0
Due to other government units	0	0	0	0
Accrued wages	0	1,321	7,881	0
Custodial accounts	0	0	2	0
Deferred revenue	4,587	0	0	0
Accrued Employee Benefits	0	455	2,211	0
TOTAL LIABILITIES	\$6,943	\$8,229	\$585,529	\$434
FUND BALANCES:				
Reserved for Petty Cash	\$10,000	\$0	\$0	\$0
Reserved for Prepayments	0	97	1,503	0
Unreserved, undesignated	7,684	10,575	128,904	248,066
TOTAL FUND BALANCES	\$17,684	\$10,672	\$130,407	\$248,066
TOTAL LIABILITIES AND FUND BALANCES	\$24,627	\$18,902	\$715,935	\$248,499

SKAGIT COUNTY, WASHINGTON
COMBINING BALANCE SHEET
NONMAJOR SPECIAL REVENUE FUNDS
AS OF DECEMBER 31,2004

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ASSETS:	CENTENNIAL DOCUMENT	ELECTION SERVICES	PARKS & RECREATION	SUBSTANCE ABUSE SERVICES
Cash	\$59,414	\$228,194	\$460,417	\$84,268
Investments	262,471	0	0	0
Taxes receivable	0	0	0	0
Accounts receivable	0	0	0	0
Due from other funds	0	0	118	0
Due from another government unit	0	0	13,463	95,068
Inventory	0	0	0	0
Prepayments	0	1,895	11,598	746
TOTAL ASSETS:	\$321,884	\$230,089	\$485,596	\$180,082
LIABILITIES AND FUND BALANCES:				
LIABILITIES:				
Accounts/vouchers payable	\$0	\$67,735	\$50,859	\$84,933
Due to other funds	0	0	5,978	13,271
Interfund loans payable	0	0	0	0
Due to other government units	0	0	0	53,000
Accrued wages	0	5,542	32,119	1,766
Custodial accounts	0	0	350	0
Deferred revenue	0	0	0	0
Accrued Employee Benefits	0	1,633	9,671	619
TOTAL LIABILITIES	\$0	\$74,910	\$98,977	\$153,589
FUND BALANCES:				
Reserved for Petty Cash	\$0	\$0	\$2,500	\$0
Reserved for Prepayments	0	1,286	5,504	298
Unreserved, undesignated	321,884	153,892	378,615	26,196
TOTAL FUND BALANCES	\$321,884	\$155,178	\$386,619	\$26,494
TOTAL LIABILITIES AND FUND BALANCES	\$321,884	\$230,089	\$485,596	\$180,082

SKAGIT COUNTY, WASHINGTON
COMBINING BALANCE SHEET
NONMAJOR SPECIAL REVENUE FUNDS
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ASSETS:	MENTAL HEALTH ABUSE DISABILITY	SENIOR SERVICES	CONVENTION CENTER	SALMON RECOVERY
Cash	\$488,396	\$149,380	\$50,675	\$11,793
Investments	0	0	30,000	311,073
Taxes receivable	8,446	0	0	0
Accounts receivable	0	0	0	2,903
Due from other funds	0	6,000	0	0
Due from another government unit	71,264	15,684	0	58,279
Inventory	0	0	0	0
Prepayments	1,216	9,068	0	2,133
TOTAL ASSETS:	\$569,322	\$180,132	\$80,675	\$386,182
LIABILITIES AND FUND BALANCES:				
LIABILITIES:				
Accounts/vouchers payable	\$71,554	\$20,407	\$34,654	\$19,345
Due to other funds	11,458	0	626	71,650
Interfund loans payable	0	0	0	0
Due to other government units	56,957	0	0	0
Accrued wages	5,185	28,725	0	7,622
Custodial accounts	0	0	0	0
Deferred revenue	8,446	0	0	0
Accrued Employee Benefits	1,193	8,876	0	1,845
TOTAL LIABILITIES	\$154,793	\$58,008	\$35,280	\$100,462
FUND BALANCES:				
Reserved for Petty Cash	\$11,500	\$4,600	\$0	\$0
Reserved for Prepayments	527	3,914	0	1,026
Unreserved, undesignated	402,502	113,610	45,395	284,694
TOTAL FUND BALANCES	\$414,529	\$122,124	\$45,395	\$285,720
TOTAL LIABILITIES AND FUND BALANCES	\$569,322	\$180,132	\$80,675	\$386,182

SKAGIT COUNTY, WASHINGTON
COMBINING BALANCE SHEET
NONMAJOR SPECIAL REVENUE FUNDS
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ASSETS:	CONSERVATION FUTURES	MEDIC I SERVICES	CRIME/VICTIM SERVICES	COMMUNICATION SYSTEM
Cash	\$535,586	\$1,158,242	\$9,069	\$210,770
Investments	350,000	0	100,035	0
Taxes receivable	13,744	94,062	0	0
Accounts receivable	0	0	0	0
Due from other funds	0	0	0	0
Due from another government unit	124,117	0	0	0
Inventory	0	0	0	0
Prepayments	296	0	0	0
TOTAL ASSETS:	\$1,023,743	\$1,252,304	\$109,104	\$210,770
LIABILITIES AND FUND BALANCES:				
LIABILITIES:				
Accounts/vouchers payable	\$126,028	\$70,368	\$0	\$0
Due to other funds	0	0	538	12,371
Interfund loans payable	0	0	0	0
Due to other government units	0	758,641	0	207,022
Accrued wages	1,788	0	0	0
Custodial accounts	0	0	0	0
Deferred revenue	13,744	94,062	0	0
Accrued Employee Benefits	343	0	0	0
TOTAL LIABILITIES	\$141,903	\$923,071	\$538	\$219,393
FUND BALANCES:				
Reserved for Petty Cash	\$0	\$0	\$0	\$0
Reserved for Prepayments	125	0	0	0
Unreserved, undesignated	881,716	329,233	108,566	(8,624)
TOTAL FUND BALANCES	\$881,841	\$329,233	\$108,566	(\$8,624)
TOTAL LIABILITIES AND FUND BALANCES	\$1,023,743	\$1,252,304	\$109,104	\$210,770

SKAGIT COUNTY, WASHINGTON
COMBINING BALANCE SHEET
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ASSETS:	BEST PLACE	WATER QUALITY	BRYSON ROAD SUB-FLOOD CONTROL	SEDRO WOOLLEY FLOOD CONTROL
Cash	\$65	\$119,543	\$2,362	\$11,469
Investments	0	0	18,132	236,839
Taxes receivable	0	0	1,437	1,058
Accounts receivable	0	17,276	0	0
Due from other funds	0	0	0	0
Due from another government unit	0	0	0	0
Inventory	0	0	0	0
Prepayments	0	0	0	0
TOTAL ASSETS:	\$65	\$136,819	\$21,931	\$249,366
LIABILITIES AND FUND BALANCES:				
LIABILITIES:				
Accounts/vouchers payable	\$0	\$0	\$0	\$34
Due to other funds	0	0	0	0
Interfund loans payable	0	0	0	0
Due to other government units	0	0	0	0
Accrued wages	0	0	0	0
Custodial accounts	0	0	0	0
Deferred revenue	0	0	1,437	1,058
Accrued Employee Benefits	0	0	0	0
TOTAL LIABILITIES	\$0	\$0	\$1,437	\$1,092
FUND BALANCES:				
Reserved for Petty Cash	\$0	\$0	\$0	\$0
Reserved for Prepayments	0	0	0	0
Unreserved, undesignated	65	136,819	20,494	248,274
TOTAL FUND BALANCES	\$65	\$136,819	\$20,494	\$248,274
TOTAL LIABILITIES AND FUND BALANCES	\$65	\$136,819	\$21,931	\$249,366

SKAGIT COUNTY, WASHINGTON
COMBINING BALANCE SHEET
NONMAJOR SPECIAL REVENUE FUNDS
AS OF DECEMBER 31,2004

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ASSETS:	BRITT SLOUGH FLOOD CONTROL	SEDRO WOOLLEY LATERAL SFCZ	MOUNT VERNON SOUTH SFCZ	DUNBAR SFCZ MAINTENANCE
Cash	\$13,538	\$326	\$168	\$2,993
Investments	77,794	1,609	56,539	7,685
Taxes receivable	765	0	0	319
Accounts receivable	0	0	0	0
Due from other funds	0	0	0	0
Due from another government unit	0	0	0	0
Inventory	0	0	0	0
Prepayments	0	0	0	0
TOTAL ASSETS:	\$92,097	\$1,935	\$56,707	\$10,997
LIABILITIES AND FUND BALANCES:				
LIABILITIES:				
Accounts/vouchers payable	\$45	\$0	\$0	\$0
Due to other funds	0	0	0	0
Interfund loans payable	0	0	0	0
Due to other government units	0	0	0	0
Accrued wages	0	0	0	0
Custodial accounts	0	0	0	0
Deferred revenue	765	0	0	319
Accrued Employee Benefits	0	0	0	0
TOTAL LIABILITIES	\$810	\$0	\$0	\$319
FUND BALANCES:				
Reserved for Petty Cash	\$0	\$0	\$0	\$0
Reserved for Prepayments	0	0	0	0
Unreserved, undesignated	91,286	1,935	56,707	10,678
TOTAL FUND BALANCES	\$91,286	\$1,935	\$56,707	\$10,678
TOTAL LIABILITIES AND FUND BALANCES	\$92,097	\$1,935	\$56,707	\$10,997

SKAGIT COUNTY, WASHINGTON
COMBINING BALANCE SHEET
NONMAJOR SPECIAL REVENUE FUNDS
AS OF DECEMBER 31,2004

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ASSETS:	SIMILK BEACH PUMPING STATION	BLANCHARD SUB FLOOD CONTROL MT	SHANGRILA SUB FLOOD CONTROL	HANSEN CREEK SFCZ
Cash	\$0	\$1,107	\$132	\$210
Investments	0	18,334	4,023	0
Taxes receivable	0	217	0	7,529
Accounts receivable	0	0	0	0
Due from other funds	0	0	0	0
Due from another government unit	0	0	0	0
Inventory	0	0	0	0
Prepayments	0	0	0	0
TOTAL ASSETS:	\$0	\$19,658	\$4,154	\$7,739
LIABILITIES AND FUND BALANCES:				
LIABILITIES:				
Accounts/vouchers payable	\$0	\$0	\$0	\$4,337
Due to other funds	0	0	0	0
Interfund loans payable	0	0	0	2,000
Due to other government units	0	0	0	0
Accrued wages	0	0	0	0
Custodial accounts	0	0	0	0
Deferred revenue	0	217	0	7,529
Accrued Employee Benefits	0	0	0	0
TOTAL LIABILITIES	\$0	\$217	\$0	\$13,866
FUND BALANCES:				
Reserved for Petty Cash	\$0	\$0	\$0	\$0
Reserved for Prepayments	0	0	0	0
Unreserved, undesignated	0	19,440	4,154	(6,127)
TOTAL FUND BALANCES	\$0	\$19,440	\$4,154	(\$6,127)
TOTAL LIABILITIES AND FUND BALANCES	\$0	\$19,658	\$4,154	\$7,739

SKAGIT COUNTY, WASHINGTON
COMBINING BALANCE SHEET
NONMAJOR SPECIAL REVENUE FUNDS
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ASSETS:	WARNER PRAIRIE SFCZ	LAKE MGMNT DISTRICT NO. 1	LAKE MGMNT DISTRICT NO. 2	LAKE MGMNT DISTRICT NO. 3
Cash	\$1,762	\$604	\$1,277	\$763
Investments	7,391	0	0	0
Taxes receivable	0	988	0	550
Accounts receivable	0	0	0	0
Due from other funds	0	0	0	0
Due from another government unit	0	0	0	0
Inventory	0	0	0	0
Prepayments	0	0	0	0
TOTAL ASSETS:	\$9,154	\$1,592	\$1,277	\$1,313
LIABILITIES AND FUND BALANCES:				
LIABILITIES:				
Accounts/vouchers payable	\$0	\$0	\$0	\$6,750
Due to other funds	0	0	0	0
Interfund loans payable	0	99,500	40,000	26,500
Due to other government units	0	0	0	0
Accrued wages	0	105	90	368
Custodial accounts	0	0	0	0
Deferred revenue	0	988	0	550
Accrued Employee Benefits	0	0	0	0
TOTAL LIABILITIES	\$0	\$100,593	\$40,090	\$34,168
FUND BALANCES:				
Reserved for Petty Cash	\$0	\$0	\$0	\$0
Reserved for Prepayments	0	0	0	0
Unreserved, undesignated	9,154	(99,001)	(38,813)	(32,856)
TOTAL FUND BALANCES	\$9,154	(\$99,001)	(\$38,813)	(\$32,856)
TOTAL LIABILITIES AND FUND BALANCES	\$9,154	\$1,592	\$1,277	\$1,313

SKAGIT COUNTY, WASHINGTON
COMBINING BALANCE SHEET
NONMAJOR SPECIAL REVENUE FUNDS
AS OF DECEMBER 31,2004

ASSETS:	EDISON CLEAN WATER SUB-AREA	DRUG ENFORCEMENT CUM. RESERVE	BOATING SAFETY	LOW INCOME HOUSING
Cash	\$30,473	\$104,197	\$20,886	\$188,267
Investments	0	0	0	150,000
Taxes receivable	1,607	0	0	0
Accounts receivable	0	0	0	0
Due from other funds	0	0	0	0
Due from another government unit	0	0	0	0
Inventory	0	0	0	0
Prepayments	0	0	0	0
TOTAL ASSETS:	\$32,080	\$104,197	\$20,886	\$338,267
LIABILITIES AND FUND BALANCES:				
LIABILITIES:				
Accounts/vouchers payable	\$3,665	\$0	\$629	\$10,447
Due to other funds	0	0	936	971
Interfund loans payable	0	0	0	0
Due to other government units	0	0	0	0
Accrued wages	0	0	0	0
Custodial accounts	0	0	0	0
Deferred revenue	1,607	0	0	0
Accrued Employee Benefits	0	0	0	0
TOTAL LIABILITIES	\$5,272	\$0	\$1,565	\$11,418
FUND BALANCES:				
Reserved for Petty Cash	\$0	\$0	\$0	\$0
Reserved for Prepayments	0	0	0	0
Unreserved, undesignated	26,809	104,197	19,321	326,850
TOTAL FUND BALANCES	\$26,809	\$104,197	\$19,321	\$326,850
TOTAL LIABILITIES AND FUND BALANCES	\$32,080	\$104,197	\$20,886	\$338,267

**SKAGIT COUNTY, WASHINGTON
COMBINING BALANCE SHEET
NONMAJOR SPECIAL REVENUE FUNDS
AS OF DECEMBER 31, 2004**

ASSETS:	TITLE III PROJECTS	INTERLOCAL INVESTIGATION CUM. RESERVE	2004 TOTALS
Cash	\$55,023	\$224,492	\$6,274,204
Investments	0	506,965	2,623,876
Taxes receivable	0	0	135,308
Accounts receivable	0	0	20,231
Due from other funds	0	2,730	67,482
Due from another government unit	0	0	894,681
Inventory	0	0	124,451
Prepayments	0	0	60,699
TOTAL ASSETS:	\$55,022	\$734,187	\$10,200,933
LIABILITIES AND FUND BALANCES:			
LIABILITIES:			
Accounts/vouchers payable	\$0	\$12,432	\$828,570
Due to other funds	0	8,221	151,925
Interfund loans payable	0	0	568,000
Due to other government units	0	0	1,078,380
Accrued wages	0	0	193,036
Custodial accounts	0	0	95,912
Deferred revenue	0	0	135,308
Accrued Employee Benefits	0	0	56,324
TOTAL LIABILITIES	\$0	\$20,653	\$3,107,455
FUND BALANCES:			
Reserved for Petty Cash	\$0	\$20,000	\$49,400
Reserved for Prepayments	0	0	27,206
Unreserved, undesignated	55,022	693,534	7,016,875
TOTAL FUND BALANCES	\$55,022	\$713,534	\$7,093,481
TOTAL LIABILITIES AND FUND BALANCES	\$55,022	\$734,187	\$10,200,933

SKAGIT COUNTY, WASHINGTON
COMBINING STATEMENT OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCE
NONMAJOR SPECIAL REVENUE FUNDS
FOR THE YEAR ENDED DECEMBER 31,2004

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REVENUES:	PUBLIC HEALTH	SPECIAL PATHS	EMERGENCY MANAGEMENT	COUNTY FAIR
Taxes	\$0	\$0	\$0	\$0
Licenses & Permits	242,820	0	17,170	0
Intergovernmental Revenue	2,071,307	136,441	308,422	37,582
Charges for Goods and Services	494,321	0	25,909	173,446
Fines and Forfeits	3,722	0	0	0
Interest Revenue	4,002	559	0	0
Donations	43,403	0	0	11,309
Miscellaneous Revenues	798	0	2,340	39,444
TOTAL REVENUES	\$2,860,373	\$137,000	\$353,841	\$261,781
EXPENDITURES:				
General Governmental Services	\$0	\$0	\$0	\$0
Security of Persons and Property	0	0	602,289	0
Utilities and Environment	0	0	0	0
Roads and Street Construction	0	22,545	0	0
Economic Environment	0	0	0	0
Mental/Physical Health	3,765,972	0	0	0
Culture and Recreation	0	0	0	368,674
Capitalized Expenditures	33,492	48,000	10,671	0
TOTAL EXPENDITURES	\$3,799,464	\$70,545	\$612,960	\$368,674
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	(\$939,091)	\$66,455	(\$259,119)	(\$106,893)
OTHER FINANCING SOURCES (USES):				
Transfers In	1,315,544	0	282,010	115,385
Transfers Out				
Issuance of Long-term Debt				
TOTAL OTHER FINANCING SOURCES (USES)	\$1,315,544	\$0	\$282,010	\$115,385
EXCESS (DEFICIENCY) OF REVENUES AND OTHER FINANCING SOURCES OVER EXPENDITURES AND OTHER FINANCING USE	\$376,453	\$66,455	\$22,891	\$8,492
FUND BALANCES:				
Fund Balance, January 1	\$1,023,746	\$420,076	\$101,365	\$11,516
Prior Period Adjustment	(81,246)	0	0	0
FUND BALANCE, DECEMBER 31	\$1,318,951	\$486,532	\$124,257	\$20,007

SKAGIT COUNTY, WASHINGTON
COMBINING STATEMENT OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCE
NONMAJOR SPECIAL REVENUE FUNDS
FOR THE YEAR ENDED DECEMBER 31,2004

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REVENUES:	VETERANS RELIEF	LAW LIBRARY	RIVER IMPROVEMENT	TREASURER'S O&M
Taxes	\$110,961	\$0	\$0	\$0
Licenses & Permits	0	0	0	0
Intergovernmental Revenue	9,630	0	1,769,000	0
Charges for Goods and Services	0	37,182	630	19,229
Fines and Forfeits	0	0	0	0
Interest Revenue	4	0	907	3,103
Donations	0	0	0	0
Miscellaneous Revenues	(663)	230	0	0
TOTAL REVENUES	\$119,932	\$37,412	\$1,770,537	\$22,332
EXPENDITURES:				
General Governmental Services	\$0	\$101,014	\$532	\$6,056
Security of Persons and Property	0	0	0	0
Utilities and Environment	0	0	2,439,519	0
Roads and Street Construction	0	0	0	0
Economic Environment	122,017	0	0	0
Mental/Physical Health	0	0	0	0
Culture and Recreation	0	0	0	0
Capitalized Expenditures	0	0	0	0
TOTAL EXPENDITURES	\$122,017	\$101,014	\$2,440,052	\$6,056
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	(\$2,085)	(\$63,602)	(\$669,515)	\$16,276
OTHER FINANCING SOURCES (USES):				
Transfers In	0	62,477	709,346	0
Transfers Out				
Issuance of Long-term Debt				
TOTAL OTHER FINANCING SOURCES (USES)	\$0	\$62,477	\$709,346	\$0
EXCESS (DEFICIENCY) OF REVENUES AND OTHER FINANCING SOURCES OVER EXPENDITURES AND OTHER FINANCING USI	(\$2,085)	(\$1,125)	\$39,831	\$16,276
FUND BALANCES:				
Fund Balance, January 1	\$19,769	\$11,796	\$90,576	\$231,789
Prior Period Adjustment	0	0	0	0
FUND BALANCE, DECEMBER 31	\$17,684	\$10,672	\$130,407	\$248,066

SKAGIT COUNTY, WASHINGTON
COMBINING STATEMENT OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCE
NONMAJOR SPECIAL REVENUE FUNDS
FOR THE YEAR ENDED DECEMBER 31,2004

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REVENUES:	AUDITOR'S O&M	ELECTION SERVICES	PARKS & RECREATION	ABUSE SERVICES
Taxes	\$0	\$0	\$0	\$0
Licenses & Permits	0	0	0	0
Intergovernmental Revenue	70,422	178,870	245,279	927,832
Charges for Goods and Services	41,648	198,647	508,011	0
Fines and Forfeits	0	0	0	0
Interest Revenue	1,813	0	0	0
Donations	0	0	12,553	0
Miscellaneous Revenues	0	268	86,857	1,000
TOTAL REVENUES	\$113,882	\$377,785	\$852,700	\$928,832
EXPENDITURES:				
General Governmental Services	\$21,092	\$790,298	\$0	\$0
Security of Persons and Property	0	0	646,972	0
Utilities and Environment	0	0	0	0
Roads and Street Construction	0	0	0	0
Economic Environment	0	0	0	0
Mental/Physical Health	0	0	0	916,837
Culture and Recreation	0	0	1,655,646	0
Capitalized Expenditures	0	0	2,000	0
TOTAL EXPENDITURES	\$21,092	\$790,298	\$2,304,618	\$916,837
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	\$92,790	(\$412,513)	(\$1,451,918)	\$11,995
OTHER FINANCING SOURCES (USES):				
Transfers In	0	380,344	1,563,547	7,245
Transfers Out				
Issuance of Long-term Debt				
TOTAL OTHER FINANCING SOURCES (USES)	\$0	\$380,344	\$1,563,547	\$7,245
EXCESS (DEFICIENCY) OF REVENUES AND OTHER FINANCING SOURCES OVER EXPENDITURES AND OTHER FINANCING USI	\$92,790	(\$32,169)	\$111,629	\$19,240
FUND BALANCES:				
Fund Balance, January 1	\$229,094	\$187,347	\$274,989	\$7,253
Prior Period Adjustment	0	0	0	0
FUND BALANCE, DECEMBER 31	\$321,884	\$155,178	\$386,619	\$26,494

SKAGIT COUNTY, WASHINGTON
COMBINING STATEMENT OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCE
NONMAJOR SPECIAL REVENUE FUNDS
FOR THE YEAR ENDED DECEMBER 31,2004

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REVENUES:	DEVELOPMENTAL DISABILITY	SENIOR SERVICES	CONVENTION CENTER	SALMON RECOVERY
Taxes	\$192,763	\$0	\$91,199	\$0
Licenses & Permits	0	0	0	0
Intergovernmental Revenue	874,610	507,247	0	319,479
Charges for Goods and Services	0	921	0	8,896
Fines and Forfeits	0	0	0	0
Interest Revenue	7	0	473	6,761
Donations	0	215,745	0	0
Miscellaneous Revenues	39	16,647	0	953
TOTAL REVENUES	\$1,067,419	\$740,559	\$91,672	\$336,089
EXPENDITURES:				
General Governmental Services	\$0	\$0	\$0	\$8,292
Security of Persons and Property	0	0	0	0
Utilities and Environment	0	0	0	759,826
Roads and Street Construction	0	0	0	0
Economic Environment	0	1,196,895	0	0
Mental/Physical Health	1,031,383	0	0	0
Culture and Recreation	0	0	115,909	0
Capitalized Expenditures	0	0	0	85,357
TOTAL EXPENDITURES	\$1,031,383	\$1,196,895	\$115,909	\$853,474
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	\$36,036	(\$456,336)	(\$24,237)	(\$517,385)
OTHER FINANCING SOURCES (USES):				
Transfers In	17,200	446,768	0	0
Transfers Out	(8,000)			
Issuance of Long-term Debt				
TOTAL OTHER FINANCING SOURCES (USES)	\$9,200	\$446,768	\$0	\$0
EXCESS (DEFICIENCY) OF REVENUES AND OTHER FINANCING SOURCES OVER EXPENDITURES AND OTHER FINANCING USI	\$45,236	(\$9,568)	(\$24,237)	(\$517,385)
FUND BALANCES:				
Fund Balance, January 1	\$369,293	\$131,692	\$69,633	\$803,107
Prior Period Adjustment	0	0	0	0
FUND BALANCE, DECEMBER 31	\$414,529	\$122,124	\$45,395	\$285,720

SKAGIT COUNTY, WASHINGTON
COMBINING STATEMENT OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCE
NONMAJOR SPECIAL REVENUE FUNDS
FOR THE YEAR ENDED DECEMBER 31,2004

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REVENUES:	CONSERVATION FUTURES	MEDIC I SERVICES	CRIME/VICTIM SERVICES	COMMUNICATION SYSTEM
Taxes	\$576,305	\$2,306,223	\$0	\$2,741,192
Licenses & Permits	0	0	0	0
Intergovernmental Revenue	476,247	200,067	0	0
Charges for Goods and Services	0	0	67,214	0
Fines and Forfeits	0	0	0	0
Interest Revenue	4,320	88	35	0
Donations	350	0	0	0
Miscellaneous Revenues	386	465	0	0
TOTAL REVENUES	\$1,057,608	\$2,506,843	\$67,248	\$2,741,192
EXPENDITURES:				
General Governmental Services	\$0	\$0	\$68,413	\$0
Security of Persons and Property	0	2,829,199	0	2,917,719
Utilities and Environment	104,198	0	0	0
Roads and Street Construction	0	0	0	0
Economic Environment	0	0	0	0
Mental/Physical Health	0	0	0	0
Culture and Recreation	0	0	0	0
Capitalized Expenditures	1,189,611	0	0	0
TOTAL EXPENDITURES	\$1,293,809	\$2,829,199	\$68,413	\$2,917,719
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	(\$236,201)	(\$322,356)	(\$1,165)	(\$176,527)
OTHER FINANCING SOURCES (USES):				
Transfers In	0	0	0	0
Transfers Out				
Issuance of Long-term Debt				
TOTAL OTHER FINANCING SOURCES (USES)	\$0	\$0	\$0	\$0
EXCESS (DEFICIENCY) OF REVENUES AND OTHER FINANCING SOURCES OVER EXPENDITURES AND OTHER FINANCING USI	(\$236,201)	(\$322,356)	(\$1,165)	(\$176,527)
FUND BALANCES:				
Fund Balance, January 1	\$1,118,042	\$651,588	\$109,731	\$167,903
Prior Period Adjustments	0	0	0	0
FUND BALANCE, DECEMBER 31	\$881,841	\$329,233	\$108,566	(\$8,624)

SKAGIT COUNTY, WASHINGTON
COMBINING STATEMENT OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCE
NONMAJOR SPECIAL REVENUE FUNDS
FOR THE YEAR ENDED DECEMBER 31, 2004

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REVENUES:	BEST PLACE PROGRAM	WATER QUALITY	BRYSON ROAD SUB-FLOOD CONTROL	SEDRO WOOLLEY FLOOD CONTROL
Taxes	\$0	\$0	\$5,132	\$20,218
Licenses & Permits	0	0	0	0
Intergovernmental Revenue	0	0	0	0
Charges for Goods and Services	65	0	0	0
Fines and Forfeits	0	0	0	0
Interest Revenue	0	0	207	2,818
Donations	0	0	0	0
Miscellaneous Revenues	0	0	0	0
TOTAL REVENUES	\$65	\$0	\$5,339	\$23,035
EXPENDITURES:				
General Governmental Services	\$0	\$0	\$0	\$0
Security of Persons and Property	0	0	0	0
Utilities and Environment	0	474,216	936	6,084
Roads and Street Construction	0	0	0	0
Economic Environment	0	0	0	0
Mental/Physical Health	0	0	0	0
Culture and Recreation	0	0	0	0
Capitalized Expenditures	0	0	0	0
TOTAL EXPENDITURES	\$0	\$474,216	\$936	\$6,084
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	\$65	(\$474,216)	\$4,403	\$16,951
OTHER FINANCING SOURCES (USES):				
Transfers In	63,252	25,000	0	0
Transfers Out				
Issuance of Long-term Debt		486,036		
TOTAL OTHER FINANCING SOURCES (USES)	\$63,252	\$511,036	\$0	\$0
EXCESS (DEFICIENCY) OF REVENUES AND OTHER FINANCING SOURCES OVER EXPENDITURES AND OTHER FINANCING USI	\$63,317	\$36,820	\$4,403	\$16,951
FUND BALANCES:				
Fund Balance, January 1	(\$63,251)	\$100,000	\$16,091	\$231,323
Prior Period Adjustment	0	0	0	0
FUND BALANCE, DECEMBER 31	\$65	\$136,819	\$20,494	\$248,274

SKAGIT COUNTY, WASHINGTON
COMBINING STATEMENT OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCE
NONMAJOR SPECIAL REVENUE FUNDS
FOR THE YEAR ENDED DECEMBER 31,2004

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	Y BRITT SLOUGH FLOOD CONTROL	SEDRO WOOLLEY LATERAL SFCZ	MT. VERNON SOUTH SFCZ	DUNBAR SFCZ MAINTENANCE
REVENUES:				
Taxes	\$15,569	\$0	\$0	\$3,381
Licenses & Permits	0	0	0	0
Intergovernmental Revenue	10,519	0	0	0
Charges for Goods and Services	0	0	0	0
Fines and Forfeits	0	0	0	0
Interest Revenue	921	19	698	90
Donations	0	0	0	0
Miscellaneous Revenues	0	0	0	0
TOTAL REVENUES	\$27,009	\$19	\$698	\$3,471
EXPENDITURES:				
General Governmental Services	\$0	\$0	\$0	\$0
Security of Persons and Property	0	0	0	0
Utilities and Environment	8,557	0	2,527	971
Roads and Street Construction	0	0	0	0
Economic Environment	0	0	0	0
Mental/Physical Health	0	0	0	0
Culture and Recreation	0	0	0	0
Capitalized Expenditures	0	0	0	0
TOTAL EXPENDITURES	\$8,557	\$0	\$2,527	\$971
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	\$18,452	\$19	(\$1,829)	\$2,500
OTHER FINANCING SOURCES (USES):				
Transfers In	0	0	0	0
Transfers Out				
Issuance of Long-term Debt				
TOTAL OTHER FINANCING SOURCES (USES)	\$0	\$0	\$0	\$0
EXCESS (DEFICIENCY) OF REVENUES AND OTHER FINANCING SOURCES OVER EXPENDITURES AND OTHER FINANCING USI	\$18,452	\$19	(\$1,829)	\$2,500
FUND BALANCES:				
Fund Balance, January 1	\$72,834	\$1,916	\$58,537	\$8,178
Prior Period Adjustment	0	0	0	0
FUND BALANCE, DECEMBER 31	\$91,286	\$1,935	\$56,707	\$10,678

SKAGIT COUNTY, WASHINGTON
COMBINING STATEMENT OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCE
NONMAJOR SPECIAL REVENUE FUNDS
FOR THE YEAR ENDED DECEMBER 31,2004

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	SIMILK BEACH PUMPING STATION	BLANCHARD SUB FLOOD CONTROL MT	SHANGRILA SUB FLOOD CONTROL	HANSEN CREEK SFCZ
REVENUES:				
Taxes	\$0	\$8,112	\$0	\$9,458
Licenses & Permits	0	0	0	0
Intergovernmental Revenue	0	0	0	0
Charges for Goods and Services	0	0	0	0
Fines and Forfeits	0	0	0	0
Interest Revenue	0	233	0	140
Donations	0	0	0	0
Miscellaneous Revenues	0	0	48	0
TOTAL REVENUES	\$0	\$8,345	\$48	\$9,598
EXPENDITURES:				
General Governmental Services	\$0	\$0	\$0	\$0
Security of Persons and Property	0	0	0	0
Utilities and Environment	0	7,209	0	31,505
Roads and Street Construction	0	0	0	0
Economic Environment	0	0	0	0
Mental/Physical Health	0	0	0	0
Culture and Recreation	0	0	0	0
Capitalized Expenditures	0	0	0	0
TOTAL EXPENDITURES	\$0	\$7,209	\$0	\$31,505
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	\$0	\$1,136	\$48	(\$21,907)
OTHER FINANCING SOURCES (USES):				
Transfers In	0	0	0	0
Transfers Out				
Issuance of Long-term Debt				
TOTAL OTHER FINANCING SOURCES (USES)	\$0	\$0	\$0	\$0
EXCESS (DEFICIENCY) OF REVENUES AND OTHER FINANCING SOURCES OVER EXPENDITURES AND OTHER FINANCING USI	\$0	\$1,136	\$48	(\$21,907)
FUND BALANCES:				
Fund Balance, January 1	\$0	\$18,304	\$4,106	\$15,780
Prior Period Adjustment	0	0	0	0
FUND BALANCE, DECEMBER 31	\$0	\$19,440	\$4,154	(\$6,127)

SKAGIT COUNTY, WASHINGTON
COMBINING STATEMENT OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCE
NONMAJOR SPECIAL REVENUE FUNDS
FOR THE YEAR ENDED DECEMBER 31,2004

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	WARNER PRAIRIE SFCZ	LAKE MGMNT DISTRICT NO.1	LAKE MGMNT DISTRICT NO.2	LAKE MGMNT DISTRICT NO.3
REVENUES:				
Taxes	\$1,510	\$58,363	\$13,998	\$30,003
Licenses & Permits	0	0	0	0
Intergovernmental Revenue	0	0	0	0
Charges for Goods and Services	0	0	0	0
Fines and Forfeits	0	0	0	0
Interest Revenue	89	0	0	0
Donations	0	0	0	0
Miscellaneous Revenues	0	0	0	0
TOTAL REVENUES	\$1,599	\$58,363	\$13,998	\$30,003
EXPENDITURES:				
General Governmental Services	\$0	\$0	\$0	\$0
Security of Persons and Property	0	0	0	0
Utilities and Environment	452	69,601	8,584	15,091
Roads and Street Construction	0	0	0	0
Economic Environment	0	0	0	0
Mental/Physical Health	0	0	0	0
Culture and Recreation	0	0	0	0
Capitalized Expenditures	0	0	0	0
TOTAL EXPENDITURES	\$452	\$69,601	\$8,584	\$15,091
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	\$1,147	(\$11,238)	\$5,414	\$14,913
OTHER FINANCING SOURCES (USES):				
Transfers In	0	0	0	0
Transfers Out				
Issuance of Long-term Debt				
TOTAL OTHER FINANCING SOURCES (USES)	\$0	\$0	\$0	\$0
EXCESS (DEFICIENCY) OF REVENUES AND OTHER FINANCING SOURCES OVER EXPENDITURES AND OTHER FINANCING USI	\$1,147	(\$11,238)	\$5,414	\$14,913
FUND BALANCES:				
Fund Balance, January 1	\$8,006	(\$87,763)	(\$44,227)	(\$47,768)
Prior Period Adjustment	0	0	0	0
FUND BALANCE, DECEMBER 31	\$9,154	(\$99,001)	(\$38,813)	(\$32,856)

SKAGIT COUNTY, WASHINGTON
COMBINING STATEMENT OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCE
NONMAJOR SPECIAL REVENUE FUNDS
FOR THE YEAR ENDED DECEMBER 31,2004

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REVENUES:	EDISON CLEAN WATER DISTRICT SUB-AREA	DRUG ENFORCEMENT CUM. RESERVE	BOATING SAFETY	LOW-INCOME HOUSING
Taxes	\$32,677	\$0	\$0	\$0
Licenses & Permits	0	0	0	0
Intergovernmental Revenue	0	4,000	63,680	0
Charges for Goods and Services	0	0	0	197,311
Fines and Forfeits	0	98,008	0	0
Interest Revenue	0	0	0	0
Donations	0	0	0	0
Miscellaneous Revenues	1,482	0	0	0
TOTAL REVENUES	\$34,159	\$102,008	\$63,680	\$197,311
EXPENDITURES:				
General Governmental Services	\$0	\$0	\$0	\$0
Security of Persons and Property	0	8,157	45,602	0
Utilities and Environment	25,927	0	0	0
Roads and Street Construction	0	0	0	0
Economic Environment	0	0	0	218,134
Mental/Physical Health	0	0	0	0
Culture and Recreation	0	0	0	0
Capitalized Expenditures	0	0	0	0
TOTAL EXPENDITURES	\$25,927	\$8,157	\$45,602	\$218,134
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	\$8,232	\$93,851	\$18,078	(\$20,823)
OTHER FINANCING SOURCES (USES):				
Transfers In	0	0	0	0
Transfers Out				
Issuance of Long-term Debt				
TOTAL OTHER FINANCING SOURCES (USES)	\$0	\$0	\$0	\$0
EXCESS (DEFICIENCY) OF REVENUES AND OTHER FINANCING SOURCES OVER EXPENDITURES AND OTHER FINANCING USI	\$8,232	\$93,851	\$18,078	(\$20,823)
FUND BALANCES:				
Fund Balance, January 1	\$18,577	\$10,346	\$1,243	\$347,672
Prior Period Adjustment	0	0	0	0
FUND BALANCE, DECEMBER 31	\$26,809	\$104,197	\$19,321	\$326,850

SKAGIT COUNTY, WASHINGTON
COMBINING STATEMENT OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCE
NONMAJOR SPECIAL REVENUE FUNDS
FOR THE YEAR ENDED DECEMBER 31,2004

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REVENUES:	TITLE III PROJECTS	INVESTIGATION CUM. RESERVE	2004 Totals
Taxes	\$0	\$0	\$6,217,064
Licenses & Permits	0	0	259,990
Intergovernmental Revenue	0	0	8,210,634
Charges for Goods and Services	0	1,734	1,775,164
Fines and Forfeits	0	173,970	275,700
Interest Revenue	0	6,102	33,389
Donations	0	0	283,360
Miscellaneous Revenues	0	4,871	155,165
TOTAL REVENUES	\$0	\$186,677	\$17,210,466
EXPENDITURES:			
General Governmental Services	\$0	\$0	\$995,697
Security of Persons and Property	0	129,833	7,179,771
Utilities and Environment	0	0	3,955,203
Roads and Street Construction	0	0	22,545
Economic Environment	9,511	0	1,546,557
Mental/Physical Health	0	0	5,714,192
Culture and Recreation	0	0	2,140,229
Capitalized Expenditures	0	0	1,369,131
TOTAL EXPENDITURES	\$9,511	\$129,833	\$22,923,325
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	(\$9,511)	\$56,844	(\$5,712,859)
OTHER FINANCING SOURCES (USES):			
Transfers In	0	26,239	5,014,357
Transfers Out		(26,239)	(34,239)
Issuance of Long-term Debt			486,036
TOTAL OTHER FINANCING SOURCES (USES)	\$0	\$0	\$5,466,154
EXCESS (DEFICIENCY) OF REVENUES AND OTHER FINANCING SOURCES OVER EXPENDITURES AND OTHER FINANCING USI	(\$9,511)	\$56,844	(\$246,705)
FUND BALANCES:			
Fund Balance, January 1	\$64,533	\$656,691	\$7,421,434
Prior Period Adjustment	0	0	(81,246)
FUND BALANCE, DECEMBER 31	\$55,022	\$713,534	\$7,093,481

SKAGIT COUNTY, WASHINGTON

Public Health

Schedule of Revenues, Expenditures and Changes in Fund Balance Budget (GAAP Basis) and Actual For the Year Ended December 31, 2004

	Original Budget	Final Budget	Actual	Variance with Final Budget Positive/ (Negative)
REVENUES:				
Licenses & Permits	\$231,973	\$231,973	\$242,820	\$10,847
Intergovernmental Revenue	1,180,908	2,133,666	2,071,307	(62,359)
Charges for Goods and Services	452,175	481,175	494,321	13,146
Fines and Forfeits	3,500	3,500	3,722	222
Interest Revenue	2,000	2,000	4,002	2,002
Donations	1,550	93,550	43,403	(50,147)
Miscellaneous Revenues	75,200	75,200	798	(74,402)
TOTAL REVENUES	\$1,947,306	\$3,021,064	\$2,860,373	(\$160,691)
EXPENDITURES:				
Salaries and Wages	\$2,088,144	\$2,096,144	\$2,011,267	\$84,877
Personnel Benefits	596,947	599,207	544,630	54,577
Supplies	202,695	917,603	864,752	52,851
Services and Charges	338,573	653,163	304,749	348,414
Capital Outlays	0	34,000	33,492	508
Interfund Payments for Services	36,491	36,491	40,575	(4,084)
TOTAL EXPENDITURES	\$3,262,850	\$4,336,608	\$3,799,465	\$537,143
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	(\$1,315,544)	(\$1,315,544)	(\$939,092)	\$376,452
OTHER FINANCING SOURCES (USES):				
Transfers In	\$1,315,544	\$1,315,544	\$1,315,544	\$0
TOTAL OTHER FINANCING SOURCES (USES)	\$1,315,544	\$1,315,544	\$1,315,544	\$0
EXCESS (DEFICIENCY) OF REVENUES AND OTHER FINANCING SOURCES OVER EXPENDITURES AND OTHER FINANCING USES	\$0	\$0	\$376,452	\$376,452
FUND BALANCES:				
Fund Balance, January 1	\$925,435	\$925,435	\$1,023,746	\$98,311
Prior Period Adjustment	0	0	(81,246)	(81,246)
FUND BALANCE, DECEMBER 31	\$925,434	\$925,434	\$1,318,951	\$393,517

SKAGIT COUNTY, WASHINGTON
SPECIAL PATHS

Schedule of Revenues, Expenditures and Changes in Fund Balance
Budget (GAAP Basis) and Actual
For the Year Ended December 31, 2004

REVENUES:	Original Budget	Final Budget	ACTUAL	Variance with Final Budget Positive/ (Negative)
Intergovernmental Revenue	\$140,000	\$140,000	\$136,441	(3,559)
Interest Revenue	1,000	1,000	559	(441)
TOTAL REVENUES	\$141,000	\$141,000	\$137,000	(\$4,000)
EXPENDITURES:				
Salaries and Wages	\$4,000	\$4,000	\$990	\$3,010
Personnel Benefits	1,751	1,751	670	1,081
Supplies	5,000	5,000	14,608	(9,608)
Services and Charges	0	0	5,592	(5,592)
Capital Outlays	62,361	182,361	48,000	134,361
Interfund Payments for Services	0	0	685	(685)
TOTAL EXPENDITURES	\$73,112	\$193,112	\$70,545	\$122,567
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	\$67,888	(\$52,112)	\$66,455	\$118,567
FUND BALANCES:				
Fund Balance, January 1	\$425,919	\$425,919	\$420,076	(\$5,843)
FUND BALANCE, DECEMBER 31	\$493,807	\$373,807	\$486,532	\$112,725

SKAGIT COUNTY, WASHINGTON
Emergency Management
Schedule of Revenues, Expenditures and Changes in Fund Balance
Budget (GAAP Basis) and Actual
For the Year Ended December 31, 2004

Code	Original Budget	Final Budget	ACTUAL	Variance with Final Budget Positive/ (Negative)
REVENUES:				
Licenses & Permits	\$15,000	\$15,000	\$17,170	\$2,170
Intergovernmental Revenue	201,193	538,824	308,422	(230,402)
Charges for Goods and Services	25,895	25,895	25,909	14
Miscellaneous Revenue	0	0	2,340	2,340
TOTAL REVENUES	\$242,088	\$579,719	\$353,841	(\$225,878)
EXPENDITURES:				
Salaries and Wages	\$308,242	\$385,300	\$359,023	\$26,277
Personnel Benefits	86,847	98,500	99,286	(786)
Supplies	15,950	112,770	20,430	92,340
Services and Charges	47,350	83,496	57,947	25,549
Capital Outlays	0	100,000	10,671	89,329
Interfund Payments for Services	85,709	101,857	65,602	36,255
TOTAL EXPENDITURES	\$544,098	\$881,923	\$612,960	\$268,964
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	(\$302,010)	(\$302,204)	(\$259,119)	\$43,085
OTHER FINANCING SOURCES (USES):				
Transfers In	\$282,010	\$282,010	\$282,010	\$0
TOTAL OTHER FINANCING SOURCES (USES)	\$282,010	\$282,010	\$282,010	\$0
EXCESS (DEFICIENCY) OF REVENUES AND OTHER FINANCING SOURCES OVER EXPENDITURES AND OTHER FINANCING USES	(\$20,000)	(\$20,194)	\$22,891	\$43,085
FUND BALANCES:				
Fund Balance, January 1	\$77,042	\$77,042	\$101,365	\$24,323
FUND BALANCE, DECEMBER 31	\$57,042	\$56,848	\$124,257	\$67,409

SKAGIT COUNTY, WASHINGTON

County Fair

Schedule of Revenues, Expenditures and Changes in Fund Balance

Budget (GAAP Basis) and Actual

For the Year Ended December 31, 2004

	Original Budget	Final Budget	ACTUAL	Variance with Final Budget Positive/ (Negative)
REVENUES:				
Intergovernmental Revenue	\$36,500	\$36,500	\$37,582	\$1,082
Charges for Goods and Services	183,450	183,450	173,446	(10,004)
Donations	6,000	6,000	11,309	5,309
Miscellaneous Revenues	29,000	29,000	39,444	10,444
TOTAL REVENUES	\$254,950	\$254,950	\$261,781	\$6,831
EXPENDITURES:				
Salaries and Wages	\$57,560	\$57,560	\$53,206	\$4,354
Personnel Benefits	12,108	12,108	15,221	(3,113)
Supplies	39,750	39,750	41,615	(1,865)
Services and Charges	236,550	236,550	240,969	(4,419)
Interfund Payments for Services	24,367	24,367	17,663	6,704
TOTAL EXPENDITURES	\$370,335	\$370,335	\$368,674	\$1,661
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	(\$115,385)	(\$115,385)	(\$106,893)	\$8,492
OTHER FINANCING SOURCES (USES):				
Transfers In	\$115,385	\$115,385	\$115,385	\$0
TOTAL OTHER FINANCING SOURCES (USES)	\$115,385	\$115,385	\$115,385	\$0
EXCESS (DEFICIENCY) OF REVENUES AND OTHER FINANCING SOURCES OVER EXPENDITURES AND OTHER FINANCING USES	\$0	\$0	\$8,491	\$8,492
FUND BALANCES:				
Fund Balance, January 1	\$11,493	\$11,493	\$11,516	\$23
FUND BALANCE, DECEMBER 31	\$11,493	\$11,493	\$20,007	\$8,514

SKAGIT COUNTY, WASHINGTON

Veterans Relief

Schedule of Revenues, Expenditures and Changes in Fund Balance

Budget (GAAP Basis) and Actual

For the Year Ended December 31, 2004

	Original Budget	Final Budget	ACTUAL	Variance with Final Budget Positive/ (Negative)
REVENUES:				
Taxes	\$111,013	\$111,013	\$110,961	(\$52)
Intergovernmental Revenue	10,000	10,000	9,630	(370)
Interest Revenue	0		4	4
Miscellaneous Revenues	0	0	(663)	(663)
TOTAL REVENUES	\$121,013	\$121,013	\$119,932	(\$1,081)
EXPENDITURES:				
Services and Charges	\$121,013	\$121,013	\$117,231	\$3,782
Interfund Payments for Services	0	5,000	4,785	215
TOTAL EXPENDITURES	\$121,013	\$126,013	\$122,017	\$3,997
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	\$0	(\$5,000)	(\$2,085)	\$2,915
FUND BALANCES:				
Fund Balance, January 1	\$18,656	\$18,656	\$19,769	\$1,113
FUND BALANCE, DECEMBER 31	\$18,656	\$13,656	\$17,684	\$4,028

SKAGIT COUNTY, WASHINGTON

Law Library

Schedule of Revenues, Expenditures and Changes in Fund Balance

Budget (GAAP Basis) and Actual

For the Year Ended December 31, 2004

	Original Budget	Final Budget	ACTUAL	Variance with Final Budget Positive/ (Negative)
REVENUES:				
Charges for Goods and Services	\$39,000	\$39,000	\$37,182	(\$1,818)
Donations	\$200	\$200	\$0	(200)
Miscellaneous Revenues	300	300	230	(70)
TOTAL REVENUES	\$39,500	\$39,500	\$37,412	(\$2,088)
EXPENDITURES:				
Salaries and Wages	\$28,653	\$28,653	\$28,322	\$331
Personnel Benefits	4,324	4,324	4,682	(358)
Supplies	53,000	53,000	50,482	2,518
Services and Charges	16,000	16,000	17,239	(1,239)
Interfund Payments for Services	0	0	288	(288)
TOTAL EXPENDITURES	\$101,977	\$101,977	\$101,014	\$964
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	(\$62,477)	(\$62,477)	(\$63,602)	(\$1,125)
OTHER FINANCING SOURCES (USES):				
Transfers In	\$62,477	\$62,477	\$62,477	\$0
TOTAL OTHER FINANCING SOURCES (USES)	\$62,477	\$62,477	\$62,477	\$0
EXCESS (DEFICIENCY) OF REVENUES AND OTHER FINANCING SOURCES OVER EXPENDITURES AND OTHER FINANCING USES	\$0	\$0	(\$1,125)	(\$1,125)
FUND BALANCES:				
Fund Balance, January 1	\$14,227	\$14,227	\$11,796	(\$2,431)
FUND BALANCE, DECEMBER 31	\$14,227	\$14,227	\$10,670	(\$3,557)

SKAGIT COUNTY, WASHINGTON

River Improvement

Schedule of Revenues, Expenditures and Changes in Fund Balance

Budget (GAAP Basis) and Actual

For the Year Ended December 31, 2004

	Original Budget	Final Budget	ACTUAL	Variance with Final Budget Positive/ (Negative)
REVENUES:				
Intergovernmental Revenue	\$85,000	\$1,770,000	\$1,769,000	(\$1,000)
Charges for Goods and Services	0	0	630	630
Interest	0	0	907	907
Miscellaneous Revenue	225,000	0	0	0
TOTAL REVENUES	\$310,000	\$1,770,000	\$1,770,537	\$537
EXPENDITURES:				
Salaries and Wages	\$98,736	\$474,736	\$249,632	\$225,104
Personnel Benefits	23,024	80,124	51,276	28,848
Supplies	7,500	7,500	6,122	1,378
Services and Charges	603,500	1,880,479	2,106,680	(226,201)
Intergovernmental Services/Interfund Payments	200,000	200,000	6	199,994
Interfund Payments for Services	14,500	14,500	26,336	(11,836)
TOTAL EXPENDITURES	\$947,260	\$2,657,339	\$2,440,052	\$217,287
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	(\$637,260)	(\$887,339)	(\$669,515)	\$217,824
OTHER FINANCING SOURCES (USES):				
Transfers In	\$635,918	\$705,997	\$709,346	\$3,349
TOTAL OTHER FINANCING SOURCES (USES)	\$635,918	\$705,997	\$709,346	\$3,349
EXCESS (DEFICIENCY) OF REVENUES AND OTHER FINANCING SOURCES OVER EXPENDITURES AND OTHER FINANCING USES	(\$1,342)	(\$181,342)	\$39,831	\$221,173
FUND BALANCES:				
Fund Balance, January 1	\$202,862	\$202,862	\$90,576	(\$112,286)
FUND BALANCE, DECEMBER 31	\$201,520	\$21,520	\$130,407	\$108,887

SKAGIT COUNTY, WASHINGTON
Centennial Document Preservation
Schedule of Revenues, Expenditures and Changes in Fund Balance
Budget (GAAP Basis) and Actual
For the Year Ended December 31, 2004

REVENUES:	Original Budget	Final Budget	ACTUAL	Variance with Final Budget Positive/ (Negative)
Intergovernmental Revenue	\$60,000	\$60,000	\$70,422	\$10,422
Charges for Goods and Services	55,000	55,000	41,648	(13,352)
Interest Revenue	1,750	1,750	1,813	63
TOTAL REVENUES	\$116,750	\$116,750	\$113,882	(\$2,867)
EXPENDITURES:				
Supplies	\$2,250	\$2,250	\$1,044	\$1,206
Services and Charges	15,000	15,000	20,047	(5,047)
Interfund Payments for Services	52,000	52,000	0	52,000
TOTAL EXPENDITURES	\$69,250	\$69,250	\$21,092	\$48,159
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	\$47,500	\$47,500	\$92,790	\$45,290
FUND BALANCES:				
Fund Balance, January 1	\$221,830	\$221,830	\$229,094	\$7,264
FUND BALANCE, DECEMBER 31	\$269,330	\$269,330	\$321,884	\$52,554

SKAGIT COUNTY, WASHINGTON

Election Services

Schedule of Revenues, Expenditures and Changes in Fund Balance

Budget (GAAP Basis) and Actual

For the Year Ended December 31, 2004

	Original Budget	Final Budget	ACTUAL	Variance with Final Budget Positive/ (Negative)
REVENUES:				
Intergovernmental Revenue	\$0	\$178,870	\$178,870	\$0
Charges for Goods and Services	\$281,155	\$281,155	\$198,647	(82,508)
Miscellaneous Revenues	1,000	1,000	268	(732)
TOTAL REVENUES	\$282,155	\$461,025	\$377,785	(\$83,240)
EXPENDITURES:				
Salaries and Wages	\$272,096	\$274,702	\$313,482	(\$38,780)
Personnel Benefits	41,214	41,214	45,983	(4,769)
Supplies	69,168	100,545	82,124	18,421
Services and Charges	280,021	424,908	347,203	77,705
Interfund Payments for Services	0	0	1,506	(1,506)
TOTAL EXPENDITURES	\$662,499	\$841,369	\$790,298	\$51,071
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	(\$380,344)	(\$380,344)	(\$412,513)	(\$32,169)
OTHER FINANCING SOURCES (USES):				
Transfers In	\$380,344	\$380,344	\$380,344	\$0
TOTAL OTHER FINANCING SOURCES (USES)	\$380,344	\$380,344	\$380,344	\$0
EXCESS (DEFICIENCY) OF REVENUES AND OTHER FINANCING SOURCES OVER EXPENDITURES AND OTHER FINANCING USES	\$0	\$0	(\$32,169)	(\$32,169)
FUND BALANCES:				
Fund Balance, January 1	\$230,676	\$230,676	\$187,347	(\$43,329)
FUND BALANCE, DECEMBER 31	\$230,676	\$230,676	\$155,178	(\$75,498)

SKAGIT COUNTY, WASHINGTON

Parks and Recreation

Schedule of Revenues, Expenditures and Changes in Fund Balance

Budget (GAAP Basis) and Actual

For the Year Ended December 31, 2004

	Original Budget	Final Budget	ACTUAL	Variance with Final Budget Positive/ (Negative)
REVENUES:				
Intergovernmental Revenue	\$160,457	\$227,457	\$245,279	\$17,822
Charges for Goods and Services	501,850	471,850	508,011	36,161
Donations	13,300	98,050	12,553	(85,497)
Miscellaneous Revenues	84,750	0	86,857	86,857
TOTAL REVENUES	\$760,357	\$797,357	\$852,700	\$55,343
EXPENDITURES:				
Salaries and Wages	\$1,390,626	\$1,419,168	\$1,389,446	\$29,722
Personnel Benefits	\$305,995	299,253	296,921	2,332
Supplies	159,744	168,905	173,455	(4,550)
Services and Charges	309,080	320,080	303,438	16,642
Capital Outlays	24,400	24,400	2,000	22,400
Interfund Payments for Services	134,059	141,038	139,358	1,680
TOTAL EXPENDITURES	\$2,323,904	\$2,372,844	\$2,304,618	\$68,226
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	(\$1,563,547)	(\$1,575,487)	(\$1,451,918)	\$123,569
OTHER FINANCING SOURCES (USES):				
Transfers In	\$1,563,547	\$1,563,547	\$1,563,547	\$0
TOTAL OTHER FINANCING SOURCES (USES)	\$1,563,547	\$1,563,547	\$1,563,547	\$0
EXCESS (DEFICIENCY) OF REVENUES AND OTHER FINANCING SOURCES OVER EXPENDITURES AND OTHER FINANCING USES	\$0	(\$11,940)	\$111,629	\$123,569
FUND BALANCES:				
Fund Balance, January 1	\$288,384	\$288,384	\$274,989	(\$13,395)
FUND BALANCE, DECEMBER 31	\$288,384	\$276,444	\$386,619	\$110,175

SKAGIT COUNTY, WASHINGTON
Substance Abuse Services
Schedule of Revenues, Expenditures and Changes in Fund Balance
Budget (GAAP Basis) and Actual
For the Year Ended December 31, 2004

	Original Budget	Final Budget	ACTUAL	Variance with Final Budget Positive/ (Negative)
REVENUES:				
Intergovernmental Revenue	\$1,080,544	\$1,080,544	\$927,832	(\$152,712)
Miscellaneous Revenues	\$0	\$0	\$1,000	\$1,000
TOTAL REVENUES	\$1,080,544	\$1,080,544	\$928,832	(\$151,712)
EXPENDITURES:				
Salaries and Wages	\$42,046	\$42,046	\$41,882	\$164
Personnel Benefits	13,448	13,448	13,425	23
Supplies	1,000	1,000	607	393
Services and Charges	1,015,050	1,015,050	853,742	161,308
Intergovernmental Services/Interfund Payments	0	0	0	0
Capital Outlays	0	0	0	0
Interfund Payments for Services	9,000	9,000	7,180	1,820
TOTAL EXPENDITURES	\$1,080,544	\$1,080,544	\$916,837	\$163,708
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	\$0	\$0	\$11,995	\$11,995
OTHER FINANCING SOURCES (USES):				
Transfers In	\$0	\$0	\$7,245	\$7,245
TOTAL OTHER FINANCING SOURCES (USES)	\$0	\$0	\$7,245	\$7,245
EXCESS (DEFICIENCY) OF REVENUES AND OTHER FINANCING SOURCES OVER EXPENDITURES AND OTHER FINANCING USES	\$0	\$0	\$19,240	\$19,240
FUND BALANCES:				
Fund Balance, January 1	\$0	\$0	\$7,253	\$7,253
FUND BALANCE, DECEMBER 31	\$0	\$0	\$26,494	\$26,494

SKAGIT COUNTY, WASHINGTON
Developmental Disability
Schedule of Revenues, Expenditures and Changes in Fund Balance
Budget (GAAP Basis) and Actual
For the Year Ended December 31, 2004

	Original Budget	Final Budget	ACTUAL	Variance with Final Budget Positive/ (Negative)
REVENUES:				
Taxes	\$194,400	\$194,400	\$192,763	(\$1,637)
Intergovernmental Revenues	866,303	866,303	874,610	8,307
Interest Revenue	25	25	7	(18)
Miscellaneous Revenues	50	50	39	(11)
TOTAL REVENUES	\$1,060,778	\$1,060,778	\$1,067,419	\$6,641
EXPENDITURES:				
Salaries and Wages	\$119,278	\$119,278	\$116,477	\$2,801
Personnel Benefits	30,758	30,758	26,353	4,405
Supplies	8,683	8,683	4,292	4,391
Services and Charges	1,004,259	1,004,259	867,636	136,623
Interfund Payments for Services	15,000	15,000	16,625	(1,625)
TOTAL EXPENDITURES	\$1,177,978	\$1,177,978	\$1,031,383	\$146,595
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	(\$117,200)	(\$117,200)	\$36,036	\$153,236
OTHER FINANCING SOURCES (USES):				
Transfers In	\$17,200	\$17,200	\$17,200	\$0
Transfers Out	0	0	(8,000)	(8,000)
TOTAL OTHER FINANCING SOURCES (USES)	\$17,200	\$17,200	\$9,200	(\$8,000)
EXCESS (DEFICIENCY) OF REVENUES AND OTHER FINANCING SOURCES OVER EXPENDITURES AND OTHER FINANCING USES	(\$100,000)	(\$100,000)	\$45,236	\$145,236
FUND BALANCES:				
Fund Balance, January 1	\$325,686	\$325,686	\$369,293	\$43,607
FUND BALANCE, DECEMBER 31	\$225,686	\$225,686	\$414,529	\$188,842

SKAGIT COUNTY, WASHINGTON

Senior Services

Schedule of Revenues, Expenditures and Changes in Fund Balance

Budget (GAAP Basis) and Actual

For the Year Ended December 31, 2004

	Original Budget	Final Budget	ACTUAL	Variance with Final Budget Positive/ (Negative)
REVENUES:				
Intergovernmental Revenue	\$515,271	\$494,753	\$507,247	\$12,494
Charges for Goods and Services	3,170	3,170	921	(2,249)
Donations	253,001	258,989	215,745	(43,244)
Miscellaneous Revenues	16,020	16,020	16,647	627
TOTAL REVENUES	\$787,462	\$772,932	\$740,559	(\$32,372)
EXPENDITURES:				
Salaries and Wages	\$614,218	\$610,149	\$617,773	(\$7,624)
Personnel Benefits	210,005	199,544	191,596	7,948
Supplies	209,436	209,436	207,729	1,707
Services and Charges	194,952	194,952	174,178	20,774
Interfund Payments for Services	5,619	5,619	5,619	0
TOTAL EXPENDITURES	\$1,234,230	\$1,219,700	\$1,196,895	\$22,805
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	(\$446,768)	(\$446,768)	(\$456,336)	(\$9,568)
OTHER FINANCING SOURCES (USES):				
Transfers In	\$446,768	\$446,768	\$446,768	\$0
TOTAL OTHER FINANCING SOURCES (USES)	\$446,768	\$446,768	\$446,768	\$0
EXCESS (DEFICIENCY) OF REVENUES AND OTHER FINANCING SOURCES OVER EXPENDITURES AND OTHER FINANCING USES	\$0	\$0	(\$9,568)	(\$9,568)
FUND BALANCES:				
Fund Balance, January 1	\$150,848	\$150,848	\$131,692	(\$19,156)
FUND BALANCE, DECEMBER 31	\$150,848	\$150,848	\$122,124	(\$28,724)

SKAGIT COUNTY, WASHINGTON

Convention Center

Schedule of Revenues, Expenditures and Changes in Fund Balance

Budget (GAAP Basis) and Actual

For the Year Ended December 31, 2004

	Original Budget	Final Budget	ACTUAL	Variance with Final Budget Positive/ (Negative)
REVENUES:				
Taxes	\$105,000	\$105,000	\$91,199	(\$13,801)
Interest Revenue	0	0	473	473
TOTAL REVENUES	\$105,000	\$105,000	\$91,672	(\$13,328)
EXPENDITURES:				
Other Services and Charges	\$75,500	\$96,252	\$115,078	(\$18,826)
Interfund Payments for Services	21,000	21,000	832	20,168
TOTAL EXPENDITURES	\$96,500	\$117,252	\$115,910	\$1,342
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	\$8,500	(\$12,252)	(\$24,238)	(\$11,986)
FUND BALANCES:				
Fund Balance, January 1	\$60,894	\$60,894	\$69,633	\$8,739
FUND BALANCE, DECEMBER 31	\$69,394	\$48,642	\$45,395	(\$3,247)

SKAGIT COUNTY, WASHINGTON

Salmon Recovery

Schedule of Revenues, Expenditures and Changes in Fund Balance

Budget (GAAP Basis) and Actual

For the Year Ended December 31, 2004

	Original Budget	Final Budget	ACTUAL	Variance with Final Budget Positive/ (Negative)
REVENUES:				
Intergovernmental Revenue	\$1,070,000	\$1,070,000	\$319,479	(\$750,521)
Charges for Goods and Services	306,684	306,684	8,896	(297,788)
Interest Revenue	0	0	6,761	6,761
Miscellaneous Revenues	40,000	40,000	953	(39,047)
TOTAL REVENUES	\$1,416,684	\$1,416,684	\$336,089	(\$1,080,595)
EXPENDITURES:				
Salaries and Wages	\$321,055	\$321,055	\$241,989	\$79,066
Personnel Benefits	82,825	82,825	58,071	24,754
Supplies	49,200	49,200	11,705	37,495
Services and Charges	312,355	312,355	367,064	(54,709)
Intergovernmental Services/Interfund Payments	0	0	78	(78)
Capital Outlays	965,853	965,853	85,357	880,496
Interfund Payments for Services	0	0	89,210	(89,210)
TOTAL EXPENDITURES	\$1,731,288	\$1,731,288	\$853,474	\$877,814
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	(\$314,604)	(\$314,604)	(\$517,385)	(\$202,781)
FUND BALANCES:				
Fund Balance, January 1	\$838,140	\$838,140	\$803,107	(\$35,033)
FUND BALANCE, DECEMBER 31	\$523,536	\$523,536	\$285,720	(\$237,816)

SKAGIT COUNTY, WASHINGTON
Conservation Futures
Schedule of Revenues, Expenditures and Changes in Fund Balance
Budget (GAAP Basis) and Actual
For the Year Ended December 31, 2004

REVENUES:	Original Budget	Final Budget	ACTUAL	Variance with Final Budget Positive/ (Negative)
Taxes	\$575,000	\$575,000	\$576,305	\$1,305
Intergovernmental Revenue	706,772	706,772	476,247	(230,525)
Interest Revenue	3,000	3,000	4,320	1,320
Donations	0	0	350	350
Miscellaneous Revenues	0	0	386	386
TOTAL REVENUES	\$1,284,772	\$1,284,772	\$1,057,608	(\$227,164)
EXPENDITURES:				
Salaries and Wages	\$37,940	\$37,940	\$39,196	(\$1,256)
Personnel Benefits	12,201	12,201	7,163	5,038
Supplies	3,750	3,750	0	3,750
Services and Charges	46,300	60,300	57,341	2,959
Capital Outlays	1,184,581	1,189,581	1,189,611	(30)
Interfund Payments for Services	0	0	498	(498)
TOTAL EXPENDITURES	\$1,284,772	\$1,303,772	\$1,293,809	\$9,963
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	\$0	(\$19,000)	(\$236,201)	(\$217,201)
FUND BALANCES:				
Fund Balance, January 1	\$1,057,680	\$1,057,680	\$1,118,042	\$60,362
FUND BALANCE, DECEMBER 31	\$1,057,680	\$1,038,680	\$881,841	(\$156,839)

SKAGIT COUNTY, WASHINGTON

Medic 1 Services

Schedule of Revenues, Expenditures and Changes in Fund Balance

Budget (GAAP Basis) and Actual

For the Year Ended December 31, 2004

	Original Budget	Final Budget	ACTUAL	Variance with Final Budget Positive/ (Negative)
REVENUES:				
Taxes	\$2,310,000	\$2,310,000	\$2,306,223	(\$3,777)
Intergovernmental Revenues	200,000	200,000	200,067	67
Interest Revenue	150	150	88	(62)
Miscellaneous Revenues	400	400	465	65
TOTAL REVENUES	\$2,510,550	\$2,510,550	\$2,506,843	(\$3,707)
EXPENDITURES:				
Services and Charges	\$842,500	\$842,500	\$853,669	(\$11,169)
Intergovernmental Services/Interfund Payments	1,668,050	2,018,050	1,975,529	42,521
TOTAL EXPENDITURES	\$2,510,550	\$2,860,550	\$2,829,199	\$31,352
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	\$0	(\$350,000)	(\$322,356)	\$27,644
FUND BALANCES:				
Fund Balance, January 1	\$203,641	\$203,641	\$651,588	\$447,947
FUND BALANCE, DECEMBER 31	\$203,641	(\$146,359)	\$329,233	\$475,591

SKAGIT COUNTY, WASHINGTON

Crime/Victim Services

Schedule of Revenues, Expenditures and Changes in Fund Balance

Budget (GAAP Basis) and Actual

For the Year Ended December 31, 2004

	Original Budget	Final Budget	ACTUAL	Variance with Final Budget Positive/ (Negative)
REVENUES:				
Charges for Goods and Services	\$70,000	\$70,000	\$67,214	(\$2,786)
Miscellaneous Revenues	0	0	35	35
TOTAL REVENUES	\$70,000	\$70,000	\$67,248	(\$2,751)
EXPENDITURES:				
Supplies	\$4,500	\$4,500	\$3,598	\$902
Services and Charges	11,400	11,400	4,277	7,123
Interfund Payments for Services	60,000	60,000	60,538	(538)
TOTAL EXPENDITURES	\$75,900	\$75,900	\$68,413	\$7,487
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	(\$5,900)	(\$5,900)	(\$1,165)	\$4,735
FUND BALANCES:				
Fund Balance, January 1	\$160,594	\$160,594	\$109,731	(\$50,863)
FUND BALANCE, DECEMBER 31	\$154,694	\$154,694	\$108,566	(\$46,128)

SKAGIT COUNTY, WASHINGTON
Communication System
Schedule of Revenues, Expenditures and Changes in Fund Balance
Budget (GAAP Basis) and Actual
For the Year Ended December 31, 2004

REVENUES:	Original Budget	Final Budget	ACTUAL	Variance with Final Budget Positive/ (Negative)
Taxes	\$2,450,000	\$2,947,000	\$2,741,192	(\$205,808)
TOTAL REVENUES	\$2,450,000	\$2,947,000	\$2,741,192	(\$205,808)
EXPENDITURES:				
Services and Charges	\$2,450,000	\$3,108,969	\$2,903,161	\$205,808
Interfund Payments for Services			14,558	(14,558)
TOTAL EXPENDITURES	\$2,450,000	\$3,108,969	\$2,917,719	\$191,250
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	\$0	(\$161,969)	(\$176,527)	(\$14,558)
FUND BALANCES:				
Fund Balance, January 1	\$274,378	\$274,378	\$167,903	(\$106,475)
FUND BALANCE, DECEMBER 31	\$274,378	\$112,409	(\$8,624)	(\$121,033)

SKAGIT COUNTY, WASHINGTON

Best Place

Schedule of Revenues, Expenditures and Changes in Fund Balance

Budget (GAAP Basis) and Actual

For the Year Ended December 31, 2004

	Original Budget	Final Budget	ACTUAL	Variance with Final Budget Positive/ (Negative)
REVENUES:				
Charges for Goods and Services	\$0	\$0	\$65	\$65
TOTAL REVENUES	\$0	\$0	\$65	\$65
EXPENDITURES:				
TOTAL EXPENDITURES	\$0	\$0	\$0	\$0
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	\$0	\$0	\$65	\$65
OTHER FINANCING SOURCES (USES):				
Transfers In	\$0	\$0	\$63,252	\$63,252
TOTAL OTHER FINANCING SOURCES (USES)	\$0	\$0	\$63,252	\$63,252
EXCESS (DEFICIENCY) OF REVENUES AND OTHER FINANCING SOURCES OVER EXPENDITURES AND OTHER FINANCING USES	\$0	\$0	\$63,317	\$63,317
FUND BALANCES:				
Fund Balance, January 1	\$0	\$0	(\$63,251)	(\$63,251)
FUND BALANCE, DECEMBER 31	\$0	\$0	\$65	\$65

SKAGIT COUNTY, WASHINGTON

Water Quality

Schedule of Revenues, Expenditures and Changes in Fund Balance

Budget (GAAP Basis) and Actual

For the Year Ended December 31, 2004

	Original Budget	Final Budget	ACTUAL	Variance with Final Budget Positive/ (Negative)
REVENUES:				
Charges for Goods and Services	\$7,500	\$7,500	\$0	(\$7,500)
TOTAL REVENUES	\$7,500	\$7,500	\$0	(\$7,500)
EXPENDITURES:				
Other Services and Charges	\$757,500	\$757,500	\$474,216	\$283,284
TOTAL EXPENDITURES	\$757,500	\$757,500	\$474,216	\$283,284
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	(\$750,000)	(\$750,000)	(\$474,216)	\$275,784
OTHER FINANCING SOURCES (USES):				
Transfers In	\$0	\$0	\$25,000	25,000
Issuance of Long-Term Debt	\$750,000	\$750,000	\$486,036	(\$263,964)
TOTAL OTHER FINANCING SOURCES (USES)	\$750,000	\$750,000	\$511,036	(\$238,964)
EXCESS (DEFICIENCY) OF REVENUES AND OTHER FINANCING SOURCES OVER EXPENDITURES AND OTHER FINANCING USES	\$0	\$0	\$36,820	\$36,820
FUND BALANCES:				
Fund Balance, January 1	\$100,000	\$100,000	\$100,000	\$0
FUND BALANCE, DECEMBER 31	\$100,000	\$100,000	\$136,819	\$36,819

SKAGIT COUNTY, WASHINGTON
Bryson Road Sub-Flood Control Zone
Schedule of Revenues, Expenditures and Changes in Fund Balance
Budget (GAAP Basis) and Actual
For the Year Ended December 31, 2004

REVENUES:	Original Budget	Final Budget	ACTUAL	Variance with Final Budget Positive/ (Negative)
Taxes	\$4,100	\$4,100	\$5,132	\$1,032
Interest Revenue	100	100	207	107
TOTAL REVENUES	\$4,200	\$4,200	\$5,339	\$1,139
EXPENDITURES:				
Salaries and Wages	\$435	\$435	\$692	(\$257)
Personnel Benefits	91	91	213	(122)
Services and Charges	250	250	31	219
Interfund Payments for Services	1,200	1,200	0	1,200
TOTAL EXPENDITURES	\$1,976	\$1,976	\$936	\$1,040
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	\$2,224	\$2,224	\$4,403	\$2,179
FUND BALANCES:				
Fund Balance, January 1	\$12,108	\$12,108	\$16,091	\$3,983
FUND BALANCE, DECEMBER 31	\$14,332	\$14,332	\$20,494	\$6,162

SKAGIT COUNTY, WASHINGTON
Sedro Woolley Sub-Flood Control Zone
Schedule of Revenues, Expenditures and Changes in Fund Balance
Budget (GAAP Basis) and Actual
For the Year Ended December 31, 2004

REVENUES:	Original Budget	Final Budget	ACTUAL	Variance with Final Budget Positive/ (Negative)
Taxes	\$20,000	\$20,000	\$20,218	\$218
Interest Revenue	1,800	1,800	2,818	1,018
TOTAL REVENUES	\$21,800	\$21,800	\$23,035	\$1,235
EXPENDITURES:				
Salaries and Wages	\$3,342	\$3,342	\$1,608	\$1,734
Personnel Benefits	849	849	537	312
Supplies	0	0	550	(550)
Services and Charges	20,600	20,600	1,404	19,196
Capital Outlays	2,500	2,500	0	2,500
Interfund Payments for Services	5,500	5,500	1,985	3,515
TOTAL EXPENDITURES	\$32,791	\$32,791	\$6,084	\$26,707
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	(\$10,991)	(\$10,991)	\$16,951	\$27,942
FUND BALANCES:				
Fund Balance, January 1	\$195,986	\$195,986	\$231,323	\$35,337
FUND BALANCE, DECEMBER 31	\$184,995	\$184,995	\$248,274	\$63,279

SKAGIT COUNTY, WASHINGTON
Britt Slough Flood Control Zone
Schedule of Revenues, Expenditures and Changes in Fund Balance
Budget (GAAP Basis) and Actual
For the Year Ended December 31, 2004

REVENUES:	Original Budget	Final Budget	ACTUAL	Variance with Final Budget Positive/ (Negative)
Taxes	\$15,600	\$15,600	\$15,569	(\$31)
Intergovernmental Revenues	\$65,200	\$65,200	\$10,519	(54,681)
Interest Revenue	0	0	921	921
TOTAL REVENUES	\$80,800	\$80,800	\$27,009	(\$53,791)
EXPENDITURES:				
Salaries and Wages	\$3,398	\$3,398	\$1,371	\$2,027
Personnel Benefits	713	713	383	330
Supplies	0	0	45	(45)
Services and Charges	15,400	15,400	5,132	10,268
Capital Outlays	77,000	77,000	0	77,000
Interfund Payments for Services	2,200	2,200	1,625	575
TOTAL EXPENDITURES	\$98,711	\$98,711	\$8,557	\$90,155
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	(\$17,911)	(\$17,911)	\$18,452	\$36,363
FUND BALANCES:				
Fund Balance, January 1	\$74,149	\$74,149	\$72,834	(\$1,315)
FUND BALANCE, DECEMBER 31	\$56,238	\$56,238	\$91,286	\$35,048

SKAGIT COUNTY, WASHINGTON
Sedro Woolley Lateral Sub-Flood Control Zone
Schedule of Revenues, Expenditures and Changes in Fund Balance
Budget (GAAP Basis) and Actual
For the Year Ended December 31, 2004

	Original Budget	Final Budget	ACTUAL	Variance with Final Budget Positive/ (Negative)
REVENUES:				
Interest Revenue	\$0	\$0	\$19	\$19
TOTAL REVENUES	\$0	\$0	\$19	\$19
EXPENDITURES:				
TOTAL EXPENDITURES	\$0	\$0	\$0	\$0
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	\$0	\$0	\$19	\$19
FUND BALANCES:				
Fund Balance, January 1	\$1,897	\$1,897	\$1,916	\$19
FUND BALANCE, DECEMBER 31	\$1,897	\$1,897	\$1,935	\$38

SKAGIT COUNTY, WASHINGTON
Mount Vernon South Sub-Flood Control Zone
Schedule of Revenues, Expenditures and Changes in Fund Balance
Budget (GAAP Basis) and Actual
For the Year Ended December 31, 2004

	Original Budget	Final Budget	ACTUAL	Variance with Final Budget Positive/ (Negative)
REVENUES:				
Interest Revenue	\$766	\$766	\$698	(\$68)
TOTAL REVENUES	\$766	\$766	\$698	(\$68)
EXPENDITURES:				
Salaries and Wages	\$1,781	\$1,781	\$1,175	\$606
Personnel Benefits	448	448	371	77
Supplies	100	100	60	40
Services and Charges	0	0	54	(54)
Interfund Payments for Services	1,500	1,500	866	634
TOTAL EXPENDITURES	\$3,829	\$3,829	\$2,527	\$1,303
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	(\$3,063)	(\$3,063)	(\$1,829)	\$1,234
FUND BALANCES:				
Fund Balance, January 1	\$62,218	\$62,218	\$58,537	(\$3,681)
FUND BALANCE, DECEMBER 31	\$59,155	\$59,155	\$56,707	(\$2,448)

SKAGIT COUNTY, WASHINGTON
Dunbar Sub-Flood Control Zone Maintenance
Schedule of Revenues, Expenditures and Changes in Fund Balance
Budget (GAAP Basis) and Actual
For the Year Ended December 31, 2004

REVENUES:	Original Budget	Final Budget	ACTUAL	Variance with Final Budget Positive/ (Negative)
Taxes	\$3,700	\$3,700	\$3,381	(\$319)
Interest Revenue	27	27	90	63
TOTAL REVENUES	\$3,727	\$3,727	\$3,471	(\$256)
EXPENDITURES:				
Salaries and Wages	\$689	\$689	\$141	\$548
Personnel Benefits	190	190	42	148
Supplies	100	100	0	100
Services and Charges	850	850	375	475
Interfund Payments for Services	2,600	2,600	413	2,187
TOTAL EXPENDITURES	\$4,429	\$4,429	\$971	\$3,458
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	(\$702)	(\$702)	\$2,500	\$3,202
FUND BALANCES:				
Fund Balance, January 1	\$5,982	\$5,982	\$8,178	\$2,196
FUND BALANCE, DECEMBER 31	\$5,280	\$5,280	\$10,678	\$5,398

SKAGIT COUNTY, WASHINGTON
Similk Beach Pumping Station
Schedule of Revenues, Expenditures and Changes in Fund Balance
Budget (GAAP Basis) and Actual
For the Year Ended December 31, 2004

	Original Budget	Final Budget	ACTUAL	Variance with Final Budget Positive/ (Negative)
REVENUES:				
TOTAL REVENUES	\$0	\$0	\$0	\$0
EXPENDITURES:				
TOTAL EXPENDITURES	\$0	\$0	\$0	\$0
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	\$0	\$0	\$0	\$0
FUND BALANCES:				
Fund Balance, January 1	\$0	\$0	\$0	\$0
FUND BALANCE, DECEMBER 31	\$0	\$0	\$0	\$0

SKAGIT COUNTY, WASHINGTON
Blanchard Sub-Flood Control Zone
Schedule of Revenues, Expenditures and Changes in Fund Balance
Budget (GAAP Basis) and Actual
For the Year Ended December 31, 2004

REVENUES:	Original Budget	Final Budget	ACTUAL	Variance with Final Budget Positive/ (Negative)
Taxes	\$8,000	\$8,000	\$8,112	\$112
Interest Revenue	121	121	233	112
TOTAL REVENUES	\$8,121	\$8,121	\$8,345	\$224
EXPENDITURES:				
Salaries and Wages	\$2,963	\$2,963	\$1,404	\$1,559
Personnel Benefits	752	752	390	362
Supplies	100	100	178	(78)
Services and Charges	7,500	7,500	5,061	2,439
Interfund Payments for Services	3,000	3,000	176	2,824
TOTAL EXPENDITURES	\$14,315	\$14,315	\$7,209	\$7,106
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	(\$6,194)	(\$6,194)	\$1,136	\$7,330
FUND BALANCES:				
Fund Balance, January 1	\$20,710	\$20,710	\$18,304	(\$2,406)
FUND BALANCE, DECEMBER 31	\$14,516	\$14,516	\$19,440	\$4,924

SKAGIT COUNTY, WASHINGTON
Shangrila Sub-Flood Control Zone
Schedule of Revenues, Expenditures and Changes in Fund Balance
Budget (GAAP Basis) and Actual
For the Year Ended December 31, 2004

	Original Budget	Final Budget	ACTUAL	Variance with Final Budget Positive/ (Negative)
REVENUES:				
Miscellaneous Revenue	\$0	\$0	\$48	\$48
TOTAL REVENUES	\$0	\$0	\$48	\$48
EXPENDITURES:				
TOTAL EXPENDITURES	\$0	\$0	\$0	\$0
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	\$0	\$0	\$48	\$48
FUND BALANCES:				
Fund Balance, January 1	\$4,060	\$4,060	\$4,106	\$46
FUND BALANCE, DECEMBER 31	\$4,060	\$4,060	\$4,154	\$94

SKAGIT COUNTY, WASHINGTON
Hansen Creek Sub-Flood Control Zone
Schedule of Revenues, Expenditures and Changes in Fund Balance
Budget (GAAP Basis) and Actual
For the Year Ended December 31, 2004

	Original Budget	Final Budget	ACTUAL	Variance with Final Budget Positive/ (Negative)
REVENUES:				
Taxes	\$15,000	\$15,000	\$9,458	(\$5,542)
Interest Revenue	75	75	140	65
TOTAL REVENUES	\$15,075	\$15,075	\$9,598	(\$5,477)
EXPENDITURES:				
Salaries and Wages	\$8,606	\$8,606	\$12,012	(\$3,406)
Personnel Benefits	2,206	2,206	3,618	(1,412)
Supplies	500	500	369	131
Services and Charges	55,000	55,000	4,678	50,322
Intergovernmental Services/Interfund Payments	0	0	0	0
Capital Outlays	0	0	0	0
Interfund Payments for Services	2,000	2,000	10,829	(8,829)
TOTAL EXPENDITURES	\$68,312	\$68,312	\$31,505	\$36,806
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	(\$53,237)	(\$53,237)	(\$21,907)	\$31,330
OTHER FINANCING SOURCES (USES):				
Transfers In	\$10,000	\$10,000	\$0	(\$10,000)
TOTAL OTHER FINANCING SOURCES (USES)	\$10,000	\$10,000	\$0	(\$10,000)
EXCESS (DEFICIENCY) OF REVENUES AND OTHER FINANCING SOURCES OVER EXPENDITURES AND OTHER FINANCING USES	(\$43,237)	(\$43,237)	(\$21,907)	\$21,330
FUND BALANCES:				
Fund Balance, January 1	\$14,478	\$14,478	\$15,780	\$1,302
FUND BALANCE, DECEMBER 31	(\$28,759)	(\$28,759)	(\$6,127)	\$22,632

SKAGIT COUNTY, WASHINGTON
Warner Prairie Sub-Flood Control Zone
Schedule of Revenues, Expenditures and Changes in Fund Balance
Budget (GAAP Basis) and Actual
For the Year Ended December 31, 2004

REVENUES:	Original Budget	Final Budget	ACTUAL	Variance with Final Budget Positive/ (Negative)
Taxes	\$1,000	\$1,000	\$1,510	\$510
Interest Revenue	100	100	89	(11)
TOTAL REVENUES	\$1,100	\$1,100	\$1,599	\$499
EXPENDITURES:				
Salaries and Wages	\$1,292	\$1,292	\$271	\$1,021
Personnel Benefits	277	277	81	196
Services and Charges	0	0	78	(78)
Interfund Payments for Services	400	400	23	377
TOTAL EXPENDITURES	\$1,969	\$1,969	\$452	\$1,516
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	(\$869)	(\$869)	\$1,147	\$2,016
FUND BALANCES:				
Fund Balance, January 1	\$9,644	\$9,644	\$8,006	(\$1,638)
FUND BALANCE, DECEMBER 31	\$8,775	\$8,775	\$9,154	\$379

SKAGIT COUNTY, WASHINGTON
Lake Management District #1
Schedule of Revenues, Expenditures and Changes in Fund Balance
Budget (GAAP Basis) and Actual
For the Year Ended December 31, 2004

REVENUES:	Original Budget	Final Budget	ACTUAL	Variance with Final Budget Positive/ (Negative)
Taxes	\$63,955	\$63,955	\$58,363	(\$5,592)
Intergovernmental Revenue	2,000	2,000	0	(2,000)
Interest Revenue	0	0	0	0
TOTAL REVENUES	\$65,955	\$65,955	\$58,363	(\$7,592)
EXPENDITURES:				
Salaries and Wages	\$6,394	\$6,394	\$6,417	(\$23)
Personnel Benefits	2,261	2,261	1,500	761
Supplies	500	500	52	448
Services and Charges	65,800	65,800	60,132	5,668
Interfund Payments for Services	1,448	1,448	1,500	(52)
TOTAL EXPENDITURES	\$76,403	\$76,403	\$69,601	\$6,802
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	(\$10,448)	(\$10,448)	(\$11,238)	(\$790)
FUND BALANCES:				
Fund Balance, January 1	\$39,447	\$39,447	(\$87,763)	(\$127,210)
FUND BALANCE, DECEMBER 31	\$28,999	\$28,999	(\$99,001)	(\$128,000)

SKAGIT COUNTY, WASHINGTON
Lake Management District #2
Schedule of Revenues, Expenditures and Changes in Fund Balance
Budget (GAAP Basis) and Actual
For the Year Ended December 31, 2004

REVENUES:	Original Budget	Final Budget	ACTUAL	Variance with Final Budget Positive/ (Negative)
Taxes	\$22,719	\$22,719	\$13,998	(\$8,721)
TOTAL REVENUES	\$22,719	\$22,719	\$13,998	(\$8,721)
EXPENDITURES:				
Salaries and Wages	\$5,480	\$5,480	\$3,784	\$1,696
Personnel Benefits	1,938	1,938	883	1,055
Supplies	500	500	18	482
Services and Charges	10,800	10,800	3,450	7,350
Interfund Payments for Services	412	412	448	(36)
TOTAL EXPENDITURES	\$19,130	\$19,130	\$8,584	\$10,547
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	\$3,589	\$3,589	\$5,414	\$1,825
FUND BALANCES:				
Fund Balance, January 1	(\$54,279)	(\$54,279)	(\$44,227)	\$10,052
FUND BALANCE, DECEMBER 31	(\$50,690)	(\$50,690)	(\$38,813)	\$11,877

SKAGIT COUNTY, WASHINGTON
Lake Management District #3
Schedule of Revenues, Expenditures and Changes in Fund Balance
Budget (GAAP Basis) and Actual
For the Year Ended December 31, 2004

REVENUES:	Original Budget	Final Budget	ACTUAL	Variance with Final Budget Positive/ (Negative)
Taxes	\$37,955	\$37,955	\$30,003	(\$7,952)
TOTAL REVENUES	\$37,955	\$37,955	\$30,003	(\$7,952)
EXPENDITURES:				
Salaries and Wages	\$6,394	\$6,394	\$8,090	(\$1,696)
Personnel Benefits	2,261	2,261	1,784	477
Supplies	500	500	22	478
Services and Charges	30,800	30,800	4,710	26,090
Interfund Payments for Services	408	408	485	(77)
TOTAL EXPENDITURES	\$40,363	\$40,363	\$15,091	\$25,272
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	(\$2,408)	(\$2,408)	\$14,913	\$17,321
FUND BALANCES:				
Fund Balance, January 1	(\$51,088)	(\$51,088)	(\$47,768)	\$3,320
FUND BALANCE, DECEMBER 31	(\$53,496)	(\$53,496)	(\$32,856)	\$20,640

SKAGIT COUNTY, WASHINGTON
Edison Clean Water District Sub-Area
Schedule of Revenues, Expenditures and Changes in Fund Balance
Budget (GAAP Basis) and Actual
For the Year Ended December 31, 2004

	Original Budget	Final Budget	ACTUAL	Variance with Final Budget Positive/ (Negative)
REVENUES:				
Taxes	\$40,000	\$40,000	\$32,677	(\$7,323)
Miscellaneous Revenues	0	0	1,482	1,482
TOTAL REVENUES	\$40,000	\$40,000	\$34,159	(\$5,841)
EXPENDITURES:				
Supplies	\$5,500	\$5,500	\$408	\$5,092
Other Services and Charges	34,500	34,500	25,520	8,980
TOTAL EXPENDITURES	\$40,000	\$40,000	\$25,927	\$14,072
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	\$0	\$0	\$8,232	\$8,232
FUND BALANCES:				
Fund Balance, January 1	\$25,394	\$25,394	\$18,577	(\$6,817)
FUND BALANCE, DECEMBER 31	\$25,394	\$25,394	\$26,809	\$1,415

SKAGIT COUNTY, WASHINGTON
Drug Enforcement Cumulative Reserve
Schedule of Revenues, Expenditures and Changes in Fund Balance
Budget (GAAP Basis) and Actual
For the Year Ended December 31, 2004

REVENUES:	Original Budget	Final Budget	ACTUAL	Variance with Final Budget Positive/ (Negative)
Intergovernmental Revenue	\$6,000	\$6,000	\$4,000	(\$2,000)
Fines and Forfeits	0	0	98,008	98,008
TOTAL REVENUES	\$6,000	\$6,000	\$102,008	\$96,008
EXPENDITURES:				
Salaries and Wages	\$3,000	\$5,200	\$5,950	(\$750)
Personnel Benefits	919	919	898	21
Supplies	1,681	1,681	1,213	468
Services and Charges	100	100	97	3
Interfund Payments for Services	300	300	0	300
TOTAL EXPENDITURES	\$6,000	\$8,200	\$8,157	\$42
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	\$0	(\$2,200)	\$93,851	\$96,051
FUND BALANCES:				
Fund Balance, January 1	\$11,075	\$11,075	\$10,346	(\$729)
FUND BALANCE, DECEMBER 31	\$11,075	\$8,875	\$104,197	\$95,322

SKAGIT COUNTY, WASHINGTON

Boating Safety

Schedule of Revenues, Expenditures and Changes in Fund Balance

Budget (GAAP Basis) and Actual

For the Year Ended December 31, 2004

	Original Budget	Final Budget	ACTUAL	Variance with Final Budget Positive/ (Negative)
REVENUES:				
Intergovernmental Revenue	\$70,000	\$70,000	\$63,680	(\$6,320)
TOTAL REVENUES	\$70,000	\$70,000	\$63,680	(\$6,320)
EXPENDITURES:				
Salaries and Wages	\$15,000	\$15,000	\$11,668	\$3,332
Personnel Benefits	3,835	3,835	2,605	1,230
Supplies	5,000	5,000	8,550	(3,550)
Services and Charges	6,000	6,000	3,174	2,826
Interfund Payments for Services	21,000	21,000	19,605	1,395
TOTAL EXPENDITURES	\$50,835	\$50,835	\$45,602	\$5,233
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	\$19,165	\$19,165	\$18,078	(\$1,087)
FUND BALANCES:				
Fund Balance, January 1	\$3,378	\$3,378	\$1,243	(\$2,135)
FUND BALANCE, DECEMBER 31	\$22,543	\$22,543	\$19,321	(\$3,222)

SKAGIT COUNTY, WASHINGTON
Low Income Housing
Schedule of Revenues, Expenditures and Changes in Fund Balance
Budget (GAAP Basis) and Actual
For the Year Ended December 31, 2004

REVENUES:	Original Budget	Final Budget	ACTUAL	Variance with Final Budget Positive/ (Negative)
Charges for Goods and Services	\$250,000	\$250,000	\$197,311	(\$52,689)
TOTAL REVENUES	\$250,000	\$250,000	\$197,311	(\$52,689)
EXPENDITURES:				
Other Services and Charges	\$0	\$301,723	\$217,163	\$84,560
Interfund Payments for Services	0	0	971	(971)
TOTAL EXPENDITURES	\$0	\$301,723	\$218,134	\$83,589
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	\$250,000	(\$51,723)	(\$20,823)	\$30,900
FUND BALANCES:				
Fund Balance, January 1	\$110,124	\$110,124	\$347,672	\$237,548
FUND BALANCE, DECEMBER 31	\$360,124	\$58,401	\$326,850	\$268,449

SKAGIT COUNTY, WASHINGTON

Title III Projects

Schedule of Revenues, Expenditures and Changes in Fund Balance

Budget (GAAP Basis) and Actual

For the Year Ended December 31, 2004

	Original Budget	Final Budget	ACTUAL	Variance with Final Budget Positive/ (Negative)
REVENUES:				
TOTAL REVENUES	\$0	\$0	\$0	\$0
EXPENDITURES:				
Other Services and Charges	\$26,100	\$31,100	\$9,511	\$21,589
TOTAL EXPENDITURES	\$26,100	\$31,100	\$9,511	\$21,589
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	<u>(\$26,100)</u>	<u>(\$31,100)</u>	<u>(\$9,511)</u>	<u>\$21,589</u>
FUND BALANCES:				
Fund Balance, January 1	\$64,498	\$64,498	\$64,533	\$35
FUND BALANCE, DECEMBER 31	<u>\$38,398</u>	<u>\$33,398</u>	<u>\$55,022</u>	<u>\$21,624</u>

SKAGIT COUNTY, WASHINGTON
Interlocal Investigation Cumulative Reserve
Schedule of Revenues, Expenditures and Changes in Fund Balance
Budget (GAAP Basis) and Actual
For the Year Ended December 31, 2004

	Original Budget	Final Budget	ACTUAL	Variance with Final Budget Positive/ (Negative)
REVENUES:				
Charges for Goods and Services	\$10,000	\$10,000	\$1,734	(\$8,266)
Fines and Forfeits	137,500	137,500	173,970	36,470
Interest Revenue	0	0	6,102	6,102
Miscellaneous Revenues	5,000	5,000	4,871	(129)
TOTAL REVENUES	\$152,500	\$152,500	\$186,677	\$34,177
EXPENDITURES:				
Other Services and Charges	\$140,300	\$140,300	\$96,617	\$43,683
Interfund Payments for Services		30,000	33,216	(3,216)
TOTAL EXPENDITURES	\$140,300	\$170,300	\$129,833	\$40,467
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	\$12,200	(\$17,800)	\$56,844	\$74,644
OTHER FINANCING SOURCES (USES):				
Transfers In	\$0	\$0	\$26,239	\$26,239
Transfers Out	0	0	(26,239)	(26,239)
TOTAL OTHER FINANCING SOURCES (USES)	\$0	\$0	\$0	\$0
EXCESS (DEFICIENCY) OF REVENUES AND OTHER FINANCING SOURCES OVER EXPENDITURES AND OTHER FINANCING USES	\$12,200	(\$17,800)	\$56,844	\$74,644
FUND BALANCES:				
Fund Balance, January 1	\$984,240	\$984,240	\$656,691	(\$327,549)
FUND BALANCE, DECEMBER 31	\$996,440	\$966,440	\$713,534	(\$252,906)

SKAGIT COUNTY, WASHINGTON

NONMAJOR DEBT SERVICE FUND

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

SKAGIT COUNTY, WASHINGTON
BALANCE SHEET
NONMAJOR DEBT SERVICE FUND
As of December 31, 2004

ASSETS AND OTHER DEBITS:	TOTALS
ASSETS:	
Cash	\$46,167
Investments	652,978
TOTAL ASSETS	\$699,145
LIABILITIES AND FUND BALANCES	
FUND BALANCES	
Reserved for Debt Service	699,145
TOTAL FUND BALANCES	\$699,145
TOTAL LIABILITIES AND FUND BALANCES	\$699,145

SKAGIT COUNTY, WASHINGTON
STATEMENT OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCES
DEBT SERVICE FUND

For the Year Ended December 31, 2004

REVENUES:	Actual
Interest Revenue	\$54,546
Miscellaneous Revenues	334,594
TOTAL REVENUES	\$389,140
EXPENDITURES:	
Debt Service: Principal	\$759,276
Debt Service: Interest and Related Costs	527,654
TOTAL EXPENDITURES	\$1,286,930
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	(\$897,790)
OTHER FINANCING SOURCES (USES):	
Transfers In	\$933,067
TOTAL OTHER FINANCING SOURCES (USES)	\$933,067
EXCESS (DEFICIENCY) OF REVENUES AND OTHER FINANCING SOURCES OVER EXPENDITURES AND OTHER FINANCING USES	\$35,277
FUND BALANCES:	
Fund Balance, January 1	\$663,868
FUND BALANCE, DECEMBER 31	\$699,145

SKAGIT COUNTY, WASHINGTON NONMAJOR CAPITAL PROJECT FUNDS

Capital Project Funds are established in Skagit County to account for financial resources used for the acquisition or construction of major capital facilities. Both revenues and expenditures are budgeted in compliance with the procedures established in th

Land Acquisition Fund - A fund to account for the purchase of land.

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

Park Acquisition & Development 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 f

Public Works Building Construction Fund - A fund established to provide accounting for the expenses incurred in investigation, planning, construction, improvement, repair, acquisition, and equipping of public facilities for the Public Works Department.

SKAGIT COUNTY, WASHINGTON
COMBINING BALANCE SHEET
NONMAJOR CAPITAL PROJECTS FUNDS
As of December 31, 2004

	LAND AND FACILITIES ACQUISITION	CAPITAL IMPROVEMENTS	PARKS ACQUISITION	PUBLIC WORKS BUILDING	2004 TOTALS
ASSETS:					
ASSETS:					
Cash	\$688,585			\$0	\$2,388,157
Investments	0	\$1,371,442	\$328,130	0	700,000
Due from Other Funds	0	500,000	200,000	0	38,525
Due from another government unit	0	0	38,525	0	89,015
TOTAL ASSETS	\$688,585	\$1,871,442	\$655,670	\$0	\$3,215,696
LIABILITIES AND FUND BALANCES					
LIABILITIES:					
Accounts/vouchers payable	\$118,048	\$1,555	\$7,963	\$0	\$127,566
Due to other funds	0	0	550	0	550
TOTAL LIABILITIES	\$118,048	\$1,555	\$8,513	\$0	\$128,116
FUND BALANCES					
Fund balances:					
Undesignated	\$570,536	\$1,869,887	\$647,157	\$0	\$3,087,580
TOTAL FUND BALANCES	\$570,536	\$1,869,887	\$647,157	\$0	\$3,087,580
TOTAL LIABILITIES AND FUND BALANCES	\$688,585	\$1,871,442	\$655,670	\$0	\$3,215,696

SKAGIT COUNTY, WASHINGTON
COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
NONMAJOR CAPITAL PROJECTS FUNDS
For the Year Ended December 31, 2004

REVENUES:	LAND ACQUISITION/ FACILITIES	CAPITAL IMPROVEMENTS FUND	PARK ACQUISITION FUND	PUBLIC WORKS BUILDING FUND	TOTALS
Excise Taxes	\$0	\$1,676,610	\$0	\$0	\$1,676,610
Intergovernmental Revenue	0	0	623,879	0	623,879
Charges for Goods and Services	0	0	31,205	0	31,205
Interest Revenue	6,757	6,652	2,582	0	15,991
Donations	0	0	543,000	0	543,000
Other Revenue	0	0	1,827	0	1,827
TOTAL REVENUES	\$6,757	\$1,683,262	\$1,202,493	\$0	\$2,892,512
EXPENDITURES:					
Transportation	\$0	\$25,000	\$16,407	\$0	\$41,407
Culture and Recreation	0	0	3,780	0	3,780
Capital Outlay:					
General Governmental Services	3,136,243	0	0	0	3,136,243
Culture and Recreation	0	108,558	1,249,523	0	1,358,081
Total Capital Outlay	\$3,136,243	\$108,558	\$1,249,523	\$0	\$4,494,324
TOTAL EXPENDITURES	\$3,136,243	\$133,558	\$1,269,710	\$0	\$4,539,511
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	(\$3,129,486)	\$1,549,704	(\$67,217)	\$0	(\$1,646,999)
OTHER FINANCING SOURCES (USES):					
Proceeds of Capital Assets	\$6,000	\$0	\$0	\$0	\$6,000
Transfers In	1,875,000	0	199,071	0	2,074,071
Transfers Out	0	(836,164)	0	0	(836,164)
TOTAL OTHER FINANCING SOURCES (USES)	\$1,881,000	(\$836,164)	\$199,071	\$0	\$1,243,907
EXCESS (DEFICIENCY) OF REVENUES AND OTHER FINANCING SOURCES OVER EXPENDITURES AND OTHER FINANCING USES	(\$1,248,486)	\$713,540	\$131,854	\$0	(\$403,092)
FUND BALANCES:					
Fund Balance, January 1	\$1,819,023	\$1,156,346	\$515,303	\$0	\$3,490,672
FUND BALANCE, DECEMBER 31	\$570,536	\$1,869,887	\$647,157	\$0	\$3,087,580

SKAGIT COUNTY, WASHINGTON
Schedule of Revenues, Expenditures and Changes in Fund Balances
Budget (GAAP Basis) and Actual
Land Acquisition/Facilities
For the Year Ended December 31, 2004

REVENUES:	Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)
Interest Revenue	\$0	\$0	\$6,757	\$6,757
TOTAL REVENUES	\$0	\$0	\$6,757	\$6,757
EXPENDITURES:				
Capital Outlays	\$3,750,000	\$3,750,000	\$3,136,243	\$613,757
TOTAL EXPENDITURES	\$3,750,000	\$3,750,000	\$3,136,243	\$613,757
 EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	 (\$3,750,000)	 (\$3,750,000)	 (\$3,129,486)	 \$620,514
OTHER FINANCING SOURCES (USES):				
Proceeds of Capital Assets	\$0	\$0	\$6,000	\$6,000
Transfers In	2,150,000	2,150,000	1,875,000	(275,000)
TOTAL OTHER FINANCING SOURCES (USES)	\$2,150,000	\$2,150,000	\$1,881,000	(\$269,000)
 EXCESS (DEFICIENCY) OF REVENUES AND OTHER FINANCING SOURCES OVER EXPENDITURES AND OTHER FINANCING USES	 (\$1,600,000)	 (\$1,600,000)	 (\$1,248,486)	 \$351,514
FUND BALANCES:				
Fund Balance, January 1	\$1,751,080	\$1,751,080	\$1,819,023	\$67,943
FUND BALANCE, DECEMBER 31	\$151,080	\$151,080	\$570,536	\$419,457

SKAGIT COUNTY, WASHINGTON
Schedule of Revenues, Expenditures and Changes in Fund Balances
Budget (GAAP Basis) and Actual
Capital Improvements
For the Year Ended December 31,2004

	Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)
REVENUES:				
Excise Taxes	\$1,155,000	\$1,155,000	\$1,676,610	\$521,610
Interest Revenue	10,000	10,000	6,652	(3,348)
TOTAL REVENUES	\$1,165,000	\$1,165,000	\$1,683,262	\$518,262
EXPENDITURES:				
Other Services and Charges	\$0	\$0	\$25,000	(\$25,000)
Capital Outlay:	132,558	267,558	108,558	159,000
TOTAL EXPENDITURES	\$132,558	\$267,558	\$133,558	\$134,000
 EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	 \$1,032,442	 \$897,442	 \$1,549,704	 \$652,262
OTHER FINANCING SOURCES (USES):				
Transfers Out	(\$714,407)	(\$836,174)	(\$836,164)	\$10
TOTAL OTHER FINANCING SOURCES (USES)	(\$714,407)	(\$836,174)	(\$836,164)	\$10
 EXCESS (DEFICIENCY) OF REVENUES AND OTHER FINANCING SOURCES OVER EXPENDITURES AND OTHER FINANCING USES	 \$318,035	 \$61,268	 \$713,540	 \$652,272
FUND BALANCES:				
Fund Balance, January 1	\$1,218,472	\$1,218,472	\$1,156,346	(\$62,126)
FUND BALANCE, DECEMBER 31	\$1,536,507	\$1,279,740	\$1,869,887	\$590,146

SKAGIT COUNTY, WASHINGTON
Schedule of Revenues, Expenditures and Changes in Fund Balances
Budget (GAAP Basis) and Actual
Park Acquisition
For the Year Ended December 31,2004

	Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)
REVENUES:				
Intergovernmental Revenue	\$0	\$745,240	\$623,879	(\$121,361)
Charges for Goods and Services	18,000	18,000	31,205	13,205
Interest Revenue	1,500	15,000	2,582	(12,418)
Donations	0	543,000	544,827	1,827
TOTAL REVENUES	\$19,500	\$1,321,240	\$1,202,493	(\$118,747)
EXPENDITURES:				
Other Services and Charges	\$34,641	\$59,641	\$20,187	\$39,454
Capital Outlays	180,959	1,648,815	1,249,523	399,292
TOTAL EXPENDITURES	\$215,600	\$1,708,456	\$1,269,710	\$438,746
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	(\$196,100)	(\$387,216)	(\$67,217)	\$319,999
OTHER FINANCING SOURCES (USES):				
Transfers In	\$77,304	\$199,071	\$199,071	\$0
TOTAL OTHER FINANCING SOURCES (USES)	\$77,304	\$199,071	\$199,071	\$0
EXCESS (DEFICIENCY) OF REVENUES AND OTHER FINANCING SOURCES OVER EXPENDITURES AND OTHER FINANCING USES	(\$118,796)	(\$188,145)	\$131,854	\$319,999
FUND BALANCES:				
Fund Balance, January 1	\$456,008	\$456,008	\$515,303	\$59,295
FUND BALANCE, DECEMBER 31	\$337,212	\$267,863	\$647,157	\$379,294

SKAGIT COUNTY, WASHINGTON
Schedule of Revenues, Expenditures and Changes in Fund Balances
Budget (GAAP Basis) and Actual
Public Works Building
For the Year Ended December 31,2004

	Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)
REVENUES:				
Excise Taxes	\$0	\$0	\$0	\$0
Intergovernmental Revenue	0	0	0	0
Charges for Goods and Services	0	0	0	0
Interest Revenue	0	0	0	0
Donations	0	0	0	0
TOTAL REVENUES	\$0	\$0	\$0	\$0
EXPENDITURES:				
TOTAL EXPENDITURES	\$0	\$0	\$0	\$0
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	\$0	\$0	\$0	\$0
OTHER FINANCING SOURCES (USES):				
Proceeds of General Long-Term Debt	\$0	\$0	\$0	\$0
Operating Transfers In	0	0	0	0
Operating Transfers Out	0	0	0	0
TOTAL OTHER FINANCING SOURCES (USES)	\$0	\$0	\$0	\$0
EXCESS (DEFICIENCY) OF REVENUES AND OTHER FINANCING SOURCES OVER EXPENDITURES AND OTHER FINANCING USES	\$0	\$0	\$0	\$0
FUND BALANCES:				
Fund Balance, January 1	\$0	\$0	\$0	\$0
FUND BALANCE, DECEMBER 31	\$0	\$0	\$1	\$0

SKAGIT COUNTY, WASHINGTON MAJOR CAPITAL PROJECT FUND

Capital Project Funds are established in Skagit County to account for financial resources used for the acquisition or construction of major capital facilities. Both revenues and expenditures are budgeted in compliance with the procedures established in th

Distressed County Public Facilities 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.

SKAGIT COUNTY, WASHINGTON
Schedule of Revenues, Expenditures and Changes in Fund Balance
Budget (GAAP Basis) and Actual
Distressed County Facilities
For the Year Ended December 31, 2004

	Original Budget	Final Budget	Actual	Variance with Final Budget Positive/ (Negative)
Revenues				
Sales and Use Taxes	\$1,500,000	\$1,500,000	\$1,696,189	\$196,189
Interest Earnings	150,000	150,000	79,860	(70,140)
Total Revenues	<u>\$1,650,000</u>	<u>\$1,650,000</u>	<u>\$1,776,049</u>	<u>\$126,049</u>
Expenditures				
Economic Environment	\$4,684,358	\$4,684,358	\$1,088,894	\$3,595,464
Total Expenditures	<u>\$4,684,358</u>	<u>\$4,684,358</u>	<u>\$1,088,894</u>	<u>\$3,595,464</u>
Excess (Deficit) Revenues Over Expenditures	<u>(\$3,034,358)</u>	<u>(\$3,034,358)</u>	<u>\$687,155</u>	<u>\$3,721,513</u>
Other Financing Sources (Uses)				
Operating Transfers Out	(\$629,809)	(\$629,809)	(\$629,809)	\$0
Total Other Financing Source (Uses)	<u>(\$629,809)</u>	<u>(\$629,809)</u>	<u>(\$629,809)</u>	<u>\$0</u>
Net Change in Fund Balance	(\$3,664,167)	(\$3,664,167)	\$57,346	\$3,721,513
Fund Balance-January 1	6,189,024	6,189,024	6,325,009	135,985
Fund Balance-December 31	<u><u>\$2,524,857</u></u>	<u><u>\$2,524,857</u></u>	<u><u>\$6,382,355</u></u>	<u><u>\$3,857,498</u></u>

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SKAGIT COUNTY, WASHINGTON

NONMAJOR ENTERPRISE FUNDS

For the Year ended December 31,2004, Skagit County has no Nonmajor Enterprise Funds.

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**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. The accrua

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

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

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

SKAGIT COUNTY, WASHINGTON
Combining Statement of Net Assets
Internal Service Funds
December 31, 2004

	Equipment Rental Fund	Insurance Service Fund	Central Services Fund	Unemployment Compensation Fund	2004 Total
Assets					
<u>Current Assets</u>					
Cash/Cash Equivalents	\$1,394,660	\$138,030	\$420,294	\$22,067	\$1,975,051
Deposits	0	35,000	0	0	35,000
Investments	1,414,630	275,000	0	0	1,689,630
Accounts Receivable	1,845	0	0	0	1,845
Due From Other Funds	27,278	1,148,557	514,657	0	1,690,491
Due From Other Governmental Units	0	0	25,459	0	25,459
Inventory	4,767,538	0	0	0	4,767,538
Prepayments	5,511	0	16,136	0	21,647
Total Current Assets	\$7,611,462	\$1,596,587	\$976,546	\$22,067	\$10,206,662
<u>Noncurrent Assets</u>					
<u>Capital Assets</u>					
Buildings	\$180,888	\$0	\$0	\$0	\$180,888
Machinery and Equipment	12,655,379	0	759,867	0	13,415,246
Less Accumulated Depreciation	(6,869,347)	0	(433,096)	0	(7,302,443)
Total noncurrent assets	\$5,966,920	\$0	\$326,771	\$0	\$6,293,691
Total Assets	\$13,578,382	\$1,596,587	\$1,303,317	\$22,067	\$16,500,353
Liabilities					
<u>Current Liabilities</u>					
Accounts/Vouchers Payable	\$168,241	\$156,954	\$57,056	\$19,978	\$402,229
Claims and Judgments Payable	0	1,375,601	0	0	1,375,601
Due To Other Funds	195,012	40,136	2,000	0	237,148
Accrued Wages Payable	20,754	8,966	61,549	0	91,269
Accrued Employee Benefits	5,712	1,952	15,853	0	23,517
Accrued Taxes Payable	77	0	0	0	77
Compensated Absences	39,531	9,736	56,672	0	105,939
Total Current Liabilities	\$429,327	\$1,593,345	\$193,130	\$19,978	\$2,235,780
Total Liabilities	\$429,327	\$1,593,345	\$193,130	\$19,978	\$2,235,780
<u>Fund Equity</u>					
<u>Net Assets</u>					
Invested in capital assets, net of related debt	\$5,966,920	\$0	\$326,771	\$0	\$6,293,691
Unrestricted	7,182,135	3,242	783,416	2,089	7,970,882
Total net assets	\$13,149,055	\$3,242	\$1,110,187	\$2,089	\$14,264,573

SKAGIT COUNTY, WASHINGTON
Combining Statement of Revenues, Expenses and Changes in Fund Net Assets
Internal Service Funds
December 31, 2004

	Equipment Rental Fund	Insurance Services Fund	Central Services Fund	Unemployment Compensation Fund	2004 Total
<u>Operating Revenues:</u>					
Charges For Services	\$4,245,207	\$1,315,022	\$3,937,763	\$0	\$9,497,992
Miscellaneous	0	5,164,737	0	113,916	5,278,653
Total Operating Revenue	\$4,245,207	\$6,479,759	\$3,937,763	\$113,916	\$14,776,645
<u>Operating Expenses:</u>					
Personal services	\$644,733	\$247,994	\$1,759,467	\$0	\$2,652,194
Contractual services	169,794	2,176,048	1,205,887	0	3,551,729
Other supplies and expenses	2,385,848	46,225	781,348	111,827	3,325,248
Depreciation	736,681	0	112,444	0	849,125
Payment to Claimants	0	5,297,632	0	0	5,297,632
Total Operating Expenses	\$3,937,056	\$7,767,899	\$3,859,148	\$111,827	\$15,675,928
Operating Income (Loss)	\$308,151	(\$1,288,140)	\$78,615	\$2,089	(\$899,283)
<u>Non-Operating Revenues (Expenses):</u>					
Interest Revenue	\$17,322	\$13,350	\$0	\$0	\$30,672
Miscellaneous Revenue	233,237	0	46	0	233,283
Gain (Loss) on Fixed Asset Disposal	9,933	0	0	0	9,933
Miscellaneous Expense	(86,092)	0	0	0	(86,092)
Total non-operating revenues	\$174,401	\$13,350	\$46	\$0	\$187,796
Net Income (Loss) Before Operating Transfers Contributions and Special Items	\$482,552	(\$1,274,790)	\$78,661	\$2,089	(\$711,487)
Capital Contributions	24,480	0	331,526	0	356,006
Transfers In	0	0	75,000	0	75,000
Changes in net assets	\$507,032	(\$1,274,790)	\$485,187	\$2,089	(\$280,481)
Net assets as of January 1	12,642,023	1,278,033	625,000	\$0	\$14,545,056
Prior Period Adjustment	0	0	0	0	0
Net assets as of December 31	\$13,149,055	\$3,243	\$1,110,187	\$2,089	\$14,264,575

SKAGIT COUNTY, WASHINGTON
Combining Statement of Cash Flows
Internal Service Funds
December 31, 2004

	Equipment Rental Fund	Insurance Service Fund	Central Services Fund	Unemployment Compensation Fund	Total
<u>Cash Flows From Operating Activities:</u>					
Receipts from Customers	\$6,508	\$0	\$139,797	\$0	\$146,305
Receipts from interfund services provided	4,217,486	798,482	3,257,850	0	\$8,273,818
Miscellaneous Receipts	0	5,164,737	0	113,916	\$5,278,653
Payments to Employees	(647,116)	(247,555)	(1,641,529)	0	(\$2,536,200)
Payments to Suppliers	(2,184,965)	(7,019,089)	(1,914,760)	(91,849)	(\$11,210,663)
Payments for interfund services used	(266,411)	(51,956)	(13,419)	0	(\$331,786)
Miscellaneous receipts (payments)	147,145	0	46	0	\$147,191
Net cash provided (used) by operating activities	\$1,272,647	(\$1,355,381)	(\$172,015)	\$22,067	(\$232,682)
<u>Cash Flows From Noncapital Financing Activities:</u>					
Transfers from other funds	\$0	\$0	\$75,000	\$0	\$75,000
Net cash provided (used) by noncapital financing activities	\$0	\$0	\$75,000	\$0	\$75,000
<u>Cash Flows From Capital And Related Financing Activities</u>					
Proceeds from sale of capital assets	\$104,990	\$0	\$0	\$0	\$104,990
Purchases of capital assets	(782,564)	0	(107,691)	0	(890,255)
Net cash provided (used) by capital and related financing activities	(\$677,574)	\$0	(\$107,691)	\$0	(\$785,265)
<u>Cash Flows From Investing Activities:</u>					
Receipt from Collection of Loans	\$0	\$0	\$0	\$0	\$0
Interest Received	17,322	13,350	0	0	30,672
Net Cash Provided by Investing Activities	\$17,322	\$13,350	\$0	\$0	\$30,672
Net Increase in Cash & Cash Equivalents	\$612,395	(\$1,342,031)	(\$204,706)	\$22,067	(\$912,275)
Balances as of January 1	2,196,895	1,790,062	625,000	0	4,611,957
Balances as of December 31	\$2,809,290	\$448,030	\$420,294	\$22,067	\$3,699,681
Operating Income/(Loss)	\$308,151	(\$1,288,140)	\$78,615	\$2,089	(\$899,283)
<u>Adjustments to Reconcile Operating Income to Net Cash Provided by Operating Activities:</u>					
Depreciation Expense	\$736,681	\$0	\$112,444	\$0	\$849,125
Miscellaneous receipts (payments)	147,145	0	46	0	147,191
Changes in Assets and Liabilities:					
Receivables, Net	(21,213)	(516,540)	(540,114)	0	(1,077,867)
Inventories	124,900	0	0	0	124,900
Prepayments	(608)	0	(16,136)	0	(16,744)
Accounts and Other Payables	(22,409)	449,299	193,130	19,978	639,998
Net Cash Provided by Operating Activities	\$1,272,647	(\$1,355,381)	(\$172,015)	\$22,067	(\$232,682)

SKAGIT COUNTY, WASHINGTON

AGENCY FUNDS

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

Agency Funds Include:

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

SKAGIT COUNTY, WASHINGTON
AGENCY FUNDS
COMBINING BALANCE SHEET
As Of December 31, 2004

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	TRUST FUNDS	CLEARING FUNDS	STATE FUNDS	NW AIR POLLUTION FUNDS	COUNCIL OF GOVERNMENTS FUNDS
Cash	\$475,002	\$4,501,631	\$1,674,715	\$14,332	\$223,939
Investments	0	0	0	1,961,858	0
Taxes receivable	0	0	1,279,862	0	0
Deposits	0	0	0	0	0
TOTAL ASSETS	\$475,002	\$4,501,631	\$2,954,577	\$1,976,190	\$223,939
LIABILITIES					
Warrants payable	\$0	\$3,959,518	\$0	\$0	\$0
Custodial accounts	475,002	542,113	2,954,577	1,976,190	223,939
TOTAL LIABILITIES	\$475,002	\$4,501,631	\$2,954,577	\$1,976,190	\$223,939

	LIBRARY FUNDS	SKAGIT TRANSIT & HOUSING	CITIES AND TOWNS FUNDS	PORT OF ANACORTES FUNDS	PORT OF SKAGIT FUNDS
ASSETS					
Cash	\$14,784	\$376,000	\$345,514	\$23,891	\$803,398
Investments	117,328	5,653,262	0	15,018,492	9,156,464
Taxes receivable	20,151	0	486,691	12,308	52,260
Deposits	0	0	0	0	0
TOTAL ASSETS	\$152,264	\$6,029,262	\$832,205	\$15,054,691	\$10,012,122
LIABILITIES					
Warrants payable	\$0	\$0	\$0	\$14,907	\$26,179
Custodial accounts	152,264	6,029,262	832,205	15,039,784	9,985,943
TOTAL LIABILITIES	\$152,264	\$6,029,262	\$832,205	\$15,054,691	\$10,012,122

SKAGIT COUNTY, WASHINGTON
AGENCY FUNDS
COMBINING BALANCE SHEET
As Of December 31, 2004

Page 2 of 3

	FIDALGO PARK FUNDS	AFFILIATED HEALTH SERVICES FUNDS	HOSPITAL DISTRICT 1 FUNDS	HOSPITAL DISTRICT 2 FUNDS	HOSPITAL DISTRICT 304 FUNDS
Cash	\$328,414	\$60,056	\$1,291,692	\$608,591	\$599,350
Investments	5	3,322,376	88,547,745	47,102,626	12,169,696
Taxes receivable	728	0	(303)	15,700	77,081
Deposits	0	0	0	0	0
TOTAL ASSETS	\$329,148	\$3,382,435	\$89,839,134	\$47,726,922	\$12,846,128

LIABILITIES

Warrants payable	\$0	\$19,034	\$1,048,536	\$407,713	\$434,200
Custodial accounts	329,148	3,363,402	88,790,599	47,319,210	12,411,929
TOTAL LIABILITIES	\$329,148	\$3,382,435	\$89,839,134	\$47,726,922	\$12,846,128

ASSETS	DIKE DISTRICTS FUNDS	DRAINAGE IMPROVEMENT FUNDS	DRAINAGE DISTRICT FUNDS	SCHOOL DISTRICTS FUNDS	CEMETERY DISTRICTS FUNDS
Cash	\$542,483	\$10,309	\$426,077	\$6,172,355	\$170,543
Investments	538,137	40,247	849,325	36,079,549	601,187
Taxes receivable	146,998	230	15,063	798,661	6,805
Deposits	0	0	0	35,000	0
TOTAL ASSETS	\$1,227,616	\$50,788	\$1,290,467	\$43,085,566	\$778,533

LIABILITIES

Warrants payable	\$811,291	\$0	\$20,096	\$5,289,597	\$0
Custodial accounts	416,325	50,788	1,270,369	37,795,967	778,533
TOTAL LIABILITIES	\$1,227,616	\$50,788	\$1,290,467	\$43,085,566	\$778,533

SKAGIT COUNTY, WASHINGTON
AGENCY FUNDS
COMBINING BALANCE SHEET
As Of December 31, 2004

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	WATER DISTRICTS FUNDS	SEWER DISTRICTS FUNDS	FIRE DISTRICTS FUNDS	NORTH SOUND RSN	SKAGIT EMERGENCY COMM
Cash	\$5,626	\$324,941	\$2,216,009	\$13,139	\$403,967
Investments	100,069	1,905,165	4,670,892	2,521,024	287,671
Taxes receivable	0	0	158,562	0	0
Deposits	0	0	0	0	0
TOTAL ASSETS	\$105,697	\$2,230,106	\$7,045,464	\$2,534,162	\$691,638
LIABILITIES					
Warrants payable	\$0	\$0	\$0	\$0	\$0
Custodial accounts	105,697	2,230,106	7,045,464	2,534,162	691,638
TOTAL LIABILITIES	\$105,697	\$2,230,106	\$7,045,464	\$2,534,162	\$691,638

	SKAGIT COMMUNITY NETWORK	PUBLIC FACILITIES DISTRICT	2004 TOTALS
ASSETS			
Cash	\$1,802	\$1,425,082	\$23,053,638
Investments	0	586,538	231,229,658
Taxes receivable	0	0	3,070,795
Deposits	0	0	35,000
TOTAL ASSETS	\$1,802	\$2,011,619	\$257,389,091
LIABILITIES			
Warrants payable	\$0	\$0	\$12,031,066
Custodial accounts	1,802	2,011,619	245,358,025
TOTAL LIABILITIES	\$1,802	\$2,011,619	\$257,389,091

SKAGIT COUNTY, WASHINGTON

AGENCY FUNDS

COMBINING STATEMENT OF CHANGES IN ASSETS AND LIABILITIES

Fiscal Year Ended December 31, 2004

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TRUST FUNDS	Balance January 1, 2004	Additions	Deductions	Balance December 31, 2004
ASSETS				
Cash	\$140,067	\$4,102,626	\$3,767,691	\$475,002
Investments	0	0	0	0
Taxes receivable	0	0	0	0
Deposits	0	0	0	0
TOTAL ASSETS	\$140,067	\$4,102,626	\$3,767,691	\$475,002
LIABILITIES				
Warrants payable	\$0	\$0	\$0	\$0
Due to Other Funds	0	0	0	0
Custodial accounts	140,067	4,102,626	3,767,691	475,002
TOTAL LIABILITIES	\$140,067	\$4,102,626	\$3,767,691	\$475,002

CLEARING FUNDS	Balance January 1, 2004	Additions	Deductions	Balance December 31, 2004
ASSETS				
Cash	\$2,343,747	\$184,056,258	\$181,898,374	\$4,501,631
Investments	0	0	0	0
Taxes receivable	0	0	0	0
Deposits	0	0	0	0
TOTAL ASSETS	\$2,343,747	\$184,056,258	\$181,898,374	\$4,501,631
LIABILITIES				
Warrants payable	\$1,801,961	\$163,075,019	\$160,917,462	\$3,959,518
Due to other funds	0	0	0	0
Custodial accounts	541,786	20,981,239	20,980,912	542,113
TOTAL LIABILITIES	\$2,343,747	\$184,056,258	\$181,898,374	\$4,501,631

STATE FUNDS	Balance January 1, 2004	Additions	Deductions	Balance December 31, 2004
ASSETS				
Cash	\$1,372,414	\$44,437,324	\$44,135,023	\$1,674,715
Investments	0	0	0	0
Taxes receivable	1,368,233	27,671,435	27,759,806	1,279,862
Deposits	0	0	0	0
TOTAL ASSETS	\$2,740,647	\$72,108,759	\$71,894,829	\$2,954,577
LIABILITIES				
Warrants payable	\$0	\$0	\$0	\$0
Due to other funds	0	0	0	0
Custodial accounts	2,740,647	72,108,759	71,894,829	2,954,577
TOTAL LIABILITIES	\$2,740,647	\$72,108,759	\$71,894,829	\$2,954,577

SKAGIT COUNTY, WASHINGTON
AGENCY FUNDS
COMBINING STATEMENT OF CHANGES IN ASSETS AND LIABILITIES
Fiscal Year Ended December 31, 2004

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NW AIR POLLUTION FUNDS	Balance January 1, 2004	Additions	Deductions	Balance December 31, 2004
ASSETS				
Cash	112,474	\$2,907,083	\$3,005,225	\$14,332
Investments	1,567,349	1,298,867	904,358	1,961,858
Taxes receivable	0	0	0	0
Deposits	0	0	0	0
TOTAL ASSETS	\$1,679,823	\$4,205,950	\$3,909,583	\$1,976,190
LIABILITIES				
Warrants payable	\$0	\$0	\$0	\$0
Due to other funds	0	0	0	0
Custodial accounts	1,679,823	4,205,950	3,909,583	1,976,190
TOTAL LIABILITIES	\$1,679,823	\$4,205,950	\$3,909,583	\$1,976,190

COUNCIL OF GOV'T FUNDS	Balance January 1, 2004	Additions	Deductions	Balance December 31, 2004
ASSETS				
Cash	\$183,405	\$759,358	\$718,824	\$223,939
Investments	0	0	0	0
Taxes receivable	0	0	0	0
Deposits	0	0	0	0
TOTAL ASSETS	\$183,405	\$759,358	\$718,824	\$223,939
LIABILITIES				
Warrants payable	\$0	\$0	\$0	\$0
Due to other funds	0	0	0	0
Custodial accounts	183,405	759,358	718,824	223,939
TOTAL LIABILITIES	\$183,405	\$759,358	\$718,824	\$223,939

LIBRARY FUNDS	Balance January 1, 2004	Additions	Deductions	Balance December 31, 2004
ASSETS				
Cash	\$31,713	\$524,106	\$541,036	\$14,784
Investments	63,522	157,067	103,262	117,328
Taxes receivable	17,168	338,948	335,965	20,151
Deposits	0	0	0	0
TOTAL ASSETS	\$112,404	\$1,020,121	\$980,263	\$152,264
LIABILITIES				
Warrants payable	\$0	\$0	\$0	\$0
Due to other funds	0	0	0	0
Custodial accounts	112,404	1,020,121	980,263	152,264
TOTAL LIABILITIES	\$112,404	\$1,020,121	\$980,263	\$152,264

SKAGIT COUNTY, WASHINGTON

AGENCY FUNDS

COMBINING STATEMENT OF CHANGES IN ASSETS AND LIABILITIES

Fiscal Year Ended December 31, 2004

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SKAGIT TRANSIT & HOUSING	Balance January 1, 2004	Additions	Deductions	Balance December 31, 2004
ASSETS				
Cash	\$454,156	\$239,464	\$317,620	\$376,000
Investments	5,337,866	317,620	2,224	5,653,262
Taxes receivable	0	0	0	0
Deposits	0	0	0	0
TOTAL ASSETS	\$5,792,022	\$557,084	\$319,844	\$6,029,262
LIABILITIES				
Warrants payable	\$0	\$0	\$0	\$0
Due to Other Funds	0	0	0	0
Custodial accounts	5,792,022	557,084	319,844	6,029,262
TOTAL LIABILITIES	\$5,792,022	\$557,084	\$319,844	\$6,029,262

CITIES AND TOWNS FUNDS	Balance January 1, 2004	Additions	Deductions	Balance December 31, 2004
ASSETS				
Cash	\$327,841	\$15,697,145	\$15,679,472	\$345,514
Investments	0	0	0	0
Taxes receivable	586,344	12,697,418	12,797,071	486,691
Deposits	0	0	0	0
TOTAL ASSETS	\$914,179	\$28,394,564	\$28,476,543	\$832,205
LIABILITIES				
Warrants payable	\$0	\$0	\$0	\$0
Due to other funds	0	0	0	0
Custodial accounts	914,179	28,394,564	28,476,543	832,205
TOTAL LIABILITIES	\$914,179	\$28,394,564	\$28,476,543	\$832,205

PORT OF ANACORTES FUNDS	Balance January 1, 2004	Additions	Deductions	Balance December 31, 2004
ASSETS				
Cash	\$16,944	\$37,369,695	\$37,362,749	\$23,891
Investments	14,873,024	22,363,642	22,218,174	15,018,492
Taxes receivable	15,263	513,800	516,755	12,308
Deposits	0	0	0	0
TOTAL ASSETS	\$14,905,231	\$60,247,137	\$60,097,678	\$15,054,691
LIABILITIES				
Warrants payable	\$11,847	\$7,567,545	\$7,564,484	\$14,907
Due to other funds	0	0	0	0
Custodial accounts	14,893,385	52,679,592	52,533,194	15,039,784
TOTAL LIABILITIES	\$14,905,231	\$60,247,137	\$60,097,678	\$15,054,691

SKAGIT COUNTY, WASHINGTON
AGENCY FUNDS
COMBINING STATEMENT OF CHANGES IN ASSETS AND LIABILITIES
Fiscal Year Ended December 31, 2004

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PORT OF SKAGIT FUNDS	Balance January 1, 2004	Additions	Deductions	Balance December 31,2004
ASSETS				
Cash	\$1,563,679	\$19,375,898	\$20,136,179	\$803,398
Investments	5,555,565	11,254,631	7,653,732	9,156,464
Taxes receivable	59,010	717,085	723,835	52,260
Deposits	0	0	0	0
TOTAL ASSETS	\$7,178,254	\$31,347,614	\$28,513,746	\$10,012,122
LIABILITIES				
Warrants payable	\$49,795	\$6,499,670	\$6,523,287	\$26,179
Due to Other Funds	0	0	0	0
Custodial accounts	7,128,458	24,847,944	21,990,459	9,985,943
TOTAL LIABILITIES	\$7,178,254	\$31,347,614	\$28,513,746	\$10,012,122

FIDALGO PARK FUNDS	Balance January 1, 2004	Additions	Deductions	Balance December 31,2004
ASSETS				
Cash	\$87,342	\$2,331,137	\$2,090,065	\$328,414
Investments	232,158	1,454,195	1,686,348	5
Taxes receivable	2,324	294,032	295,628	728
Deposits	0	0	0	0
TOTAL ASSETS	\$321,825	\$4,079,364	\$4,072,041	\$329,148
LIABILITIES				
Warrants payable	\$0	\$0	\$0	\$0
Due to other funds	0	0	0	0
Custodial accounts	321,825	4,079,364	4,072,041	329,148
TOTAL LIABILITIES	\$321,825	\$4,079,364	\$4,072,041	\$329,148

AFFILIATED HEALTH FUNDS	Balance January 1, 2004	Additions	Deductions	Balance December 31,2004
ASSETS				
Cash	\$2,385,103	\$51,763,249	\$54,088,296	\$60,056
Investments	892,435	26,896,934	24,466,993	3,322,376
Taxes receivable	0	0	0	0
Deposits	0	0	0	0
TOTAL ASSETS	\$3,277,541	\$78,660,183	\$78,555,289	\$3,382,435
LIABILITIES				
Warrants payable	\$1,655,970	\$10,738,823	\$12,375,759	\$19,034
Due to other funds	0	0	0	0
Custodial accounts	1,621,571	67,921,360	66,179,530	3,363,402
TOTAL LIABILITIES	\$3,277,541	\$78,660,183	\$78,555,289	\$3,382,435

SKAGIT COUNTY, WASHINGTON
AGENCY FUNDS
COMBINING STATEMENT OF CHANGES IN ASSETS AND LIABILITIES
Fiscal Year Ended December 31, 2004

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HOSPITAL DISTRICT 1 FUNDS	Balance January 1, 2004	Additions	Deductions	Balance December 31,2004
ASSETS				
Cash	\$0	\$396,488,450	\$395,196,757	\$1,291,692
Investments	29,473,983	256,045,254	196,971,492	88,547,745
Taxes receivable	(303)	0	0	(303)
Deposits	0	0	0	0
TOTAL ASSETS	\$29,473,680	\$652,533,704	\$592,168,249	\$89,839,134
LIABILITIES				
Warrants payable	\$0	\$75,500,601	\$74,452,065	\$1,048,536
Due to Other Funds	0	0	0	0
Custodial accounts	29,473,680	577,033,103	517,716,184	88,790,599
TOTAL LIABILITIES	\$29,473,680	\$652,533,704	\$592,168,249	\$89,839,134

HOSPITAL DISTRICT 2 FUNDS	Balance January 1, 2004	Additions	Deductions	Balance December 31,2004
ASSETS				
Cash	\$4,285,965	\$127,359,163	\$131,036,537	\$608,591
Investments	12,779,009	80,767,328	46,443,711	47,102,626
Taxes receivable	20,868	906,879	912,047	15,700
Deposits	0	0	0	0
TOTAL ASSETS	\$17,085,847	\$209,033,370	\$178,392,295	\$47,726,922
LIABILITIES				
Warrants payable	\$341,167	\$25,524,200	\$25,457,655	\$407,713
Due to other funds	0	0	0	0
Custodial accounts	16,744,680	183,509,170	152,934,640	47,319,210
TOTAL LIABILITIES	\$17,085,847	\$209,033,370	\$178,392,295	\$47,726,922

HOSPITAL DISTRICT 304 FUNDS	Balance January 1, 2004	Additions	Deductions	Balance December 31,2004
ASSETS				
Cash	\$40,062	\$71,346,709	\$70,787,421	\$599,350
Investments	11,455,154	37,070,718	36,356,176	12,169,696
Taxes receivable	76,371	1,549,796	1,549,086	77,081
Deposits	0	0	0	0
TOTAL ASSETS	\$11,571,588	\$109,967,223	\$108,692,683	\$12,846,128
LIABILITIES				
Warrants payable	\$0	\$27,047,608	\$26,613,409	\$434,200
Due to other funds	0	0	0	0
Custodial accounts	11,571,588	82,919,615	82,079,274	12,411,929
TOTAL LIABILITIES	\$11,571,588	\$109,967,223	\$108,692,683	\$12,846,128

SKAGIT COUNTY, WASHINGTON
AGENCY FUNDS
COMBINING STATEMENT OF CHANGES IN ASSETS AND LIABILITIES
Fiscal Year Ended December 31, 2004

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DIKE FUNDS	Balance January 1, 2004	Additions	Deductions	Balance December 31, 2004
ASSETS				
Cash	\$356,293	\$11,293,367	\$11,107,177	\$542,483
Investments	674,232	39,005	175,100	538,137
Taxes receivable	120,274	3,798,526	3,771,802	146,998
Deposits	0	0	0	0
TOTAL ASSETS	\$1,150,797	\$15,130,898	\$15,054,079	\$1,227,616
LIABILITIES				
Warrants payable	\$283,068	\$2,161,800	\$1,633,578	\$811,291
Due to Other Funds	0	0	0	0
Custodial accounts	867,729	12,969,098	13,420,501	\$416,325
TOTAL LIABILITIES	\$1,150,797	\$15,130,898	\$15,054,079	\$1,227,616

DRAINAGE IMPROVEMENT FUNDS	Balance January 1, 2004	Additions	Deductions	Balance December 31, 2004
ASSETS				
Cash	\$15,149	\$42,856	\$47,697	\$10,309
Investments	40,005	30,242	30,000	40,247
Taxes receivable	206	15,909	15,885	230
Deposits	0	0	0	0
TOTAL ASSETS	\$55,362	\$89,007	\$93,582	\$50,788
LIABILITIES				
Warrants payable	\$0	\$8,008	\$8,008	0
Due to other funds	0	0	0	0
Custodial accounts	55,362	\$80,999	\$85,574	50,788
TOTAL LIABILITIES	\$55,362	\$89,007	\$93,582	\$50,788

DRAINAGE DISTRICT FUNDS	Balance January 1, 2004	Additions	Deductions	Balance December 31, 2004
ASSETS				
Cash	\$391,479	\$737,885	\$703,288	\$426,077
Investments	750,655	213,170	114,500	849,325
Taxes receivable	15,315	498,761	499,014	15,063
Deposits	0	0	0	0
TOTAL ASSETS	\$1,157,451	\$1,449,816	\$1,316,802	\$1,290,467
LIABILITIES				
Warrants payable	\$13,451	\$40,868	\$34,223	\$20,096
Due to other funds	0	0	0	0
Custodial accounts	1,144,000	1,408,948	1,282,579	1,270,369
TOTAL LIABILITIES	\$1,157,451	\$1,449,816	\$1,316,802	\$1,290,467

SKAGIT COUNTY, WASHINGTON
AGENCY FUNDS
COMBINING STATEMENT OF CHANGES IN ASSETS AND LIABILITIES
Fiscal Year Ended December 31, 2004

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SCHOOL DISTRICTS FUNDS	Balance January 1, 2004	Additions	Deductions	Balance December 31, 2004
ASSETS				
Cash	\$8,728,239	\$604,792,445	\$607,348,330	\$6,172,355
Investments	51,786,277	370,684,551	386,391,280	36,079,549
Taxes receivable	957,813	40,708,703	40,867,855	798,661
Deposits	40,000	10,555,344	10,560,344	35,000
TOTAL ASSETS	\$61,512,330	\$1,026,741,043	\$1,045,167,809	\$43,085,566
LIABILITIES				
Warrants payable	\$6,747,479	\$183,157,512	\$184,615,394	\$5,289,597
Due to Other Funds	0	0	0	0
Custodial accounts	54,764,851	843,583,531	860,552,415	37,795,967
TOTAL LIABILITIES	\$61,512,330	\$1,026,741,043	\$1,045,167,809	\$43,085,566

CEMETERY DISTRICT FUNDS	Balance January 1, 2004	Additions	Deductions	Balance December 31, 2004
ASSETS				
Cash	\$160,837	\$1,102,444	\$1,092,737	\$170,543
Investments	600,495	844,442	843,750	601,187
Taxes receivable	8,290	211,186	212,672	6,805
Deposits	0	0	0	0
TOTAL ASSETS	\$769,620	\$2,158,072	\$2,149,159	\$778,533
LIABILITIES				
Warrants payable	\$0	\$0	\$0	\$0
Due to other funds	0	0	0	0
Custodial accounts	769,620	2,158,072	2,149,159	778,533
TOTAL LIABILITIES	\$769,620	\$2,158,072	\$2,149,159	\$778,533

WATER DISTRICT FUNDS	Balance January 1, 2004	Additions	Deductions	Balance December 31, 2004
ASSETS				
Cash	\$17,708	\$264,149	\$276,231	\$5,626
Investments	74,807	249,280	224,018	100,069
Taxes receivable	0	0	0	0
Deposits	0	0	0	0
TOTAL ASSETS	\$92,517	\$513,429	\$500,249	\$105,697
LIABILITIES				
Warrants payable	\$0	\$0	\$0	\$0
Due to other funds	0	0	0	0
Custodial accounts	92,517	513,429	500,249	105,697
TOTAL LIABILITIES	\$92,517	\$513,429	\$500,249	\$105,697

SKAGIT COUNTY, WASHINGTON
AGENCY FUNDS
COMBINING STATEMENT OF CHANGES IN ASSETS AND LIABILITIES
Fiscal Year Ended December 31, 2004

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SEWER DISTRICTS FUNDS	Balance January 1, 2004	Additions	Deductions	Balance December 31, 2004
ASSETS				
Cash	\$40,982	\$2,073,180	\$1,789,221	\$324,941
Investments	1,952,381	1,104,975	1,152,191	1,905,165
Taxes receivable	0	0	0	0
Deposits	0	0	0	0
TOTAL ASSETS	\$1,993,363	\$3,178,155	\$2,941,412	\$2,230,106
LIABILITIES				
Warrants payable	\$0	\$0	\$0	\$0
Due to Other Funds	0	0	0	0
Custodial accounts	1,993,363	3,178,155	2,941,412	2,230,106
TOTAL LIABILITIES	\$1,993,363	\$3,178,155	\$2,941,412	\$2,230,106

FIRE DISTRICTS FUNDS	Balance January 1, 2004	Additions	Deductions	Balance December 31, 2004
ASSETS				
Cash	\$2,174,329	\$8,403,847	\$8,362,168	\$2,216,009
Investments	3,244,082	4,506,223	3,079,413	4,670,892
Taxes receivable	173,955	3,444,309	3,459,703	158,562
Deposits	5,000	19,345	24,345	0
TOTAL ASSETS	\$5,597,367	\$16,373,724	\$14,925,629	\$7,045,464
LIABILITIES				
Warrants payable	\$0	\$0	\$0	\$0
Due to other funds	0	0	0	0
Custodial accounts	5,597,367	16,373,724	14,925,629	7,045,464
TOTAL LIABILITIES	\$5,597,367	\$16,373,724	\$14,925,629	\$7,045,464

NORTH SOUND RSN	Balance January 1, 2004	Additions	Deductions	Balance December 31, 2004
ASSETS				
Cash	\$4,545	\$46,737,786	\$46,729,192	\$13,139
Investments	3,565,131	390,894	1,435,000	2,521,024
Taxes receivable	0	0	0	0
Deposits	0	0	0	0
TOTAL ASSETS	\$3,569,675	\$47,128,680	\$48,164,192	\$2,534,162
LIABILITIES				
Warrants payable	\$0	\$0	\$0	\$0
Due to other funds	0	0	0	0
Custodial accounts	3,569,675	47,128,680	48,164,192	2,534,162
TOTAL LIABILITIES	\$3,569,675	\$47,128,680	\$48,164,192	\$2,534,162

SKAGIT COUNTY, WASHINGTON
AGENCY FUNDS
COMBINING STATEMENT OF CHANGES IN ASSETS AND LIABILITIES
Fiscal Year Ended December 31, 2004

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SKAGIT EMERGENCY COMM	Balance January 1, 2004	Additions	Deductions	Balance December 31, 2004
ASSETS				
Cash	\$446,248	\$2,962,650	\$3,004,931	\$403,967
Investments	145,327	142,344	0	287,671
Taxes receivable	0	0	0	0
Deposits	0	0	0	0
TOTAL ASSETS	\$591,575	\$3,104,994	\$3,004,931	\$691,638
LIABILITIES				
Warrants payable	\$0	\$0	\$0	\$0
Due to Other Funds	0	0	0	0
Custodial accounts	591,575	3,104,994	3,004,931	691,638
TOTAL LIABILITIES	\$591,575	\$3,104,994	\$3,004,931	\$691,638

SKAGIT COMMUNITY NETWORK	Balance January 1, 2004	Additions	Deductions	Balance December 31, 2004
ASSETS				
Cash	\$1,802	\$0	\$0	\$1,802
Investments	0	0	0	0
Taxes receivable	0	0	0	0
Deposits	0	0	0	0
TOTAL ASSETS	\$1,802	\$0	\$0	\$1,802
LIABILITIES				
Warrants payable	\$0	\$0	\$0	\$0
Due to Other Funds	0	0	0	0
Custodial accounts	1,802	0	0	1,802
TOTAL LIABILITIES	\$1,802	\$0	\$0	\$1,802

PUBLIC FACILITIES DISTRICT	Balance January 1, 2004	Additions	Deductions	Balance December 31, 2004
ASSETS				
Cash	\$2,878,284	\$13,296,650	\$14,749,852	\$1,425,082
Investments	8,549,800	3,408,635	11,371,896	586,538
Taxes receivable	0	0	0	0
Deposits	0	0	0	0
TOTAL ASSETS	\$11,428,083	\$16,705,285	\$26,121,748	\$2,011,619
LIABILITIES				
Warrants payable	\$0	\$0	\$0	\$0
Due to other funds	0	0	0	0
Custodial accounts	11,428,083	16,705,285	26,121,748	2,011,619
TOTAL LIABILITIES	\$11,428,083	\$16,705,285	\$26,121,748	\$2,011,619

SKAGIT COUNTY, WASHINGTON
AGENCY FUNDS
COMBINING STATEMENT OF CHANGES IN ASSETS AND LIABILITIES
Fiscal Year Ended December 31, 2004

Page 10 of 10

TOTALS	Balance January 1, 2004	Additions	Deductions	Balance December 31, 2004
ASSETS				
Cash	\$28,560,807	\$1,650,464,924	\$1,655,972,093	\$23,053,638
Investments	153,613,259	\$819,240,017	\$741,623,618	231,229,658
Taxes receivable	3,421,132	\$93,366,787	\$93,717,124	3,070,795
Deposits	45,000	\$10,574,689	\$10,584,689	35,000
TOTAL ASSETS	\$185,640,198	\$2,573,646,418	\$2,501,897,524	\$257,389,091
LIABILITIES				
Warrants payable	\$10,904,736	\$501,321,654	\$500,195,324	\$12,031,066
Due to other funds	0	0	0	0
Custodial accounts	174,735,471	\$2,072,324,764	\$2,001,702,200	245,358,025
TOTAL LIABILITIES	\$185,640,198	\$2,573,646,418	\$2,501,897,524	\$257,389,091

Capital Assets Used in the Operations of Governmental Funds

These are assets used in operations funded by governmental funds. This includes all capital assets of the County except for those used in Enterprise or Internal service funds.

Schedule of Capital Assets by Function and Activity – A report allocating components of capital assets (land, building, improvements, development rights and machinery and equipment) to various County functions and programs.

Schedule of Changes in Capital Assets by Function and Activity – A report that shows additions and deletions of total capital assets within separate County functions and programs.

Schedule of Capital Assets by Source – A report that summarizes major funding sources for County capital assets.

SKAGIT COUNTY, WASHINGTON
Capital Assets Used in the Operation of Governmental Funds
Schedule by Function and Activity
As of December 31, 2004

General Government	Total	Land	Buildings	Improvements	Development Rights	Infrastructure	Equipment
Legislative	\$13,300	\$0	\$0	\$0	\$0	\$0	\$13,300
Judicial	155,731	0	0	0	0	0	155,731
Finance/Records Services	269,950	0	0	0	0	0	269,950
Legal	25,419	0	0	0	0	0	25,419
Central Services	1,551,745	0	0	0	0	0	1,551,745
Land, Buildings & Improvements	55,731,986	14,563,051	37,078,876	4,090,058	0	0	0
Total General Government	\$57,748,131	\$14,563,051	\$37,078,876	\$4,090,058	\$0	\$0	\$2,016,145
Security of Persons & Property							
Law Enforcement	\$371,955	\$0	\$0	\$0	\$0	\$0	\$371,955
Fire Control	0	0	0	0	0	0	0
Detention & Correction	110,523	0	0	0	0	0	110,523
Emergency Services	22,337	0	0	0	0	0	22,337
Juvenile Services	35,081	0	0	0	0	0	35,081
Communications/Alarm/Dispatch	1,183,765	0	0	0	0	0	1,183,765
Total Security of Persons/Prop	\$1,723,661	\$0	\$0	\$0	\$0	\$0	\$1,723,661
Utilities and Environment							
Environmental Preservation	\$5,262,800	\$0	\$0	\$0	\$5,244,552	\$0	\$18,248
Flood Control	6,961	0	0	0	0	0	6,961
Total Utilities and Environment	\$5,269,761	\$0	\$0	\$0	\$5,244,552	\$0	\$25,209
Transportation							
Road & Street Maintenance	\$464,527,248	\$0	\$1,924,020	\$1,123,983	\$0	461,112,807	\$366,438
Total Transportation	\$464,527,248	\$0	\$1,924,020	\$1,123,983	\$0	\$461,112,807	\$366,438
Economic Environment							
Aging	\$153,637	\$0	\$47,187	\$37,331	\$0	\$0	\$69,119
Planning & Community Developm	547,227	0	517,520	0	0	0	29,707
Total Economic Environment	\$700,864	\$0	\$564,707	\$37,331	\$0	\$0	\$98,826
Mental & Physical Health							
Public Health	\$88,065	\$0	\$0	\$0	\$0	\$0	\$88,065
Coroner	0	0	0	0	0	0	0
Community Services Admin.	8,028	0	0	0	0	0	8,028
Total Mental/Physical Health	\$96,093	\$0	\$0	\$0	\$0	\$0	\$96,093
Culture & Recreation							
Education	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Spectator & Community Events	34,138	0	13,959	10,392	0	0	9,787
Participant Recreation	145,865	0	0	31,398	0	0	114,467
Culture & Recreation Facilities	36,932	0	0	15,386	0	0	21,546
Total Culture & Recreation	\$216,935	\$0	\$13,959	\$57,176	\$0	\$0	\$145,800
TOTAL GENERAL FIXED ASSET:	\$530,282,692	\$14,563,051	\$39,581,561	\$5,308,548	\$5,244,552	\$461,112,807	\$4,473,173

This schedule presents only the capital asset balances related to governmental funds. Accordingly, the capital assets reported in internal service funds are excluded from the above amounts. Generally, the capital assets of internal service funds are included as governmental activities in the statement of net assets.

SKAGIT COUNTY, WASHINGTON
Capital Assets Used in the Operation of Governmental Funds
Schedule of Changes by Function and Activity
For Year Ended December 31, 2004

General Government	General Fixed Assets Jan 1, 2004	Additions	Deletions	General Fixed Assets Dec. 31, 2004
Legislative	\$13,300	\$0	\$0	\$13,300
Judicial	164,290	0	8,559	\$155,731
Finance/Records Services	269,950	0	0	269,950
Legal	25,419	0	0	25,419
Central Services	2,202,284	0	650,539	1,551,745
Land, Buildings & Improvements	53,406,894	2,915,921	590,829	55,731,986
Total General Government	\$56,082,137	\$2,915,921	\$1,249,927	\$57,748,131
<u>Security of Persons & Property</u>				
Law Enforcement	\$371,955	\$0	\$0	371,955
Fire Control	0	0	0	0
Detention & Correction	110,523	0	0	110,523
Emergency Services	11,666	10,671	0	22,337
Juvenile Services	35,081	0	0	35,081
Communications/Alarm/Dispatch	1,183,765	0	0	1,183,765
Total Security of Persons/Prop	\$1,712,990	\$10,671	\$0	\$1,723,661
<u>Utilities and Environment</u>				
Environmental Preservation	\$4,073,189	\$1,189,611	\$0	\$5,262,800
Flood Control	6,961	0	0	6,961
Total Utilities and Environment	\$4,080,150	\$1,189,611	\$0	\$5,269,761
<u>Transportation</u>				
Road & Street Maintenance	\$461,708,412	\$2,843,316	\$24,480	\$464,527,248
Total Transportation	\$461,708,412	\$2,843,316	\$24,480	\$464,527,248
<u>Economic Environment</u>				
Aging	\$69,119	\$84,518	\$0	\$153,637
Planning & Community Development	29,707	517,520	0	\$547,227
Total Economic Environment	\$98,826	\$602,038	\$0	\$700,864
<u>Mental & Physical Health</u>				
Public Health	\$54,573	\$33,492	\$0	\$88,065
Coroner	0	0	0	0
Community Services Admin.	8,028	0	0	8,028
Total Mental/Physical Health	\$62,601	\$33,492	\$0	\$96,093
<u>Culture & Recreation</u>				
Education	\$0	\$0	\$0	\$0
Spectator & Community Events	9,787	24,351	0	34,138
Participant Recreation	88,574	57,291	0	145,865
Culture, Recreation & Park Facilities	21,546	15,386	0	36,932
Total Culture & Recreation	\$119,907	\$97,028	\$0	\$216,935
TOTAL GENERAL FIXED ASSETS	\$523,865,023	\$7,692,077	\$1,274,407	\$530,282,692

This schedule presents only the capital asset balances related to governmental funds. Accordingly, the capital assets reported in internal service funds are excluded from the above amounts. Generally, the capital assets of internal service funds are included as governmental activities in the statement of net assets.

SKAGIT COUNTY, WASHINGTON
Capital Assets Used in the Operation of Governmental Funds
Schedule by Source
December 31, 2004

General Fixed Assets

Land	\$14,563,051
Buildings	39,581,561
Other Improvements	5,308,548
Equipment	4,472,173
Development Rights	5,244,552
Infrastructure	<u>461,112,807</u>
Total General Fixed Assets:	<u><u>\$530,282,692</u></u>

Investment in General Fixed Assets From:

General Fund Revenue	\$ 37,554,538
Special Revenue Funds Revenue	<u>492,728,154</u>
Total Investment in General Fixed Assets:	<u><u>\$ 530,282,692</u></u>

This schedule presents only the capital asset balances related to governmental funds. Accordingly, the capital assets reported in internal service funds are excluded from the above amounts. Generally, the capital assets of internal service funds are included as governmental activities in the statement of net assets.

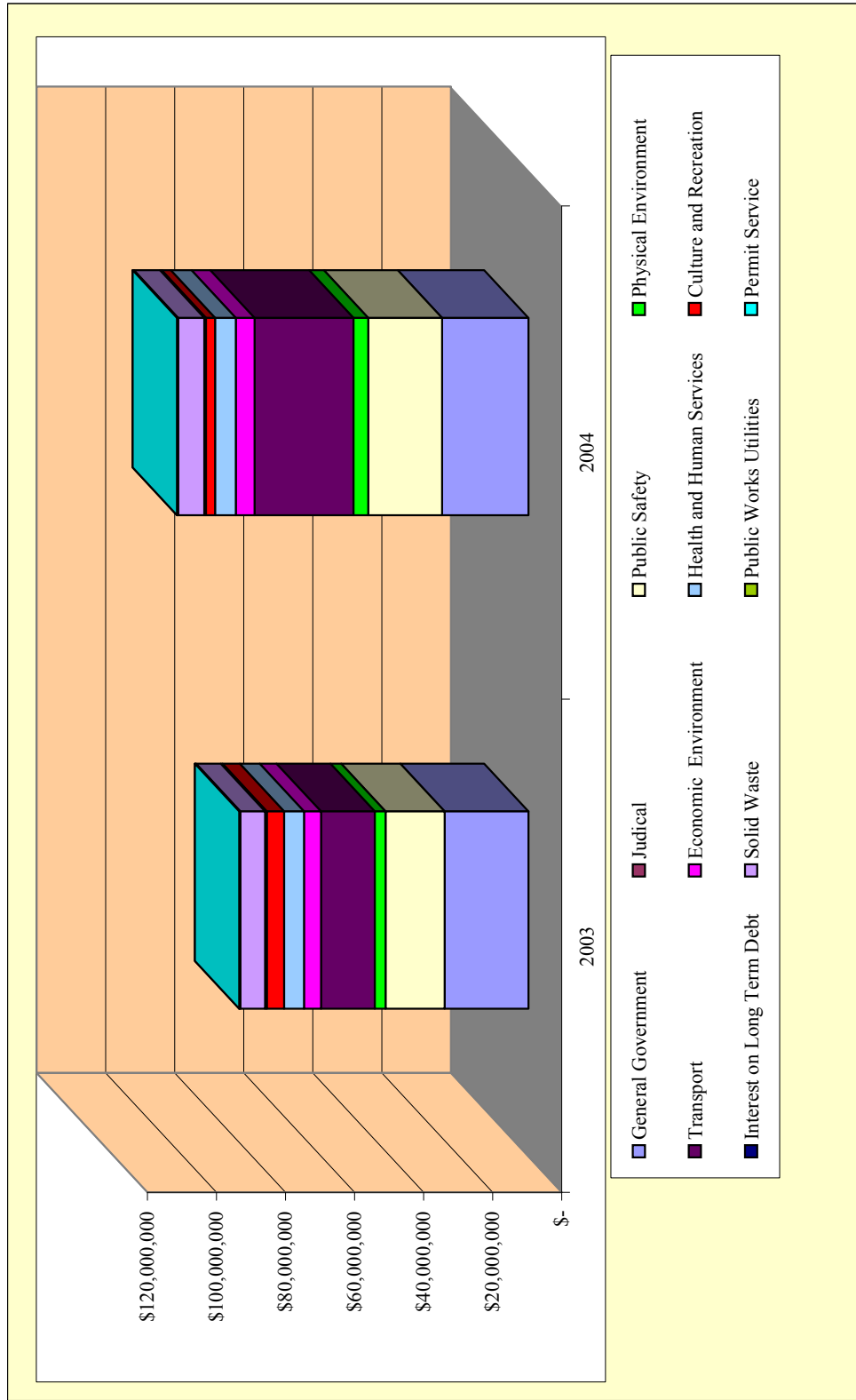
SKAGIT COUNTY, WASHINGTON

Government-Wide Expense By Function

Last Ten Years

(amounts expressed in thousands)

Year	General Government		Judicial	Public Safety	Physical Environment		Transport	Economic and Human Services		Health and Human Services		Culture and Recreation		Interest on Long Term Debt		Public Works		Permit Service	Total
	Government	Judicial			Environment	Transport		Environment	Services	Recreation	Debt	Utilities	Waste						
2003	\$ 24,267,759	\$ -	\$ 17,143,366	\$ 3,138,267	\$ 15,574,415	\$ 4,932,106	\$ 5,732,219	\$ 4,991,191	\$ 519,350	\$ 7,132,390	\$ 374,143	\$ -	\$ 83,805,206						
2004	\$ 25,021,132	\$ -	\$ 21,411,406	\$ 4,289,893	\$ 28,630,892	\$ 5,409,542	\$ 6,045,448	\$ 2,611,408	\$ 530,488	\$ 7,523,230	\$ 351,798	\$ -	\$ 101,825,237						



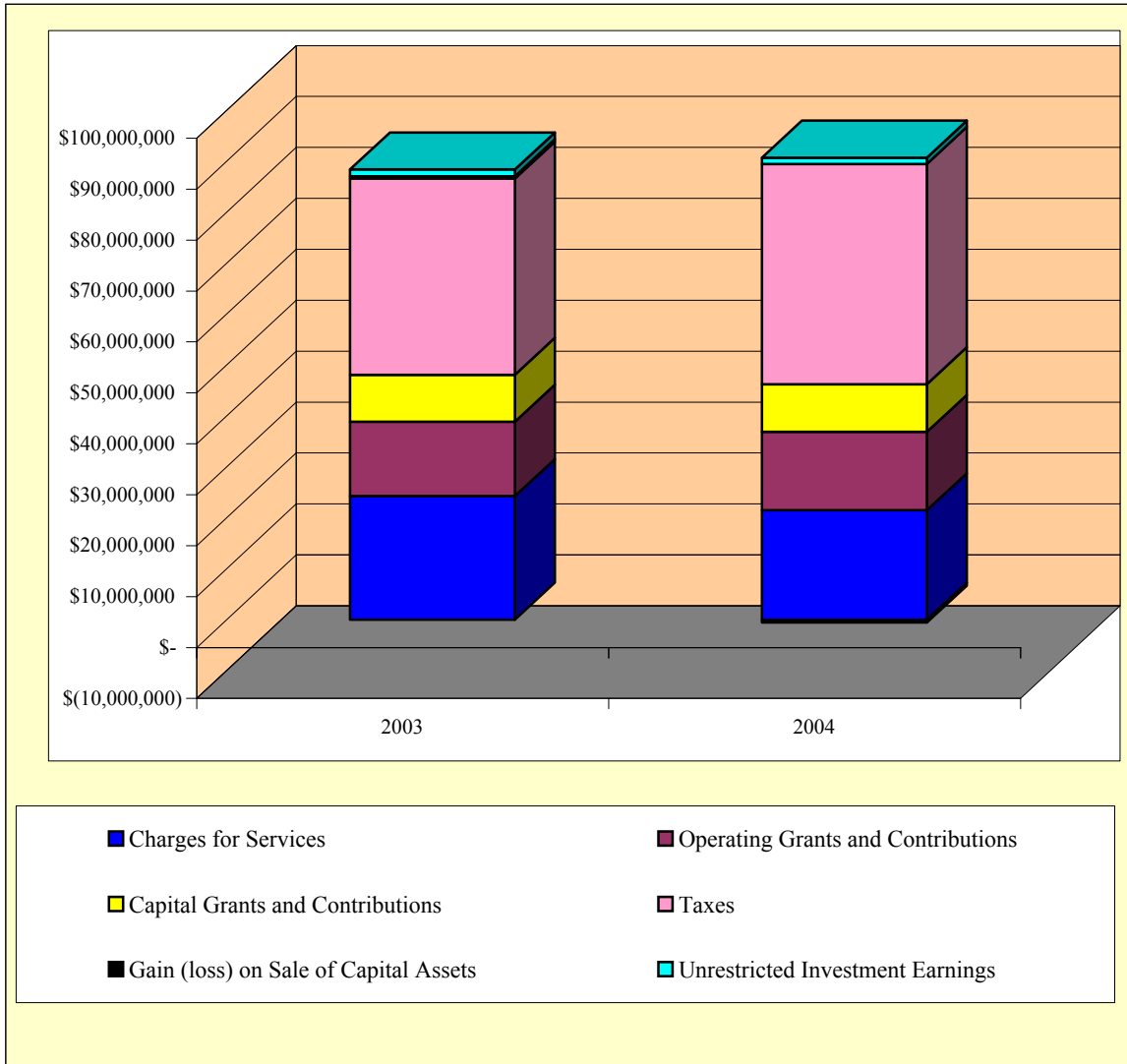
Note: Less than ten years data is provided because 2003 was the first year for government wide expenses under GASB #34

SKAGIT COUNTY, WASHINGTON

Government-Wide Revenue By Function

Last Ten Years

Year	Program Revenues			General Revenues			Total
	Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Taxes	Gain (loss) on Sale of Capital Assets	Unrestricted Investment Earnings	
2003	\$ 24,267,359	\$ 14,601,748	\$ 9,242,276	\$ 38,497,885	\$ 469,053	\$ 1,330,705	\$ 88,409,026
2004	\$ 21,498,291	\$ 15,382,603	\$ 9,379,915	\$ 43,212,366	\$ (563,436)	\$ 1,229,215	\$ 90,138,954



Note: Less than ten years data is provided because 2003 was the first year for government wide revenues under GASB #34

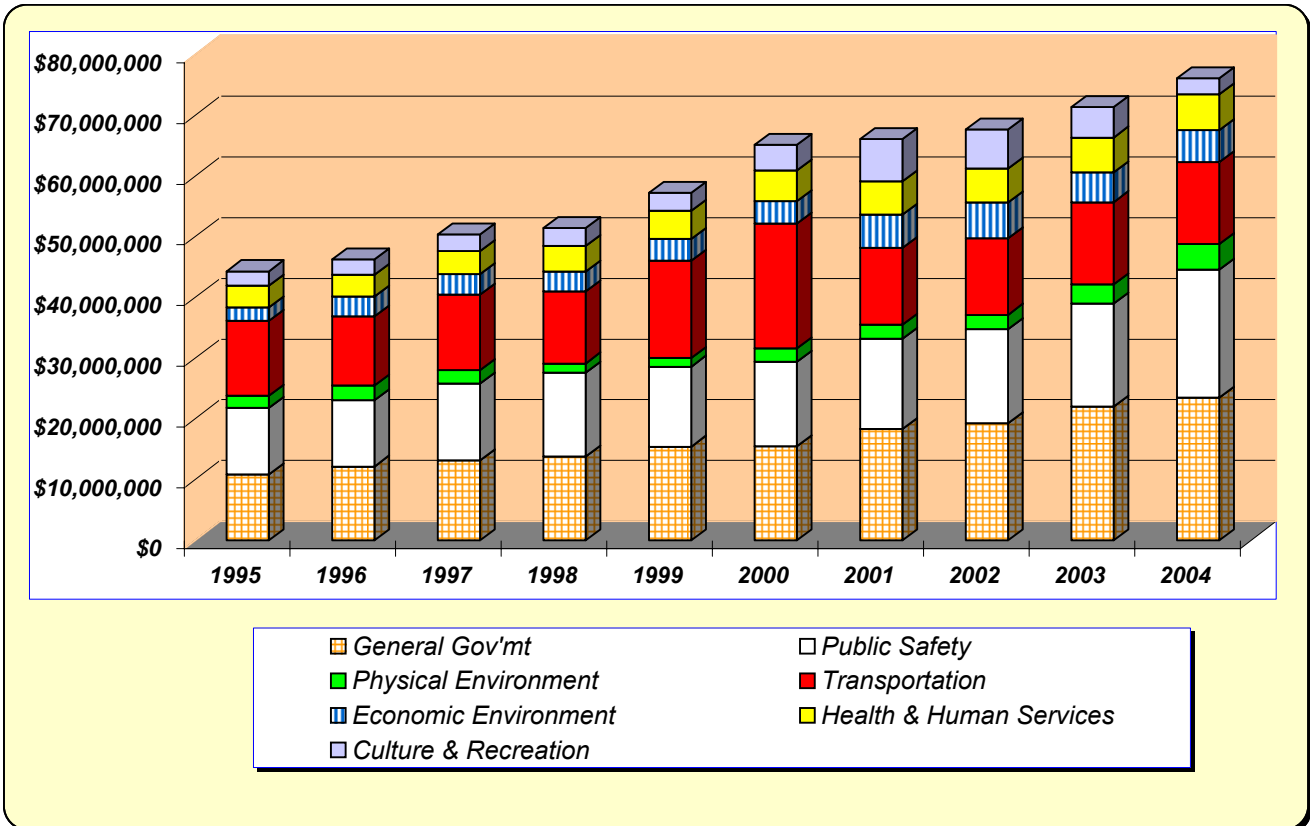
SKAGIT COUNTY, WASHINGTON

STATISTICAL TABLES

GENERAL GOVERNMENTAL EXPENDITURES BY FUNCTION*

For a Ten Year Period

Year	General Government	Public Safety	Physical Environment	Transportation	Economic Environment	Health & Human Services	Culture & Recreation	TOTAL
1995	\$10,890,310	\$10,895,616	\$1,990,511	\$12,360,400	\$2,277,692	\$3,563,144	\$2,341,903	\$44,319,576
1996	\$12,169,778	\$10,951,276	\$2,422,762	\$11,344,954	\$3,281,409	\$3,560,558	\$2,517,660	\$46,248,397
1997	\$13,183,227	\$12,606,376	\$2,224,045	\$12,493,133	\$3,325,213	\$3,825,692	\$2,708,535	\$50,366,220
1998	\$13,778,613	\$13,788,037	\$1,527,563	\$11,866,276	\$3,246,850	\$4,274,686	\$2,901,787	\$51,383,812
1999	\$15,433,261	\$13,177,602	\$1,380,794	\$16,077,707	\$3,625,235	\$4,576,987	\$2,982,679	\$57,254,265
2000	\$15,495,011	\$13,956,981	\$2,121,556	\$20,597,529	\$3,716,908	\$4,995,222	\$4,304,969	\$65,188,176
2001	\$18,289,286	\$14,958,541	\$2,272,689	\$12,661,704	\$5,453,017	\$5,467,423	\$7,033,639	\$66,136,299
2002	\$19,247,743	\$15,519,549	\$2,388,389	\$12,595,572	\$5,941,627	\$5,597,164	\$6,370,450	\$67,660,494
2003	\$22,002,351	\$17,042,628	\$3,148,041	\$13,516,319	\$4,926,412	\$5,724,294	\$4,978,894	\$71,338,939
2004	\$23,489,142	\$21,057,717	\$4,275,730	\$13,430,770	\$5,330,530	\$5,929,076	\$2,573,625	\$76,086,590



* Includes General, Special Revenue, Debt Service, and Capital Projects funds (Intragovernmental expenditures reflected in actual funds expended)
 Excludes non-recurring debt-service costs, capitalized and non-capitalized improvements.

SKAGIT COUNTY, WASHINGTON

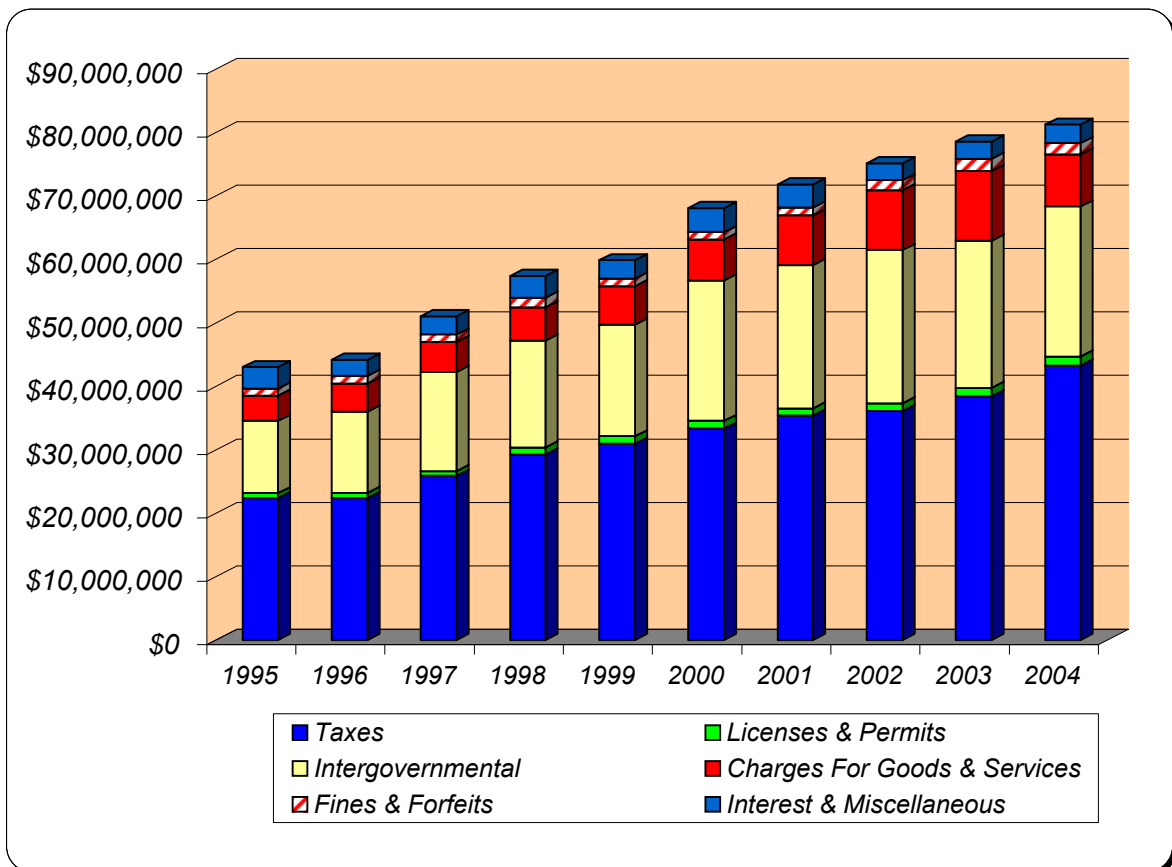
STATISTICAL TABLES

GENERAL GOVERNMENTAL REVENUES BY SOURCE*

For a Ten Year Period

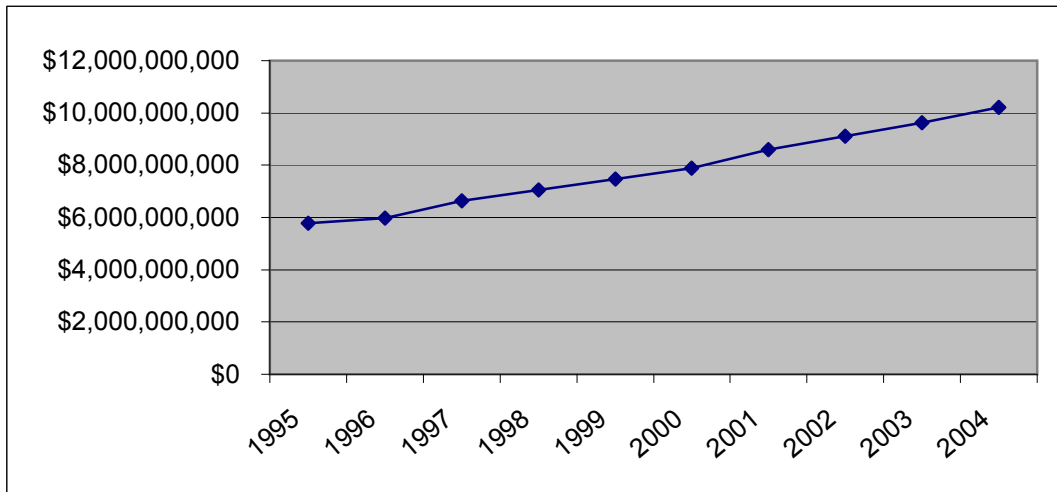
Year	Taxes	Licenses & Permits	Intergov'mt	Charges for Goods & Services	Fines and Forfeits	Interest & Misc.	Total
1995	\$22,385,136	\$767,899	\$11,398,691	\$3,966,680	\$1,101,216	\$3,427,926	\$43,047,548
1996	\$22,400,994	\$790,300	\$12,806,350	\$4,491,989	\$1,156,412	\$2,526,042	\$44,172,085
1997	\$25,890,662	\$713,768	\$15,641,576	\$4,743,260	\$1,205,650	\$2,860,082	\$51,054,996
1998	\$29,251,278	\$1,099,490	\$16,849,603	\$5,299,075	\$1,469,124	\$3,479,588	\$57,448,158
1999	\$30,951,946	\$1,173,031	\$17,642,118	\$6,055,194	\$1,206,116	\$2,875,769	\$59,904,174
2000	\$33,351,287	\$1,211,395	\$22,164,618	\$6,421,365	\$1,174,205	\$3,791,139	\$68,114,009
2001	\$35,389,416	\$1,146,817	\$23,573,320	\$7,808,249	\$1,263,153	\$3,648,225	\$72,829,180
2002	\$36,150,798	\$1,169,624	\$24,304,457	\$9,445,217	\$1,531,897	\$2,661,191	\$75,263,184
2003	\$38,448,924	\$1,305,497	\$23,206,807	\$10,989,359	\$1,912,572	\$2,722,721	\$78,585,880
2004	\$43,286,157	\$1,422,214	\$23,652,318	\$8,207,694	\$1,804,401	\$2,917,562	\$81,290,346

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



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

Year	Real Property Assessed Value	Personal Property Assessed Value	Total Assessed Value
1995	\$5,349,198,017	\$427,832,664	\$5,777,030,681
1996	\$5,572,427,655	\$409,154,225	\$5,981,581,880
1997	\$5,966,200,352	\$676,267,960	\$6,642,468,312
1998	\$6,382,066,068	\$661,720,714	\$7,043,786,782
1999	\$6,716,745,926	\$744,570,716	\$7,461,316,642
2000	\$7,103,186,348	\$780,836,645	\$7,884,022,993
2001	\$7,805,819,286	\$794,696,921	\$8,600,516,207
2002	\$8,271,017,360	\$838,169,892	\$9,109,187,252
2003	\$8,735,243,216	\$900,051,468	\$9,635,294,684
2004	\$9,255,714,763	\$965,923,623	\$10,221,638,386



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

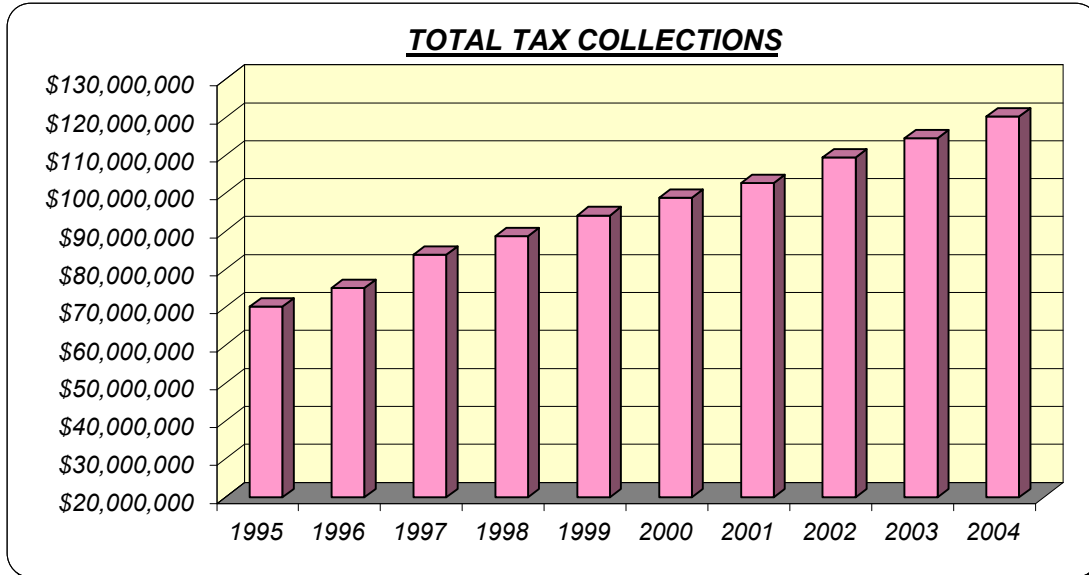
SKAGIT COUNTY, WASHINGTON
STATISTICAL TABLES
PROPERTY TAX RATES - DIRECT AND OVERLAPPING GOVERNMENTS
(Per \$1,000 of Assessed Value)
For a Ten Year Period

Year	General Fund	Special Revenue Funds	Total	School Districts	Fire Districts	Cemetery Districts	Port Districts	Cities and Towns	State of Washington	Special Assessment Districts	Hospitals	Parks and Recreation Districts	Dike and Drainage Districts	Darrington & LaConner Library Districts	Total
1996	1.47	1.85	3.32	31.99	15.51	0.30	0.49	22.01	3.32	8.33	0.87	0.24	20.58	0.30	110.58
1997	1.56	2.30	3.85	31.25	13.21	0.28	0.48	22.11	3.62	3.91	0.88	0.16	107.84	0.79	192.22
1998	1.60	2.39	3.99	32.99	14.70	0.37	0.43	22.13	3.44	0.00	0.97	0.16	110.60	0.79	194.56
1999	1.61	2.37	3.98	34.58	15.20	0.35	0.40	22.10	3.23	0.00	0.92	0.14	120.28	0.78	205.94
2000	1.65	2.37	4.02	33.39	15.36	0.49	0.37	21.29	3.24	0.00	0.92	0.14	119.18	0.81	195.19
2001	1.64	2.40	4.05	34.08	15.42	0.43	0.35	22.40	3.09	0.00	0.91	0.13	115.60	0.84	197.30
2002	1.60	2.28	3.88	35.60	15.18	0.41	0.31	21.78	2.85	0.00	0.84	0.12	109.94	0.83	195.62
2003	1.58	2.25	3.83	35.89	16.14	0.39	0.28	21.36	2.82	0.00	0.81	0.11	120.74	1.30	203.67
2004	1.57	2.27	3.84	36.29	15.26	0.39	0.25	21.39	2.78	0.00	0.73	0.10	124.05	1.46	210.38
2005	1.55	2.23	3.78	35.34	14.42	0.37	0.22	20.02	2.71	0.00	2.07	0.10	103.67	1.37	184.07

SOURCE: Skagit County Assessor

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

Fiscal Year	Total Tax Levy	Current Tax Collections	(2) Percent of Levy Collected	(1) Delinquent Tax Collections	Total Tax Collections	Percent of Total Tax Collection To Tax Levy	(3) Outstanding Delinquent Taxes	Percent of Delinquent Taxes to Tax Levy
1995	\$70,495,612	\$68,825,149	97.63%	\$1,321,465	\$70,146,614	99.50%	\$2,912,205	4.13%
1996	\$75,903,961	\$73,532,418	96.88%	\$1,529,126	\$75,061,544	98.89%	\$3,638,264	4.79%
1997	\$84,231,738	\$82,047,510	97.41%	\$1,847,921	\$83,895,431	99.60%	\$3,877,216	4.60%
1998	\$89,352,163	\$86,952,100	97.31%	\$1,787,294	\$88,739,394	99.31%	\$4,283,922	4.79%
1999	\$94,362,332	\$91,893,670	97.38%	\$2,343,855	\$94,237,525	99.87%	\$4,326,870	4.59%
2000	\$98,880,092	\$96,467,052	97.56%	\$2,396,797	\$98,863,849	99.98%	\$4,315,398	4.36%
2001	\$103,218,485	\$100,455,501	97.32%	\$2,327,907	\$102,783,408	99.58%	\$4,711,147	4.56%
2002	\$109,439,758	\$106,712,231	97.51%	\$2,730,428	\$109,442,659	100.00%	\$4,522,951	4.13%
2003	\$114,559,571	\$111,458,177	97.29%	\$2,642,949	\$114,101,126	99.60%	\$4,744,271	4.14%
2004	\$120,305,571	\$118,243,328	98.29%	\$3,450,438	\$121,693,766	101.15%	\$4,316,208	3.59%



- (1) Includes prior years delinquent tax collections
- (2) Percent computed on current year's levy
- (3) Includes omissions, supplements, and cancellations

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

<u>Year</u>	<u>Assessment Receivable January 1</u>	<u>Additions</u>	<u>Collections</u>	<u>Assessment Receivable December 31</u>
1995	\$9,166	\$73,401	\$78,904	\$3,663
1996	\$3,663	\$74,998	\$74,832	\$3,829
1997	\$3,829	\$69,549	\$70,469	\$2,909
1998	\$2,909	\$141,833	\$139,667	\$5,075
1999	\$5,075	\$146,300	\$144,389	\$6,986
2000	\$6,986	\$145,544	\$143,754	\$8,776
2001	\$8,776	\$161,939	\$162,270	\$8,445
2002	\$8,445	\$168,455	\$169,158	\$7,742
2003	\$7,742	\$211,488	\$207,749	\$11,481
2004	\$11,481	\$202,269	\$199,281	\$14,469

SOURCE: Skagit County Treasurer

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

Year	Population	Assessed Value	G.O. Bonded Debt *	Less Debt Service Fund (restated)	Net Bonded Debt (restated)	Ratio of Net Bonded Debt to Assessed Value	Debt Per Capita (restated)
1995	93,100	\$5,777,030,681	\$0	\$0	\$0	0.0000%	\$0
1996	95,500	\$5,981,581,880	\$150,000	\$0	\$150,000	0.0025%	\$2
1997	97,705	\$6,642,468,312	\$996,195	\$1,619	\$994,576	0.0150%	\$10
1998	98,700	\$7,043,786,782	\$966,348	\$14,521	\$951,827	0.0137%	\$10
1999	100,600	\$7,461,316,642	\$896,202	\$17,964	\$878,238	0.0120%	\$9
2000	103,478	\$7,884,022,993	\$8,820,754	\$21,062	\$8,799,692	0.1119%	\$85
2001	106,000	\$8,600,516,207	\$8,540,000	\$0	\$8,540,000	0.0993%	\$81
2002	105,100	\$9,109,187,252	\$8,280,000	\$0	\$8,280,000	0.0909%	\$79
2003	106,700	\$9,635,294,684	\$10,395,000	\$0	\$10,395,000	0.1079%	\$97
2004	108,800	\$10,221,638,386	\$9,960,000	\$0	\$9,960,000	0.0974%	\$92

* Excludes Proprietary Bonds Payable

SKAGIT COUNTY
 Schedule of Limitations of Indebtedness
 As of December 31, 2004

Total Taxable Property Value \$ 10,221,638,386

Remaining Debt Capacity

2.5% general purposes limit is allocated between:	<u>\$ 255,540,960</u>	
<i>Up to 1.5% debt with a vote</i>	<u>\$ 153,324,576</u>	
Less: outstanding debt	<u>\$ 18,801,931</u>	
Less: excess of debt with a vote	<u>\$ -</u>	
Add: available assets	<u>\$ 11,868,644</u>	
Remaining debt capacity without a vote		<u>\$ 146,391,289</u>
<i>Up to 2.5% debt with a vote</i>	<u>\$ 102,216,384</u>	
Less: outstanding debt	<u>\$ -</u>	
Add: assets available	<u>\$ -</u>	
Remaining debt capacity with a vote		<u>\$ 102,216,384</u>

SKAGIT COUNTY, WASHINGTON
STATISTICAL TABLES
COMPUTATION OF DIRECT & OVERLAPPING DEBT
FOR THE YEAR ENDED DECEMBER 31, 2004

JURISDICTION	NET DEBT OUTSTANDING	PERCENTAGE APPLICABLE TO SKAGIT COUNTY	AMOUNT APPLICABLE TO SKAGIT COUNTY
Direct Debt			
Skagit County	\$17,185,000	100%	\$17,185,000
Total Direct Debt	<u>\$17,185,000</u>		<u>\$17,185,000</u>
Overlapping debt			
Port Districts	\$13,580,000	100%	\$13,580,000
Hospital Districts	\$98,945,000	100%	\$98,945,000
School Districts	\$165,155,966	100%	\$165,155,966
Educational Service Dist #189	\$4,675,000	100%	\$4,675,000
Cities in Skagit County	\$18,912,484	100%	\$18,912,484
Dike Districts	\$5,763,054	100%	\$5,763,054
Fire Districts	\$2,127,506	100%	\$2,127,506
Public Facilities District	\$9,575,000	100%	\$9,575,000
Total Overlapping Debt	<u>\$318,734,010</u>		<u>\$318,734,010</u>
Total Direct & Overlapping Debt	<u><u>\$335,919,010</u></u>		<u><u>\$335,919,010</u></u>

*Source: Skagit County Treasurer and
appropriate city finance offices*

SKAGIT COUNTY, WASHINGTON

STATISTICAL TABLES

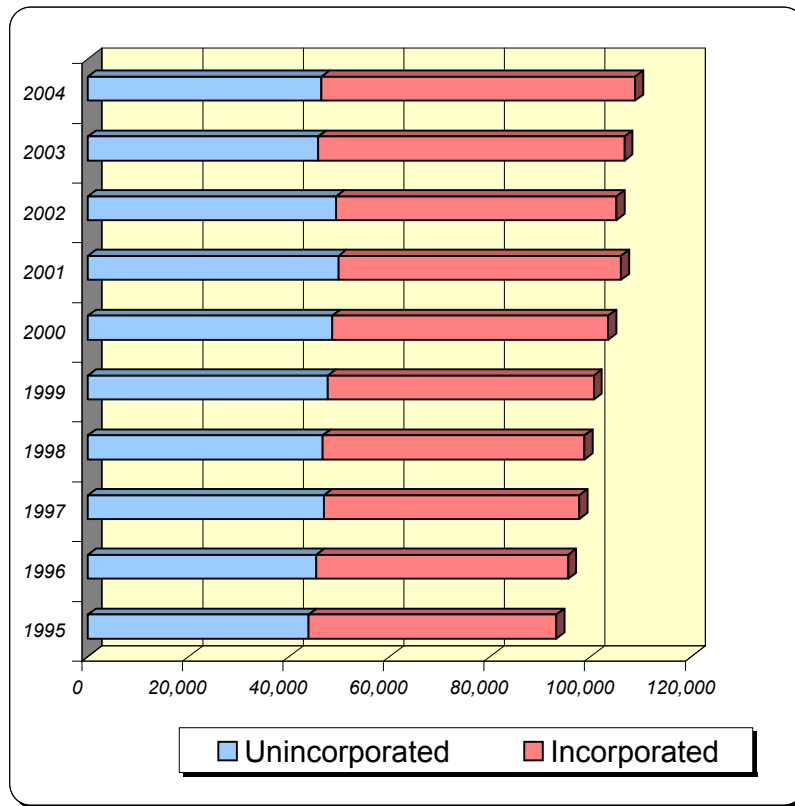
RATIO OF ANNUAL DEBT SERVICE EXPENDITURES FOR GENERAL BONDED DEBT TO TOTAL GENERAL EXPENDITURES FOR A TEN YEAR PERIOD

<u>Year</u>	<u>Principal</u>	<u>Interest and Fiscal Charges</u>	<u>Total* Debt Service</u>	<u>Total** General Expenditures</u>	<u>Ratio of Net Bonded Debt to Assessed Value</u>
1995	0	0	0	44,319,576	0.00%
1996	0	0	0	46,248,397	0.00%
1997	\$28,805	\$2,180	\$30,985	\$50,366,221	0.06%
1998	\$85,428	\$67,108	\$152,536	\$51,383,812	0.30%
1999	\$103,811	\$58,428	\$162,239	\$57,254,265	0.28%
2000	\$134,343	\$315,808	\$450,151	\$65,188,176	0.69%
2001	\$356,052	\$484,617	\$840,669	\$66,136,299	1.27%
2002	\$337,329	\$470,557	\$807,886	\$67,665,011	1.19%
2003	\$795,158	\$519,350	\$1,314,508	\$71,338,939	1.84%
2004	\$780,879	\$506,051	\$1,286,930	\$76,086,592	1.69%

* Does not include Enterprise Funds

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

SKAGIT COUNTY, WASHINGTON
STATISTICAL TABLES
DEMOGRAPHIC STATISTICS
For a Ten Year Period



	1995	1996	1997	1998	1999	2000	2001	2002	2003	2004
Unincorporated	43,936	45,442	46,931	46,750	47,685	48,635	49,820	45,205	45,830	46,455
Incorporated	49,164	50,058	50,774	51,950	52,915	54,843	56,180	59,895	60,870	62,345
Totals	93,100	95,500	97,705	98,700	100,600	103,478	106,000	105,100	106,700	108,800
Income Per Capita	\$20,397	\$20,794	\$21,535	\$21,777	\$22,670	\$20,173	\$25,184	\$26,414	\$23,679	\$23,036
Unemployment Rate	9.0%	8.4%	7.4%	7.1%	6.3%	6.6%	7.2%	7.5%	7.8%	7.0%
School Enrollment	16,900	17,200	17,233	17,987	18,604	18,778	18,916	18,185	19,280	18,932

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

SKAGIT COUNTY, WASHINGTON
STATISTICAL TABLES
PROPERTY VALUE, CONSTRUCTION, AND BANK ACTIVITY
For a Ten Year Period

Year	CONSTRUCTION*								
	Commercial			Industrial			Residential		
	Number of Units	Value	Percent Change	Number of Units	Value	Percent Change	Number of Units	Value	Percent Change
1995	132	\$7,904,907	20.90%	11	\$4,806,840	615.95%	267	\$31,432,928	46.87%
1996	113	\$9,197,750	16.35%	9	\$3,207,612	-33.27%	295	\$32,458,752	3.26%
1997	92	\$8,143,683	-11.46%	9	\$848,633	-73.54%	215	\$22,096,261	-31.93%
1998	81	\$12,383,806	52.07%	16	\$5,571,580	556.54%	215	\$28,853,528	30.58%
1999	148	\$8,626,072	-30.34%	16	\$4,033,283	-27.61%	198	\$30,235,456	4.79%
2000	116	\$7,863,460	-8.84%	6	\$2,020,760	-49.90%	247	\$39,393,837	30.29%
2001	104	\$8,099,910	3.01%	17	\$4,569,391	126.12%	201	\$37,522,702	-4.75%
2002	144	\$9,153,243	13.00%	24	\$7,314,756	60.08%	212	\$36,929,127	-1.58%
2003	115	\$5,957,432	-34.91%	23	\$8,936,764	22.17%	214	\$42,709,159	15.65%
2004	124	\$9,201,491	54.45%	17	\$6,261,827	-29.93%	331	\$59,074,389	38.32%

PROPERTY VALUE***

Year	Commercial**		Residential
	Commercial	Residential	
1995	\$1,392,097,838	\$3,191,803,291	
1996	\$1,267,478,252	\$3,591,934,997	
1997	\$1,229,289,040	\$3,934,758,287	
1998	\$1,741,964,885	\$4,457,061,662	
1999	\$2,009,425,936	\$4,873,783,970	
2000	\$2,202,895,740	\$5,132,723,221	
2001	\$2,238,454,737	\$5,548,221,761	
2002	\$2,229,434,518	\$6,232,667,272	
2003	\$2,200,249,400	\$6,972,101,847	
2004	\$3,104,779,327	\$7,400,330,733	

SOURCES: * Skagit County Planning Department
**fdic.gov(June 30 Fiscal Yr-dollar amounts in millions)
*** Skagit County Assessor

SKAGIT COUNTY, WASHINGTON
STATISTICAL TABLES
2004 CERTIFIED TOP TEN TAXPAYERS
(2004 Assessment For 2005 Taxes)

<u>TAXPAYER</u>	<u>TYPE OF BUSINESS</u>	<u>ASSESSED VALUE</u>	<u>PERCENT OF TOTAL</u>
Equilon Enterprises LLC	Petroleum Products	\$288,846,250	2.83%
Puget Sound Energy/Electric	Utility	\$232,259,027	2.27%
Tesoro Petroleum Corp	Petroleum Products	\$209,396,212	2.05%
Verizon Northwest Inc	Utility	\$71,886,597	0.70%
March Point Cogeneration Co	Power Generator	\$60,408,057	0.59%
NW Pipeline Corp	Utility	\$42,469,213	0.42%
Pacific Woodtech Corp	Wood Products	\$37,320,900	0.37%
PPR Cascade LLC	Utility	\$30,804,600	0.30%
Cascade Natural Gas Corp	Utility	\$28,837,298	0.28%
PACCAR Truck Testing, Inc	Research & Development	\$22,799,983	0.22%
		<u>\$1,025,028,137</u>	<u>10.03%</u>
<i>TOTAL COUNTY ASSESSED VALUE</i>		\$10,221,638,386	

Source: Skagit County Assessor

SKAGIT COUNTY, WASHINGTON

STATISTICAL TABLES

PRINCIPAL EMPLOYERS - 2003-2004

	<u>Number of Employees</u>
EDUCATION SERVICES	3,798
SKAGIT VALLEY HOSPITAL	1,035
SKAGIT COUNTY GOVERNMENT	936
DRAPER VALLEY FARMS	550
ISLAND HOSPITAL	461
PUGET SOUND REFINING-SHELL OIL PRODUCTS U.S.	415
REGENCE BLUE SHIELD	365
TESORO NORTHWEST	325
BROWN & COLE	321
SWINOMISH NORTHERN LIGHTS CASINO	316
SKAGIT VALLEY MEDICAL CENTER	285
WAL*MART	280
NORTHERN MARINE	280
CITY OF MOUNT VERNON	269
SNELSON COMPANIES, INC	240
FRED MEYER STORES	218
HAGGEN FOOD & PHARMACY	208
CITY OF ANACORTES	194
PACIFIC MARINER	185
KARMART AUTOMOTIVE GROUP	181
DUNLAP TOWING	181
ALASKA OCEAN SEAFOODS	180
TRIDENT SEAFOODS	170
SKAGIT VALLEY PUBLISHING	166
SKAGIT STATE BANK	163
TRI COUNTY TRUSS	160
HRC- LOCAL TRUCKING & METAL MANUFACTURER	157

Source: *Northwest Business Monthly
Individual Employers*

SKAGIT COUNTY, WASHINGTON

STATISTICAL TABLES

MISCELLANEOUS STATISTICAL REPORT

	1995	1996	1997	1998	1999	2000	2001	2002	2003	2004
(A) MILES OF ROAD										
Roads, paved	747	745	743	747	739	750	756	761	765	765
Roads, unpaved	57	57	60	58	57	48	43	39	38	38
(B) BUILDING PERMITS										
Permits issued	1,224	1,200	1,067	1,081	971	932	885	876	962	1,036
Value of buildings	\$54,347,513	\$90,395,003	\$92,860,057	\$77,394,017	\$61,926,292	\$62,770,782	\$64,543,917	\$65,656,977	\$78,917,211	\$91,786,911
(C) FIRE PROTECTION										
Number of districts	19	19	19	19	18	18	16	16	16	16
Number of paid firefighters	47	50	50	60	52	54	56	57	60	62
Number of volunteer firefighters	728	745	755	683	683	510	516	528	718	538
(D) POLICE PROTECTION										
Number of employees, commissioned	45	49	49	49	49	49	55	57	56	59
Number of employees, civilian and limited commission	50	53	53.5	50.5	48.5	48.5	50.1	49	51	54
Average monthly jail population	133	151	137	156	146	158	161	175	227	223
Police patrol units, vehicle	57	57	57	62	61	61	60	69	70	72
Police patrol units, boats	6	3	3	3	2	2	2	2	3	3
(E) RECREATIONAL FACILITIES										
Number of parks	22	22	26	30	40	40	39	36	36	32
Park acreage	1219	1219	1,627	1,724	1,713	1,713	1,644	1,639	1,430	1,747
(F) GENERAL ELECTIONS										
Number of registered voters	51,915	53,358	52,509	54,982	60,646	65,105	63,261	64,279	54,318	63,185
Number of votes cast	29,246	41,849	32,960	35,621	33,705	45,847	26,362	33,681	26,118	52,577
Percentage voting	56%	78%	63%	65%	56%	70%	42%	52%	48%	83%
(G) PUBLIC EDUCATION										
Elementary	24	24	27	27	26	26	26	26	25	25
Middle/Junior High	6	6	6	6	8	8	6	6	6	6
High	6	6	6	6	8	8	8	8	8	8
Community College	1	1	1	1	1	1	1	1	1	1
Alternative	4	4	4	5	7	7	6	7	8	8
Special Education	2	2	1	1	1	1	2	2	2	2

SOURCE:
 County Roads Department, Skagit County
 Planning and Community Development, Skagit County
 Board of Volunteer Firefighters, State of Washington
 Appropriate City Fire Departments
 Sheriff's Department, Skagit County
 Parks & Recreation Department, Skagit County
 Election Department, Skagit County
 Education Service District 189

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