

# 2010



*Photo Courtesy of Steve Berentson*

# Skagit County Washington Comprehensive Annual Financial Report



**Fiscal Year Ending December 31, 2010**

# SKAGIT COUNTY WASHINGTON

## COMPREHENSIVE ANNUAL FINANCIAL REPORT

FISCAL YEAR ENDED DECEMBER 31, 2010

Jeanne Youngquist, Skagit County Auditor

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Cover Photo Courtesy of:  
Steve Berentson

# SKAGIT COUNTY WASHINGTON COMPREHENSIVE ANNUAL FINANCIAL REPORT

Year Ended December 31, 2010

## TABLE OF CONTENTS

### INTRODUCTORY SECTION

Table of Contents .....	i
Letter of Transmittal.....	v
List of Elected Officials .....	xii
Organizational Chart.....	xiii

### FINANCIAL SECTION

Independent Auditor's Opinion .....	1
Management's Discussion and Analysis .....	2

### BASIC FINANCIAL STATEMENTS

Description of Basic Financial Statements .....	13
Statement of Net Assets .....	14
Statements of Activities .....	15
Balance Sheet- Governmental Funds .....	16
Reconciliation of the Balance Sheet of Governmental Funds to the Statement of Net Assets .....	17
Statement of Revenues, Expenditures, and Changes in Fund Balance- Governmental Funds .....	18
Reconciliation of the Statement of Revenue, Expenditures and Changes in Fund Balances Governmental Funds to the Statement of Activities .....	19
Statement of Revenues, Expenditures, and Changes in Fund Balances- Budget and Actual- General Fund .....	20
Statement of Revenues, Expenditures, and Changes in Fund Balances- Budget and Actual- Other Major Funds .....	21
Statement of Net Assets- Proprietary Funds .....	24
Statement or Revenues, Expenses, and Changes in Fund Net Assets- Proprietary Funds .....	25
Statement of Cash Flows- Proprietary Funds .....	26
Statement of Fiduciary Net Assets- Fiduciary Funds .....	28
Notes to Financial Statements.....	29

## TABLE OF CONTENTS

### NONMAJOR GOVERNMENTAL FUNDS

Combining Balance Sheet Nonmajor Governmental Funds .....	61
Combining Statement of Revenues, Expenditures, and Changes in Fund Balance- Nonmajor Governmental Funds .....	62
Description of Nonmajor Special Revenue Funds.....	63
Combining Balance Sheet- Nonmajor Special Revenue Funds.....	65
Combining Statement of Revenues, Expenditures, and Changes in Fund Balance- Nonmajor Special Revenue Funds.....	75
Schedule of Revenues, Expenditures, and Changes in Fund Balance- Budget and Actual- Nonmajor Special Revenue Funds .....	85
Description of Nonmajor Debt Service Funds .....	123
Combining Balance Sheet- Nonmajor Debt Service Funds .....	124
Combining Statement of Revenues, Expenditures, and Changes in Fund Balance- Nonmajor Debt Service Funds .....	125
Description of Nonmajor Capital Project Funds .....	126
Combining Balance Sheet- Nonmajor Capital Project Funds .....	127
Combining Statement of Revenues, Expenditures, and Changes in Fund Balance- Nonmajor Capital Project Funds.....	128
Schedules of Revenues, Expenditures, and Changes in Fund Balance- Budget and Actual- Nonmajor Capital Project Funds.....	129

### NONMAJOR ENTERPRISE FUNDS

Description of Nonmajor Enterprise Funds .....	132
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### INTERNAL SERVICE FUNDS

Description of Internal Service Funds.....	133
Combining Statement of Net Assets- Internal Service Funds .....	134
Combining Statement of Revenues, Expenses and Changes in Funds Net Assets- Internal Service Funds .....	135
Combining Statement of Cash Flows- Internal Service Funds.....	136

## AGENCY FUNDS

Description of Agency Funds.....	138
Combining Balance Sheet- Agency Funds.....	139
Combining Statement of Changes in Assets and Liabilities- Agency Funds .....	142

## STATISTICAL SECTION

Statistical Descriptions .....	152
Net Assets by Component.....	153
Changes in Net Assets by Function .....	155
Change in Net Assets .....	157
Fund Balances of Government Funds.....	159
Changes in Fund Balances of Government Funds .....	161
Assessed and Estimated Value of Taxable Property .....	163
Property Tax Rates- Direct and Overlapping .....	164
Property Tax Levies and Collections .....	166
Special Assessment Collections.....	167
Ratio of Net General Bonded Debt to Assessed Value.....	168
Limitations of Indebtedness .....	169
Ratio of Outstanding Debt by Type .....	171
Computation of Direct and Overlapping Debt.....	172
Ratio of Annual Debt Service Expenditures for General Bonded Debt .....	173
Demographic Statistics .....	174
Top Ten Taxpayers .....	176
Principal Employers .....	177
Full-Time Equivalent County Government Employee by Function.....	178
Miscellaneous Statistical Report.....	179

## COMPLIANCE SECTION

Schedule of Expenditures of Federal Awards .....	181
Notes to Schedule of Expenditures of Federal Awards.....	196
Schedule of State and Local Financial Assistance.....	197

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# SKAGIT COUNTY

Washington







**Jeanne Youngquist**  
Auditor

**Barbara Leander**  
Chief Deputy

June 29, 2011

To the Honorable Board of Commissioners and Citizens of Skagit County

We hereby submit the Comprehensive Annual Financial Report (CAFR) of Skagit County for the fiscal year ending December 31, 2010, in accordance with the provisions of Chapter 36.22 of the Revised Code of Washington. The financial statements are presented in conformity with generally accepted accounting principles (GAAP) and audited in accordance with generally accepted auditing standards by the Office of the Washington State Auditor.

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

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

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

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



The Office of the Washington State Auditor conducts an annual audit of the financial statements of Skagit County as required by state law. The goal of the independent audit is to provide reasonable assurance that the financial statements of the County for the financial year ended with December 31, 2010, are free from material misstatement. The independent audit involved examining, on a test basis, evidence supporting the amounts and disclosure 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, 2010 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 and the provisions of the Single Audit Act of 1984 and U.S. Office of Management and Budget (OMB) (Circular A-113, Audits of State, Local Governments and Non-Profit Organizations). Information related to the single audit act, including the schedule of expenditures of federal awards and state/local financial assistance, findings and recommendations and auditor's reports on the internal control structure and compliance with applicable laws and regulations, will be issued in a separate Single Audit Report.

## **Profile of Skagit County**

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

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

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

Skagit County encompasses a 1,735 square mile land base, of which 156,085 acres are devoted to parkland, (national, state and county) and 364,582 acres of National Forest Land. Skagit County remains



a pristine, beautiful place to live and enjoy the outdoors. The beautiful natural water areas, lakes, streams, rivers and saltwater beaches, the backpacking, hiking and camping as well as the festivals, tours and special events continue to attract tourists to the area. Skagit County is known for its festivals, including the famous annual Tulip Festival, Festival of Family Farms, Skagit Eagle Festival, and tourists are drawn from near and far. Other local rural and urban festivals and tours also enjoy the success of returning participants and tourists.

The region provides a rich base for successful businesses, musicians, artists, authors, and commuters; a community attractive to weekenders and new populations resulting in steady growth. Economic times have slowed what was a rapid increase in population and housing.

The Growth Management Act Steering Committee has adopted a 2025 population forecast of 149,080 a midpoint projection in the Office of Financial Management's low and medium projections. The Growth Management Act Steering Committee is composed of the three County Commissioners, and the Mayor or a City Council Member from the cities of Anacortes, Burlington, Mount Vernon and Sedro-Woolley, and the Town of La Conner. Countywide planning policy has a goal of 80% of the County's population to be urban: a total of 105,750 residents and 43,330 residents in the rural areas with growth focused upon the major transportation routes, Interstate-5 corridor and Hwy 20.

JURISDICTION Cities & UGA	2000 Population	LOCATION	RECOMMENDED 2025 Allocation
Anacortes	14,647.00		18,300.00
Burlington	8,728.00	Corridor	12,000.00
Concrete	960.00		1,350.00
Hamilton	309.00		450.00
La Conner	761.00		950.00
Lyman	409.00		550.00
Mount Vernon	28,332.00	Corridor	47,900.00
Sedro-Woolley	10,358.00	Corridor	15,000.00
Subtotal Cities & UGAs	64,504.00		96,500.00
Swinomish	2,664.00		3,650.00
Bayview	1,700.00	Corridor	5,600.00
Subtotal County UGAs	4,364.00		9,250.00
TOTAL URBAN	68,868.00		105,750.00
TOTAL RURAL	34,110.00		43,330.00
TOTAL COUNTY	102,978.00		149,080.00

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

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

Skagit County is dotted with several incorporated cities, towns and communities mentioned now alphabetically;

### Anacortes

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A vibrant Old Town welcomes visitors and locals to a variety of dining, quirky to sophisticated shopping, art galleries, antique shops and unique accommodations. The city is located on Fidalgo Island and is considered the gateway to the San Juan Islands; ferries depart daily to destination points in the San Juan Islands and Vancouver Island, Canada. Several marinas, marine sales, marine and fishing industries support a community that offers water front festivals and the adventures of whale watching, kayaking excursions, sailing, boating, birding, fishing, crabbing, hiking or biking to name a few.

### Burlington

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Burlington is located at the cross roads of Highway 20 and Interstate 5. The city is known for its shopping and vehicle sales. Burlington has pride in its community athletic fields which draw players and families to tournaments throughout the spring, summer and fall. June brings "Berry Dairy Days", shortcake, parades and celebration of the berry and dairy industry. August presents a showcase of the Hispanic Community with the "Fiesta Unidos". Fall bids summer a due with the "Harvest Festival and Pumpkin Pitch", all within the sight of the Big B symbol on Burlington hill.

### Concrete

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Concrete is the home of several festivals and activities. Early settlers came to the Baker River in 1871, originally calling the settlement on the west bank "Minnehaha". In 1890, the town site was platted by Magnus Miller, a post office was set up, and the name "Baker" was adopted. On the east bank of the river, a community was developed around the Washington Portland Cement Company (1905) and was named "Cement City". After the Superior Portland Cement Company plant (1908) was built in Baker, it was decided to merge the two towns, and in 1909, after much discussion, the new community settled on the name "Concrete". The County occupies a building in the town for community services.

### Hamilton

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Hamilton was first settled in 1877 by William Hamilton, and was later named for him when Hamilton was officially incorporated on March 19, 1891. Its population was 309 at the 2000 census. Because the town faces significant flooding every few years, support has been building for a plan to move the entire town to a nearby hill. The Hamilton Public Development Authority was established in 2004 to purchase the land necessary for moving the town.

### LaConner

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LaConner, near the mouth of the Skagit River on the Swinomish Slough, values its heritage and history. The oldest community in Skagit County, it was founded in the early 1860's; LaConner held the county seat before Mount Vernon. LaConner contains our County Museum, the Civic Garden Club located in the first courthouse north of Seattle, and a quilt museum housed in the famous Gashes Mansion. Artists settled and became famous in the quiet and old fashioned town of LaConner. Today, LaConner is a balance of the Swinomish Tribal Community, fishermen, farmers, artists, and carpenters. It offers a relaxed place to browse interesting one-of-a kind shops and art galleries. It is known worldwide for its waterfront, fine restaurants, inns and bed & breakfasts.

### Lyman

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Lyman is a little bit of heaven hidden away from the bustle of the big cities, a well-kept secret. It was designated a heritage community founded during Washington's territorial period of 1853-1889. Lyman residents love the peace and quiet of the town's Skagit River setting. Residents and visitors alike can fish, boat, walk the trails, and enjoy the beauty of this unique location.

### Mount Vernon

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The county seat nestled along interstate 5 and is the stop-off and take-off point to scenic Skagit Valley, the San Juan Islands, the Cascade Mountains and the scenic Cascade Loop drive. Mount Vernon is home to Skagit Valley College, the Skagit County YMCA, the Community cultural center McIntyre Hall, walking trails, fine dining and shopping. Our Transportation Center houses the Tulip Festival and Chamber Information Center which provides suggestions for Skagit County adventures year around.

### Sedro Woolley

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Sedro Woolley the "Gateway to the Cascades" is located on the western edge of the majestic Cascade Mountain range in Northwest Washington State along Highway 20 and the banks of the mighty wild and scenic Skagit River. Sedro Woolley incorporated on December 19, 1898 with the merger of neighboring towns of Sedro and Woolley and celebrates; its heritage with Founders Day reenactment of the Great Sedro-Woolley 1914 Bank Robbery, the Logger rodeo on the Fourth of July, proclaims itself the Santa city, and home to Janicki industries.

### **Financial Policies**

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

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

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

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

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



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

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

### **Economic Condition**

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

As is the case throughout the nation, Skagit County's local economy has been directly impacted by the current global recession. Economic conditions have a direct impact on the County's revenues and the demand for County services. Because of this, the information presented in the financial statements is best understood while taking the nation's current economic environment into consideration. Local jobs have declined in many categories. As of March, 2010, the County's unemployment rate was 11.7%, and is comparable to national and State of Washington unemployment rates which were 9.7% and 9.9% percent respectively.

The County's retail sales tax collections decreased by \$565,733 (8.05%) in 2010 as compared to 2009. Retail sales have shown signs of stabilization in recent months. Real Estate Excise Tax collections increased slightly – by 4.6% - in 2010 over 2009. The degree to which County retail homes sales rebound in the coming year will be highly dependent upon local job growth and consumers' perceptions of the strength of the economy.

The County has demonstrated its commitment to maintaining a strong general fund balance. In 2009, the County implemented 5 non-paid closure days which resulted in an approximate savings to the General Fund of \$600,000 in wages and benefits. In 2010, the County Commissioners increased those closure days to 12, resulting in an approximate savings to the General Fund of \$1,440,000 in wages and benefits.

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

### **Major Initiatives**

On November 2, 2010, Skagit County government issued bond debt to finance the Transfer Station Project. The County saved taxpayers \$745,000. More than \$300,000 of the savings was a result of Skagit County's timely request for additional recovery zone bond allocation that was increased from \$5.276

million to \$9.3 million.

The County was originally awarded a bond cap allocation of \$5,276,000 from the Federal Government and was granted an additional allocation of \$4,024,000 after a timely request. The awarded authority came from the American Recovery and Reinvestment Act (ARRA) of 2009. This allowed the County to issue taxable debt with a 45% interest subsidy from the Federal Government. Additionally, \$480,000 of additional debt was issued as Build American Bonds with an interest subsidy of 35 %.

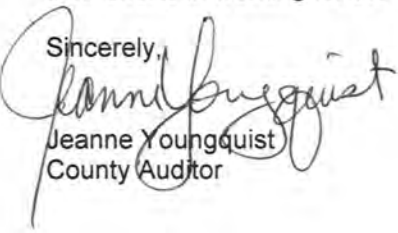
This project includes construction of a new, pre-engineered, 23,000 square foot metal building for solid waste transfer operations. It will also include new maintenance and staff facilities as well as a new scale plaza. The new facility will be constructed on the site of the current transfer station, which will remain operational throughout the construction period.

### **Acknowledgements**

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

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

Sincerely,



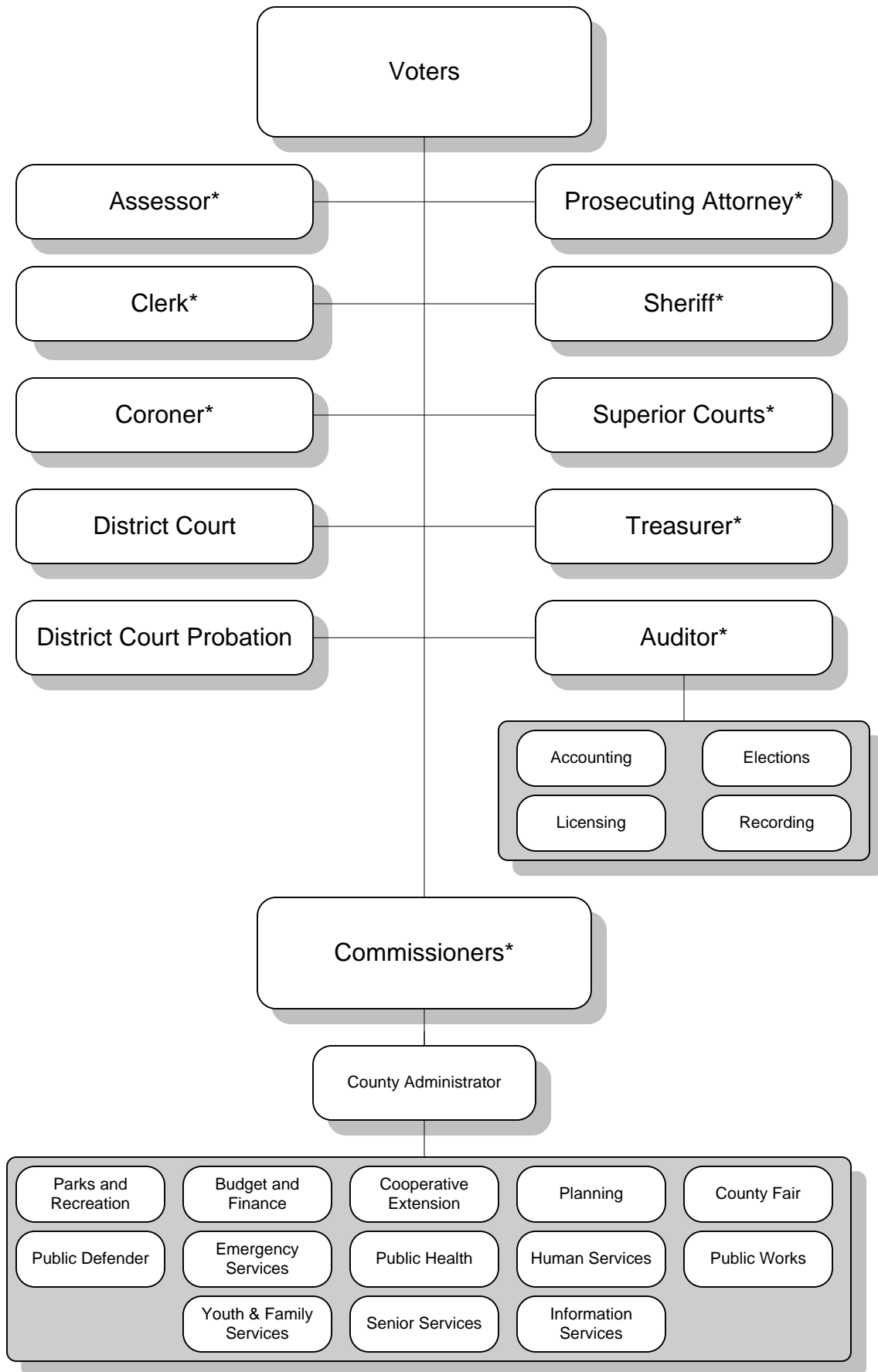
Jeanne Youngquist  
County Auditor



# SKAGIT COUNTY, WASHINGTON ELECTED OFFICIALS

	TERM EXPIRES
COUNTY COMMISSIONERS	
DISTRICT NUMBER 1	RON WESEN ..... DECEMBER 2012
DISTRICT NUMBER 2	KENNETH DAHLSTEDT ..... DECEMBER 2012
DISTRICT NUMBER 3	SHARON DILLON ..... DECEMBER 2014
SUPERIOR COURT JUDGES	
SUSAN COOK .....	DECEMBER 2012
MICHAEL RICKERT .....	DECEMBER 2012
JOHN MEYER .....	DECEMBER 2012
DAVE NEEDY .....	DECEMBER 2012
DISTRICT COURT JUDGES	
WARREN GILBERT .....	DECEMBER 2014
DAVID SVAREN .....	DECEMBER 2014
ASSESSOR	DON MUNKS ..... DECEMBER 2014
AUDITOR	JEANNE YOUNGQUIST ..... DECEMBER 2014
CLERK	NANCY SCOTT ..... DECEMBER 2014
CORONER	DANIEL DEMPSEY ..... DECEMBER 2014
PROSECUTING ATTORNEY	RICHARD WEYRICH ..... DECEMBER 2014
SHERIFF	WILL REICHARDT ..... DECEMBER 2014
TREASURER	KATIE JUNGQUIST ..... DECEMBER 2014

# Skagit County Organization Chart



\* Elected official(s)

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Financial Section





**Washington State Auditor  
Brian Sonntag**

June 29, 2011

Board of Commissioners  
Skagit County  
Mount Vernon, Washington

We have audited the accompanying financial statements of the governmental activities, the business-type activities, each major fund and the aggregate discretely presented component units and remaining fund information of Skagit County, Washington, as of and for the year ended December 31, 2010, which collectively comprise the County's basic financial statements 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 and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. 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 opinions.

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, each major fund and the aggregate discretely presented component units and remaining fund information of Skagit County, Washington, as of December 31, 2010, and the respective changes in financial position and, where applicable, cash flows thereof and the respective budgetary comparison for the General, Mental Health, County Road, and the Facility Improvement Funds, for the year then ended in conformity with accounting principles generally accepted in the United States of America.

In accordance with *Government Auditing Standards*, we will also issue our report dated June 29, 2011, on our consideration of the County's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements and other matters. That report will be issued under separate cover in the County's Single Audit Report. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* and should be considered in assessing the results of our audit.

The management's discussion and analysis on pages two through 12 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 financial statements that collectively comprise the County's basic financial statements. The accompanying information listed as combining financial statements and supplemental information on pages 61 through 197 is presented for purposes of additional analysis and is not a required part of the basic financial statements. This 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 is presented for purposes of additional analysis and is not a required part of the basic financial statements of the County. Such information has not been subjected to the auditing procedures applied in the audit of the basic financial statements and, accordingly, we express no opinion on it.

Sincerely,

**BRIAN SONNTAG, CGFM**  
STATE AUDITOR

**Skagit County, Washington  
Management's Discussion and Analysis  
December 31, 2010**

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This discussion and analysis provides a narrative overview of Skagit County's financial activities for the fiscal year ended December 31, 2010. It should be considered in conjunction with information contained in the financial statements and in the notes to the financial statements.

**FINANCIAL HIGHLIGHTS**

- As of December 31, 2010, total assets of the County exceeded total liabilities by \$405.3 million (net assets). Net assets invested in capital assets (net of depreciation and related debt) account for 90% of this amount, at \$363.8 million. Of the remaining net assets, \$27.5 million was restricted for specific purposes and \$14 million was unrestricted.
- Ending net assets for governmental activities was \$403.7 million. Of that amount, \$360 million was invested in capital assets, \$27.5 million was restricted, and \$16.2 million was unrestricted.
- Ending fund balance for the General Fund was \$7.9 million, an increase of \$1.30 million over the previous year.
- Ending fund balance for the County Road fund was \$8.5 million, a decrease of \$1.3 million over the previous year.
- Total long-term liabilities of the County were \$40.1 million at December 31, 2010.

**OVERVIEW OF THE FINANCIAL STATEMENTS**

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

**Government-wide Financial Statements**

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

The statement of net assets presents all of Skagit County's assets and liabilities, with the difference between the two reported as net assets. Over time, changes in net assets may serve as an indicator of whether the financial position of the County is improving or deteriorating. Non-financial indicators, such as the condition of infrastructure systems or changes in tax base, should also be considered in evaluating financial stability.

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

The financial statements also include information for The Emergency Medical Services Commission and The Central Valley Ambulance Authority, component units of Skagit County. The component units are not covered in this discussion. Additional information concerning these entities may be found in Note I of the notes to the financial statements.

**Fund Financial Statements**

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



**Skagit County, Washington  
Management's Discussion and Analysis  
December 31, 2010**

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**Governmental Funds**

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

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

**Proprietary Funds**

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

**Fiduciary Funds**

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

**Notes to the Financial Statements**

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

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

**Skagit County, Washington  
Management's Discussion and Analysis  
December 31, 2010**

**GOVERNMENT-WIDE FINANCIAL ANALYSIS**

**Statement of Net Assets**

Summarized information from the statement of net assets, as compared to the prior year, is as follows:

	Governmental		Business-Type		Total		% Change
	Activities		Activities				
	2010	2009	2010	2009	2010	2009	
<b>ASSETS</b>							
Current and Other Assets	\$67,706,347	\$63,074,590	\$15,254,909	\$5,806,918	\$82,961,256	\$68,881,508	20.44%
Capital Assets and Construction in Progress (Net of Depreciation)	368,923,833	379,005,797	6,182,521	5,672,885	375,106,354	384,678,682	-2.49%
<b>Total Assets</b>	<b>436,630,180</b>	<b>\$442,080,387</b>	<b>21,437,430</b>	<b>\$11,479,803</b>	<b>458,067,610</b>	<b>453,560,190</b>	<b>0.99%</b>
<b>LIABILITIES</b>							
Long-Term Liabilities	21,186,679	21,396,028	17,840,964	7,973,340	39,027,643	29,369,368	32.89%
Other Liabilities	11,711,453	11,977,566	2,019,666	620,901	13,731,119	12,598,467	8.99%
<b>Total Liabilities</b>	<b>32,898,132</b>	<b>33,373,594</b>	<b>19,860,630</b>	<b>8,594,241</b>	<b>52,758,762</b>	<b>41,967,835</b>	<b>25.71%</b>
<b>NET ASSETS</b>							
Invested in Capital Assets, Net of Related Debt	359,956,151	369,397,842	3,843,894	592,025	363,800,045	369,989,867	-1.67%
Restricted	27,541,813	24,794,518	-	-	27,541,813	24,794,518	11.08%
Unrestricted	16,234,084	14,514,433	(2,267,094)	2,293,537	13,966,990	16,807,970	-16.90%
<b>Total Net Assets</b>	<b>\$403,732,048</b>	<b>408,706,793</b>	<b>\$1,576,800</b>	<b>2,885,562</b>	<b>\$405,308,848</b>	<b>\$411,592,355</b>	<b>-1.53%</b>

Of the \$82.3 million in current and other assets at December 31, 2010, \$65.4 million is cash, cash equivalents and investments. A very small portion of this amount, \$1.5 million, is restricted for specific purposes. Accounts receivable and amounts due from other governments total \$11.3 million. Inventories/prepayments total \$5.2 million. The remaining \$0.4 million is deferred charges. Cash, cash equivalents and investments represented 79.4% (compared to 79.1% in 2009), while accounts receivable and amounts due from other governments accounted for 13.7% (compared to 15.7% from 2009).

At December 31, 2010, the County had outstanding long-term liabilities of \$40.1 million. Of this total, \$2.1 million was due within one year. See Note V of the notes to the financial statements for more information regarding long term debt. Other liabilities amounted to \$11.9 million. These represent primarily accounts payable and accrued liabilities due as a result of ordinary operations.

The largest portion of the County's net assets (89.8%) reflects its investment in capital assets, less any outstanding related debt used to acquire those assets. The County's capital assets are used to provide services to citizens and are therefore not available to finance future spending. Although the County's 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, 6.8% of the County's net assets are subject to legal restrictions for specific purposes. The remaining balance of net assets, \$14 million (3.4%), is unrestricted and may be used to finance ongoing general operations of the County.

**Statement of Changes in Net Assets**

The County's total net assets decreased by \$6.2 million in 2010. Governmental activities reflected a decrease of \$4.9 million while the net assets of business-type activities decreased \$1.3 million. Key elements in these changes are shown in the following table:

**Skagit County, Washington  
Management's Discussion and Analysis  
December 31, 2010**

	Changes in Net Assets					
	Governmental		Business-Type		Total	
	Activities		Activities		Primary Government	
	2010	2009	2010	2009	2010	2009
<b>REVENUES</b>						
Program Revenues						
Charges for Services	\$27,138,407	\$27,375,705	\$9,924,247	\$9,562,051	\$37,062,654	\$36,937,756
Operating Grants and Contributions	10,628,645	11,271,785	303,245	485,717	10,931,890	11,757,502
Capital Grants and Contributions	3,471,716	3,384,760	-	-	3,471,716	3,384,760
General Revenues						
Taxes	56,778,379	55,387,884	-	-	56,778,379	55,387,884
Interest Earnings on Investments	1,104,621	1,432,797	21,111	44,502	1,125,732	1,477,299
Gain/(Loss) on Sale of Assets	14,837	(59,262)	-	-	14,837	(59,262)
<b>Total Revenues</b>	<b>99,136,605</b>	<b>\$98,793,669</b>	<b>10,248,603</b>	<b>\$10,092,270</b>	<b>109,385,208</b>	<b>108,885,939</b>
<b>PROGRAM EXPENSES</b>						
General Government	30,411,707	32,293,073	-	-	30,411,707	32,293,073
Judicial	6,281,910	6,786,074	-	-	6,281,910	6,786,074
Public Safety	20,015,584	24,713,361	-	-	20,015,584	24,713,361
Physical Environment	3,560,748	2,185,797	-	-	3,560,748	2,185,797
Transportation	27,144,427	27,080,176	-	-	27,144,427	27,080,176
Economic Environment	3,467,987	5,348,995	-	-	3,467,987	5,348,995
Health and Human Services	10,134,616	11,340,490	-	-	10,134,616	11,340,490
Culture and Recreation	2,566,016	2,573,312	-	-	2,566,016	2,573,312
Solid Waste	-	-	8,705,787	7,723,823	8,705,787	7,723,823
Drainage Utility	-	-	1,240,898	1,626,049	1,240,898	1,626,049
Interest on Long Term Debt	559,293	660,210	-	-	559,293	660,210
<b>Total Expenses</b>	<b>104,142,288</b>	<b>112,981,488</b>	<b>9,946,685</b>	<b>9,349,872</b>	<b>114,088,973</b>	<b>122,331,360</b>
Excess (Deficiency) of Revenues Over (Under) Expenditures before transfers						
	(5,005,683)	(14,187,819)	301,918	742,398	(4,703,765)	(13,445,421)
Transfers	(84,008)	(83,945)	84,008	83,945	-	-
<b>Change in Net Assets</b>	<b>(5,089,691)</b>	<b>(14,271,764)</b>	<b>385,926</b>	<b>826,343</b>	<b>(4,703,765)</b>	<b>(13,445,421)</b>
Net Assets, January 1	408,706,793	396,921,942	2,885,562	1,469,550	411,592,355	398,391,492
Prior Period Adjustment	114,946	26,056,615	(1,694,688)	589,669	(1,579,742)	26,646,284
<b>Net Assets, January 1 - Restated</b>	<b>408,821,739</b>	<b>422,978,557</b>	<b>1,190,874</b>	<b>2,059,219</b>	<b>410,012,613</b>	<b>425,037,776</b>
<b>Net Assets, December 31</b>	<b>403,732,048</b>	<b>408,706,793</b>	<b>\$1,576,800</b>	<b>2,885,562</b>	<b>\$405,308,848</b>	<b>\$411,592,355</b>

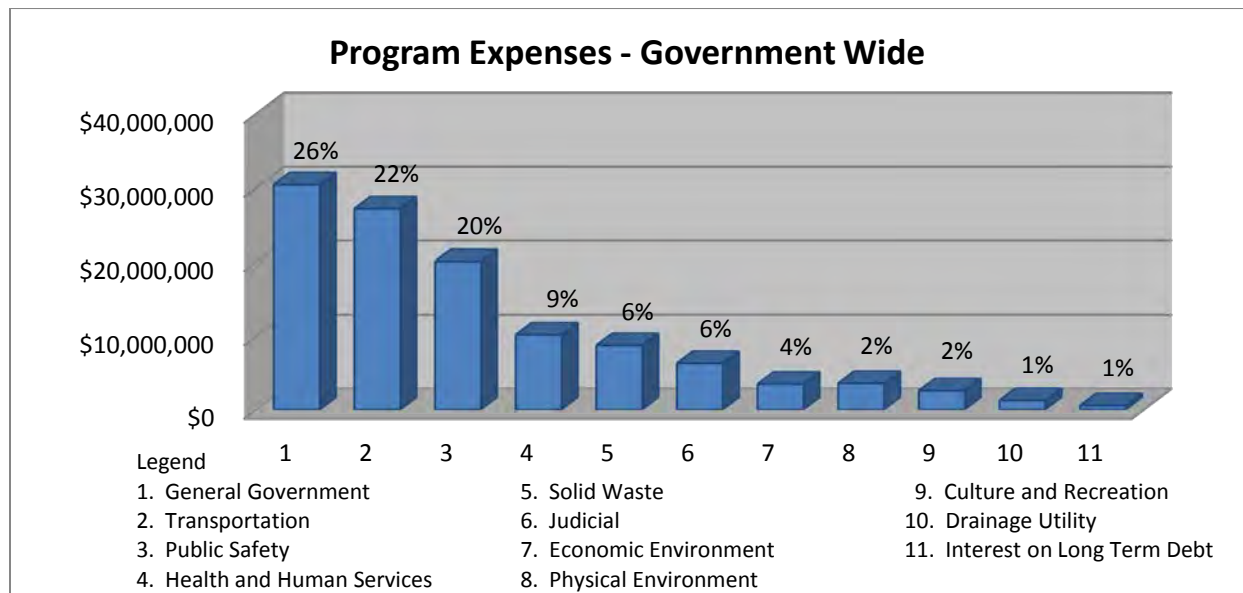
Total revenues were \$109.4 million in 2010, an increase of \$.5 million from 2009. Governmental activities provided \$99.1 million (90%), while business-type activities added \$10.2 million. Within governmental activities, tax revenue accounted for 57.3% of total revenue sources, with grants and contributions accounting for 14.2% (up from 10.8% in 2009).

Charges for services accounted for 97% of the revenues of business type activities, with the remaining provided by grants and interest income.

Total expenses for the year amounted to \$114.1 million, a decrease of \$8.2 million from 2009. Governmental activities accounted for \$104 million (91.3%), with the largest program expenses in the areas of general government, transportation, and public safety. These three programs accounted for 74.4% of total governmental expenses. Of the \$9.9 million in business-type expenses, 87.5% is associated with the solid waste program, a 1.13% increase from 2009.

**Skagit County, Washington  
Management's Discussion and Analysis  
December 31, 2010**

The following graph illustrates 2010 government wide program spending:



**FINANCIAL ANALYSIS OF THE COUNTY'S FUNDS**

**Governmental Funds Balance Sheet Analysis**

The General Fund, Mental Health Fund, County Road Fund, and Facility Improvement Fund are the County's major funds in 2010. Together these funds account for 59.6% of total governmental fund assets and 52.6% of total governmental fund balances.

As of December 31, 2010, the County's governmental funds reported combined fund balances of \$38.7 million, a increase from \$35.7 million in 2009. Of this amount, \$34.6 million (89%) is unreserved and available for spending within the designated funds. Reserved fund balance of \$4.1 million is not available for new spending because it has already been committed for prepaid expenses, loans, debt service, and inventory.

The General Fund is the primary operating fund of Skagit County. The unreserved fund balance of this fund increased from \$4.4 million at December 31, 2009, to \$7.8 million at December 31, 2010. Total fund balance increased from \$6.6 million to \$7.9 million. Total assets of the General Fund were \$15.6 million at December 31, 2010, accounting for 29% of total governmental fund assets. This represents a increase of \$2.2 million from 2009.

**Governmental Funds Revenue/Expenditure Analysis**

Total revenues for governmental funds were \$97.2 million in 2010. This represents an increase of \$.5 million from 2009, which is due primarily to increased revenues in Other Governmental Funds. During the same period, total expenditures decreased \$11.3 million. This decrease is reflected primarily in the Facility Improvement Fund and the General Fund. The General Fund and the County Road fund account for 67.7% of all governmental fund revenue (down from 69.1% in 2009) and 63% of all expenditures (up from 61.1% in 2009).

The net change in fund balance for the General Fund in 2010 was a positive \$1.3 million. The decrease in fund balance for the County Road fund was \$1.3 million. Fund balance for the Mental Health Fund increased \$.3 million. Fund balance for the Facility Improvement Fund increased \$2 million. The non-major governmental funds had an overall positive change in fund balances of \$.7 million for 2010.

**Skagit County, Washington  
Management's Discussion and Analysis  
December 31, 2010**

**Enterprise Funds Net Assets Analysis**

Both enterprise funds of Skagit County, the Solid Waste Fund and the Drainage Utility Fund, are considered major funds for 2010. Comparative information from the proprietary funds' statement of net assets is as follows:

**Business-Type Activities - Enterprise Funds**

	Net Assets					
	Solid Waste		Drainage Utility		Total	
	2010	2009	2010	2009	2010	2009
<b>ASSETS</b>						
Current Assets						
Cash and Cash Equivalents	\$11,314,459	\$2,147,954	\$2,978,426	\$2,792,567	\$14,292,885	\$4,940,521
Other Current Assets	776,804	800,641	185,220	66,788	962,024	867,429
Total Current Assets	<u>12,091,263</u>	<u>\$2,948,595</u>	<u>3,163,646</u>	<u>\$2,859,355</u>	<u>15,254,909</u>	<u>5,807,950</u>
Non-Current Assets						
Construction in Progress	-	-	197,681	512,318	197,681	512,318
Capital Assets	3,955,174	3,934,268	5,930,295	4,960,191	9,885,469	8,894,459
Less Accumulated Depreciation	(2,817,820)	(2,749,960)	(1,146,729)	(983,932)	(3,964,549)	(3,733,892)
Unamortized Debt Issue Costs	63,920	16,193	-	-	63,920	16,193
Total Non-Current Assets	<u>1,201,274</u>	<u>1,200,501</u>	<u>4,981,247</u>	<u>4,488,577</u>	<u>6,182,521</u>	<u>5,689,078</u>
Total Assets	<u><u>13,292,537</u></u>	<u><u>\$4,149,096</u></u>	<u><u>8,144,893</u></u>	<u><u>\$7,347,932</u></u>	<u><u>21,437,430</u></u>	<u><u>11,497,028</u></u>
<b>LIABILITIES</b>						
Current Liabilities						
Accounts/Vouchers Payable	431,275	457,557	83,878	49,534	515,153	507,091
Other Current Liabilities	1,392,581	1,209,460	111,932	37,191	1,504,513	1,246,651
Total Current Liabilities	<u>1,823,856</u>	<u>1,667,017</u>	<u>195,810</u>	<u>86,725</u>	<u>2,019,666</u>	<u>1,753,742</u>
Non-Current Liabilities						
Bonds Payable	11,305,327	2,381,851	-	-	11,305,327	2,381,851
Other Non-Current Liabilities	6,504,119	4,453,679	31,518	22,194	6,535,637	4,475,873
Total Non-Current Liabilities	<u>17,809,446</u>	<u>6,835,530</u>	<u>31,518</u>	<u>22,194</u>	<u>17,840,964</u>	<u>6,857,724</u>
Total Liabilities	<u>19,633,302</u>	<u>8,502,547</u>	<u>227,328</u>	<u>108,919</u>	<u>19,860,630</u>	<u>8,611,466</u>
<b>NET ASSETS</b>						
Invested in Capital Assets, Net of Related Debt	(1,137,353)	(3,896,553)	4,981,247	4,488,578	3,843,894	592,025
Unrestricted	(5,203,412)	(456,898)	2,936,318	2,750,435	(2,267,094)	2,293,537
Total Net Assets	<u><u>(\$6,340,765)</u></u>	<u><u>(4,353,451)</u></u>	<u><u>\$7,917,565</u></u>	<u><u>7,239,013</u></u>	<u><u>\$1,576,800</u></u>	<u><u>\$2,885,562</u></u>

As of December 31, 2010, the enterprise funds reported combined net assets of \$1.6 million (compared to \$2.9 million in 2009). This is the total of a \$6.3 million deficit in the Solid Waste Fund (up from \$4.4 million in 2009) and a positive \$7.9 million in the Drainage Utility Fund (up from \$7.2 million in 2009). The Solid Waste Fund reports an investment in capital assets, net of related debt, of a negative \$1.1 million. This 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.

**Skagit County, Washington  
Management's Discussion and Analysis  
December 31, 2010**

**Enterprise Funds Revenue/Expenditure Analysis**

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

	<b>Business-Type Activities - Enterprise Funds</b>					
	<b>Changes in Net Assets</b>					
	<b>Solid Waste</b>		<b>Drainage Utility</b>		<b>Total</b>	
	<b>2010</b>	<b>2009</b>	<b>2010</b>	<b>2009</b>	<b>2010</b>	<b>2009</b>
<b>REVENUES</b>						
Charges for Services	\$8,387,238	\$7,967,277	\$1,670,458	\$1,752,705	\$10,057,696	\$9,719,982
Intergovernmental	148,454	451,792	154,791	33,925	303,245	485,717
Interest Revenue	10,968	23,528	10,143	20,974	21,111	44,502
Miscellaneous Revenue	5,817	6,148	50	48	5,867	6,196
<b>Total Revenues</b>	<b>8,552,477</b>	<b>\$8,448,745</b>	<b>1,835,442</b>	<b>\$1,807,652</b>	<b>10,387,919</b>	<b>10,256,397</b>
<b>EXPENSES</b>						
Personal Services	1,632,418	1,628,668	528,286	532,106	2,160,704	2,160,774
Contractual Services	4,645,238	4,730,938	-	-	4,645,238	4,730,938
Other Supplies and Expenses	2,360,271	1,321,763	549,814	927,151	2,910,085	2,248,914
Depreciation	67,860	42,454	162,798	166,792	230,658	209,246
Loss on Disposition of Capital Assets	-	-	-	-	-	-
Interest Expense	139,316	164,127	-	-	139,316	164,127
<b>Total Expenses</b>	<b>8,845,103</b>	<b>7,887,950</b>	<b>1,240,898</b>	<b>1,626,049</b>	<b>10,086,001</b>	<b>9,513,999</b>
Income (Loss) Before Transfers	(292,626)	560,795	594,544	181,603	301,918	742,398
Capital Contributions	-	-	-	-	-	-
Interfund Transfers	-	-	84,008	83,945	84,008	83,945
<b>Change in Net Assets</b>	<b>(292,626)</b>	<b>560,795</b>	<b>678,552</b>	<b>265,548</b>	<b>385,926</b>	<b>826,343</b>
Net Assets, January 1	(4,353,451)	(5,503,915)	7,239,013	6,973,465	2,885,562	1,469,550
Prior Period Adjustment	(1,694,688)	589,669	-	-	(1,694,688)	589,669
Net Assets, January 1 - Restated	(6,048,139)	(4,914,246)	7,239,013	6,973,465	1,190,874	2,059,219
Net Assets, December 31	(\$6,340,765)	(4,353,451)	\$7,917,565	7,239,013	1,576,800	\$2,885,562

Revenues from the Solid Waste Fund represent 82.3% of the total revenues for enterprise funds in 2010, a decrease from 82.4% in 2009. Total expenses for the funds were 97.1% of revenues, an increase from 92.8% in 2009.



**Skagit County, Washington  
Management's Discussion and Analysis  
December 31, 2010**

**GENERAL FUND BUDGETARY HIGHLIGHTS**

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

**General Fund Budget Comparison  
For the Year Ended December 31, 2010**

	<u>Original</u>	<u>Final</u>	<u>Variance</u>
	<u>Budget</u>	<u>Budget</u>	<u>Favorable</u>
			<u>(Unfavorable)</u>
BUDGETED FUND BALANCE, JANUARY 1	\$ 467,329	\$ 1,514,382	\$1,047,053
<b>RESOURCES (IN-FLOWS)</b>			
Taxes	31,283,924	31,283,924	-
Licenses & Permits	27,500	27,500	-
Intergovernmental Revenue	7,286,283	7,446,861	160,578
Charges for Goods and Services	4,445,226	4,360,226	(85,000)
Fines and Forfeits	1,955,000	1,955,000	-
Interest Revenue	929,150	929,150	-
Miscellaneous Revenues	403,839	433,405	29,566
Transfers In	228,453	228,453	-
Total Resources (in-flows)	<u>46,559,375</u>	<u>46,664,519</u>	<u>105,144</u>
Amounts Available for Appropriation	<u>47,026,704</u>	<u>48,178,901</u>	<u>1,152,197</u>
<b>CHARGES TO APPROPRIATIONS (OUT-FLOWS)</b>			
General Government Services	16,941,369	17,785,618	(844,249)
Judicial	7,812,481	7,755,034	57,447
Public Safety	17,410,903	16,805,383	605,520
Utilities and Environment	684,843	530,079	154,764
Economic Environment	129,814	128,518	1,296
Health and Human Services	-	-	-
Culture and Recreation	384,540	387,713	(3,173)
Debt Service	56,667	56,667	-
Capital Expenditures	30,000	62,007	(32,007)
Transfers Out	3,576,087	4,667,882	(1,091,795)
Amount Charged to Appropriations (out-flows)	<u>47,026,704</u>	<u>48,178,901</u>	<u>(1,152,197)</u>
BUDGETED FUND BALANCE, DECEMBER 31	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>

The net increase in revenues in the final amended budget represented a favorable variance of 0.2%. The net increase in expenditures represented an unfavorable increase of 2.5%. Total budgeted expenditures increased only slightly more than revenue increased by a difference of \$1 million.

The final budget appropriation for general government services reflected an increase primarily due to increases in contingency line item (that wasn't ultimately expended) and a transfer to the unemployment fund to pay increased claims due to staff reductions. The decrease in the final budget appropriation for Public Safety was a result of moving services that were provided in the General Fund (Youth & Family Services) to a Special Revenue Fund (Community Services) and a decrease in the Sheriff's budget to account for closure days.

**Skagit County, Washington  
Management's Discussion and Analysis  
December 31, 2010**

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

**General Fund Budget vs. Actual  
For the Year Ended December 31, 2010**

	<u>Final</u>		<u>Changes</u>
	<u>Budget</u>	<u>Actual</u>	<u>Favorable</u>
			<u>(Unfavorable)</u>
FUND BALANCE, JANUARY 1	\$ 1,514,382	\$ 6,608,012	\$5,093,630
<b>RESOURCES (IN-FLOWS)</b>			
Taxes	31,283,924	30,822,241	(461,683)
Licenses & Permits	27,500	22,984	(4,516)
Intergovernmental Revenue	7,446,861	8,809,419	1,362,558
Charges for Goods and Services	4,360,226	4,087,575	(272,651)
Fines and Forfeits	1,955,000	1,848,425	(106,575)
Interest Revenue	929,150	738,421	(190,729)
Miscellaneous Revenues	433,405	612,822	179,417
Transfers In	228,453	158,659	(69,794)
Total Resources (in-flows)	<u>46,664,519</u>	<u>47,100,547</u>	<u>436,027</u>
Amounts Available for Appropriation	<u>48,178,901</u>	<u>53,708,559</u>	<u>5,529,657</u>
<b>CHARGES TO APPROPRIATIONS (OUT-FLOWS)</b>			
General Government Services	17,785,618	15,317,941	2,467,677
Judicial	7,755,034	7,479,340	275,694
Public Safety	16,805,383	16,120,876	684,507
Utilities and Environment	530,079	451,994	78,085
Economic Environment	128,518	118,372	10,146
Health and Human Services			0
Culture and Recreation	387,713	368,968	18,745
Debt Service	56,667	56,667	0
Capitalized Expenditures	62,007	27,085	34,922
Transfers Out	4,667,882	5,867,882	(1,200,000)
Amount Charged to Appropriations (out-flows)	<u>48,178,901</u>	<u>45,809,125</u>	<u>2,369,776</u>
FUND BALANCE, DECEMBER 31	<u>\$0</u>	<u>\$7,899,434</u>	<u>\$7,899,433</u>

The largest dollar variance is reflected in intergovernmental revenues. This is due to sale of timber money that came in nearly \$1.3 million above what was budgeted.

Actual expenditures were .5% less than budgeted. This is represented primarily by a decrease in General Government Services and overall decreases in all areas except Debt Service and Transfers Out. The most significant variance is in General Government Services; this reflects a contingency line item that was not spent and salary and benefit savings due to position eliminations and closure days.

**Skagit County, Washington  
Management's Discussion and Analysis  
December 31, 2010**

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**CAPITAL ASSETS AND LONG TERM DEBT**

**Capital Assets**

The County's net capital assets were \$373.5 million at December 31, 2010. Construction in progress was an additional \$1.5 million. Capital assets include land, development rights, buildings, improvements, furniture and equipment, and infrastructure. Details of 2010 capital asset transactions are presented in Note IV.D of the notes to the financial statements.

**Long-Term Debt**

At December 31, 2010, general obligation bonds payable as reported by governmental activities was \$13.745 million. This represents a \$.91 million decrease from the prior year. Business type activities reported general obligation bonds payable of \$12.2 million, an increase of \$8.97 million.

The County's remaining legal capacity for non-voted debt at December 31, 2010 was approximately \$213 million.

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

**ECONOMIC FACTORS**

The Skagit County economy continued to feel the impacts of a global downturn. According to the Washington State Employment Security Department, the number of unemployed individuals in the County increased to 11.2%, up from 9.4% a year ago. Sales tax collections for 2010, which accounted for approximately 14 % of the County's General Fund budget, were down 14.8% from the collections in 2009.

The County's overall financial position remains steady. Unrestricted net assets for governmental activities have increased by 11% compared to 2009. The County is not facing any foreseeable restrictions or other limitations that would significantly impact funding resources for future uses.

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

- In November 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 received 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 1/10<sup>th</sup> of 1% increase in sales tax to fund emergency communication systems and facilities.
- In December 2005, the Board of County Commissioners signed an Ordinance implementing a 1/10<sup>th</sup> of 1% increase in sales and use tax for the purpose of providing funds for new and expanded chemical dependency or mental health treatment services and for the operation of new or expanded therapeutic court programs.
- In December 2005, the Board of County Commissioners signed a resolution creating the Skagit County Clean Water (Shellfish Protection) District. While assessments were authorized at this time, collection didn't begin until the 2007 tax year. The assessment was authorized for 3 years. In September 2009, the Board of County Commissioners signed a resolution reauthorizing the assessment through December 2014.
- In December 2009, the Board of County Commissioners signed a resolution authorizing a shift in the Road Levy in the amount of \$1,000,000 to the General Levy.
- In November 2010, the County issued Limited Tax General Obligation Bonds in the amount of \$9,740,000 for improvements to the County's solid waste transfer station and other capital improvements to County facilities. These bonds were issued in the form of Recovery Zone Economic Development Bonds and Build America Bonds which include a rebate of 45% and 35% (respectively) of the amount of interest payments made by the County.

**Skagit County, Washington  
Management's Discussion and Analysis  
December 31, 2010**

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**Requests for Information**

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

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

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

# Basic Financial Statements



# Basic Financial Statements

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

## Government-wide Financial Statements

- (1) **Government-wide Statement of Net 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, 2010

	Primary Government			Component Units	
	Governmental Activities	Business-Type Activities	Total	EMS	CVA
<b>ASSETS</b>					
Cash and Cash Equivalents	\$ 35,237,535	\$ 14,292,885	\$ 49,530,420	\$ 1,851,014	\$ 706,677
Investments	14,731,936	-	14,731,936	1,169,477	
Accounts Receivables, Net	4,323,952	834,950	5,158,902		627,157
Due from Other Governments	6,022,222	127,074	6,149,296		263,699
Internal Balances	326,209	0	326,209		
Inventories and Prepayments	5,239,540	0	5,239,540	700	
Deferred Charges	317,619	63,920	381,539		
Restricted Assets:			-		
Restricted for Debt Service:			-		
Cash/Cash Equivalents	15,796	-	15,796		
Investments	1,491,538	-	1,491,538		
Non Depreciated Capital Assets	167,112,946	793,060	167,906,006		
Capital Assets, Net	201,159,634	4,436,933	205,596,567	469,635	614,450
Construction in Progress	651,253	888,608	1,539,861		
Total Assets	<u>436,630,180</u>	<u>21,437,430</u>	<u>458,067,610</u>	<u>3,490,826</u>	<u>2,211,983</u>
<b>LIABILITIES</b>					
<u>Liabilities</u>					
Accounts Payable	6,269,953	515,153	6,785,106	94,417	356,032
Other Liabilities	5,045,406	88,304	5,133,710	20,697	167,935
Due to Other Governments	396,094	326,209	722,303	268,735	
Long Term Liabilities:			-		
Due within One Year	1,096,702	1,090,000	2,186,702		
Due in More Than One Year	20,089,977	17,840,964	37,930,941	34,705	339,371
Total Liabilities	<u>32,898,132</u>	<u>19,860,630</u>	<u>52,758,762</u>	<u>418,554</u>	<u>863,338</u>
<u>Net Assets</u>					
Invested in Capital Assets, Net of Related Debt	359,956,151	3,843,894	363,800,045	469,635	614,450
Restricted for:					
General Government	4,972,211	-	4,972,211		
Public Safety	846,268	-	846,268		
Physical Environment	1,622,687	-	1,622,687		
Transportation	8,458,394	-	8,458,394		
Economic Environment	4,276,027	-	4,276,027		
Health & Human Services	5,506,069	-	5,506,069		
Culture and Recreation	355,823	-	355,823		
Debt Service	1,504,334	-	1,504,334		
Unrestricted	16,234,084	(2,267,094)	13,966,990	2,602,637	734,195
Total Net Assets	<u>\$ 403,732,048</u>	<u>\$ 1,576,800</u>	<u>\$ 405,308,848</u>	<u>\$ 3,072,272</u>	<u>\$ 1,348,645</u>

**SKAGIT COUNTY, WASHINGTON**  
**Statement of Activities**  
**For the Year Ended December 31, 2010**

Functions/Programs	Program Revenues				Net (Expenses) Revenues and Changes in Net Assets			Primary Government	
	Expenses	Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Governmental Activities	Business-Type Activities	Total	Component Units	
								EMS	CVA
<b>Primary Government:</b>									
Governmental Activities:									
General Government	\$ 30,411,707	\$ 8,468,108	\$ 1,328,151	\$ 909,750	\$ (19,705,698)	\$ -	\$ (19,705,698)	\$ -	\$ -
Judicial	6,281,910	3,922,658	1,274,419	-	(1,084,833)	-	(1,084,833)	-	-
Public Safety	20,015,584	3,268,388	2,288,511	8,503	(14,450,182)	-	(14,450,182)	-	-
Physical Environment	3,560,748	113,852	1,497,860	864,934	(1,084,102)	-	(1,084,102)	-	-
Transportation	27,144,427	6,227,702	760,399	1,515,858	(18,640,468)	-	(18,640,468)	-	-
Economic Environment	3,467,987	1,195,078	684,562	149,479	(1,438,868)	-	(1,438,868)	-	-
Health and Human Services	10,134,616	3,057,962	2,147,248	-	(4,929,406)	-	(4,929,406)	-	-
Culture and Recreation	2,566,016	884,659	647,495	23,192	(1,010,670)	-	(1,010,670)	-	-
Interest on Long Term Debt	559,293	-	-	-	(559,293)	-	(559,293)	-	-
Total Governmental Activities	<u>104,142,288</u>	<u>27,138,407</u>	<u>10,628,645</u>	<u>3,471,716</u>	<u>(62,903,520)</u>	<u>-</u>	<u>(62,903,520)</u>	<u>-</u>	<u>-</u>
Business-Type Activities									
Solid Waste	8,705,787	8,253,739	148,454	-	-	(303,594)	(303,594)	-	-
Drainage Utility	1,240,898	1,670,508	154,791	-	-	584,401	584,401	-	-
Total Business-Type Activities	<u>9,946,685</u>	<u>9,924,247</u>	<u>303,245</u>	<u>-</u>	<u>-</u>	<u>280,807</u>	<u>280,807</u>	<u>-</u>	<u>-</u>
Total Primary Government	<u>114,088,973</u>	<u>37,062,654</u>	<u>10,931,890</u>	<u>3,471,716</u>	<u>(62,903,520)</u>	<u>280,807</u>	<u>(62,622,713)</u>	<u>-</u>	<u>-</u>
<b>Component Unit</b>									
Emergency Medical Services Commission	4,015,489	17,880	4,175,396	-	-	-	-	177,787	0
Central Valley Ambulance Authority	4,547,866	2,762,464	1,682,837	-	-	-	-	-	(102,565)
Total Component Unit	<u>8,563,355</u>	<u>2,780,344</u>	<u>5,858,233</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>177,787</u>	<u>(102,565)</u>
<b>General Revenues</b>									
Taxes									
Property					40,839,173	-	40,839,173	-	-
Sales					13,065,954	-	13,065,954	-	-
Other					2,873,252	-	2,873,252	-	-
Interest and Investment Earnings					1,104,621	21,111	1,125,732	5,959	-
Gain (Loss) from Sale of Capital Assets					14,837	-	14,837	-	1,160
Transfers					(84,008)	84,008	0	-	-
Total General Revenues and Transfers					<u>57,813,829</u>	<u>105,119</u>	<u>57,918,948</u>	<u>5,959</u>	<u>1,160</u>
Change in Net Assets					(5,089,691)	385,926	(4,703,765)	183,746	(101,405)
Net Assets, January 1					408,706,793	2,885,562	411,592,355	2,888,526	1,450,050
Prior Period Adjustments					114,946	(1,694,688)	(1,579,742)	-	-
Net Assets, January 1, as Restated					<u>408,821,739</u>	<u>1,190,874</u>	<u>410,012,613</u>	<u>2,888,526</u>	<u>1,450,050</u>
Net Assets, December 31					<u>\$ 403,732,048</u>	<u>\$ 1,576,800</u>	<u>\$ 405,308,848</u>	<u>\$ 3,072,272</u>	<u>\$ 1,348,645</u>

See accompanying notes to the financial statements

# SKAGIT COUNTY, WASHINGTON

## Balance Sheet Governmental Funds December 31, 2010

	Major Funds					Total
	General Fund	Mental Health Fund	County Road Fund	Facility Improvement Fund	Other Governmental Funds	
<b>ASSETS</b>						
Cash and Cash Equivalents	\$ 10,722,648	\$ 2,016,974	\$ 2,384,317	\$ 37,668	\$ 8,033,082	\$ 23,194,689
Investments	-	3,052,626	5,579,359	-	7,591,489	16,223,474
Taxes Receivable	1,067,831	14,313	427,579	-	306,324	1,816,047
Accounts Receivable, Net	2,123,185	-	314,597	-	16,035	2,453,817
Interest Receivable	46,139	-	-	-	-	46,139
Due from Other Funds	2,147	-	526,925	1,200,000	288,203	2,017,275
Due from Other Governments	1,905,979	422,157	723,631	-	2,918,966	5,970,733
Interfund Loans Receivable	146,500	-	-	-	2,637,500	2,784,000
Inventories and Prepayments	2,988	-	-	-	76,143	79,133
Total Assets	16,017,417	5,506,070	9,956,408	1,237,668	21,867,742	54,585,307
<b>LIABILITIES AND FUND BALANCES</b>						
<u>Liabilities</u>						
Accounts and Vouchers Payable	630,982	143,607	477,126	9,357	1,235,726	2,496,801
Due to Other Funds	1,200,153	1,092	328,665	-	93,582	1,623,492
Due to Other Governmental Units	6,973	164,309	-	-	224,812	396,094
Accrued Wages Payable	941,654	20,716	227,805	1,470	277,201	1,468,846
Accrued Employee Benefits	143,882	2,947	36,839	220	58,503	242,391
Custodial Accounts	2,192,988	-	-	-	308,573	2,501,561
Deferred Revenue	3,001,351	14,313	427,579	-	910,138	4,353,381
Interfund Loans Payable	-	-	-	2,374,000	410,000	2,784,000
Total Liabilities	8,117,983	346,984	1,498,014	2,385,047	3,518,535	15,866,566
<u>Fund Balance</u>						
Reserved for:						
Inventory	-	-	-	-	-	-
Prepaid Items	-	-	-	-	76,143	76,143
Reserved for Loans Receivable	146,500	-	-	-	2,374,000	2,520,500
Debt Service	-	-	-	-	1,507,334	1,507,334
Unreserved, Reported in:						
General Fund	7,752,934	-	-	-	-	7,752,934
Special Revenue Funds	-	5,159,084	8,458,394	-	10,373,839	23,991,319
Capital Project Funds	-	-	-	(1,147,379)	4,017,891	2,870,512
Total Fund Balances	7,899,434	5,159,086	8,458,394	(1,147,379)	18,349,207	38,718,741
Total Liabilities and Fund Balances	\$ 16,017,417	\$ 5,506,069	\$ 9,956,408	\$ 1,237,668	\$ 21,867,742	\$ 54,585,307

**SKAGIT COUNTY, WASHINGTON**  
**Reconciliation of the Governmental Funds Balance Sheet**  
**To the Statement of Net Assets**  
**December 31, 2010**

Total fund balances as shown on the Governmental Fund Balance Sheet	\$ 38,718,741
Net capital assets of governmental funds as of December 31, 2010 Capital assets used in the activities of governmental funds are not financial resources and therefore are not reported in the funds.	360,636,401
Revenues deferred in the governmental funds and recognized as revenue of the current period on the statement of activities.	3,749,566
Net assets of the internal service funds Internal service funds are included in governmental activities on the statement of net assets.	21,106,445
Balance of long-term liabilities of the governmental funds as of December 31, 2010 Liabilities not due and payable in the current period are not reported in the governmental funds.	(20,479,106)
Total net assets as reported on the Statement of Net Assets	<hr/> <u>\$ 403,732,047</u>

**SKAGIT COUNTY, WASHINGTON**  
**Statement of Revenues, Expenditures and Changes in Fund Balance**  
**Governmental Funds**  
**For the Year Ended December 31, 2010**

	Major Funds					Total
	General Fund	Mental Health Fund	County Road Fund	Facility Improvement Fund	Other Governmental Funds	
Revenues						
Property Taxes	\$ 22,396,677	\$ 298,507	\$ 10,222,035	\$ -	\$ 6,974,743	\$ 39,891,962
Sales and Use Taxes	6,647,118	2,055,370	154,707	-	4,208,759	13,065,954
Other Taxes	1,778,445	2,254	41,713	-	1,050,840	2,873,252
Licenses and Permits	22,984	-	70,684	-	1,010,953	1,104,621
Intergovernmental Revenues	8,809,419	227,228	6,639,337	23,193	9,697,381	25,396,558
Charges for Services	4,087,575	1,123,766	1,538,276	-	3,007,831	9,757,448
Fines and Forfeits	1,848,425	-	-	-	109,540	1,957,965
Interest Earnings	738,422	11,072	57,625	97	111,905	919,121
Donations	100,987	-	-	-	423,945	524,932
Other Revenues	511,836	114	102,365	338,222	755,423	1,707,960
<b>Total Revenues</b>	<b>46,941,888</b>	<b>3,718,311</b>	<b>18,826,742</b>	<b>361,512</b>	<b>27,351,320</b>	<b>97,199,773</b>
Expenditures						
Current:						
General Government	15,317,941	-	161,755	-	1,076,324	16,556,020
Judicial	7,479,340	-	-	-	-	7,479,340
Public Safety	16,120,876	-	-	-	8,280,077	24,400,953
Physical Environment	451,994	-	-	-	3,942,414	4,394,408
Transportation	-	-	16,883,460	-	143,844	17,027,304
Economic Environment	118,372	-	-	-	3,830,650	3,949,022
Health and Human Services	0	2,870,992	-	-	8,390,227	11,261,219
Culture and Recreation	368,968	-	-	-	2,840,759	3,209,727
Debt Service:						
Principal	56,667	-	-	-	1,001,467	1,058,134
Interest	0	-	-	-	589,480	589,480
Capital Outlay	27,085	-	2,607,485	212,926	1,856,599	4,704,095
<b>Total Expenditures</b>	<b>39,941,243</b>	<b>2,870,992</b>	<b>19,652,700</b>	<b>212,926</b>	<b>31,951,841</b>	<b>94,629,702</b>
Excess (Deficit) Revenues Over Expenditures	7,000,645	847,319	(825,958)	148,586	(4,600,521)	2,570,071
Other Financing Sources (Uses)						
Proceeds of Long Term Debt	-	-	-	-	415,042	415,042
Proceeds from Sale of Capital Assets	-	-	-	-	-	-
Transfers In	158,659	-	-	1,836,000	6,628,084	8,622,743
Transfers Out	(5,867,882)	(574,019)	(491,290)	-	(1,773,560)	(8,706,751)
<b>Total Other Financing Source (Uses)</b>	<b>(5,709,223)</b>	<b>(574,019)</b>	<b>(491,290)</b>	<b>1,836,000</b>	<b>5,269,566</b>	<b>331,034</b>
Net Change in Fund Balance	1,291,422	273,300	(1,317,248)	1,984,586	669,045	2,901,105
Fund Balance, January 1	6,608,012	4,885,786	9,759,391	(3,131,965)	17,660,163	35,781,386
Prior Period Adjustment	-	-	16,251	-	20,000	36,251
Fund Balance, January 1, as restated	6,608,012	4,885,786	9,775,642	(3,131,965)	17,680,163	35,817,637
Fund Balance, December 31	<b>\$ 7,899,434</b>	<b>\$ 5,159,086</b>	<b>\$ 8,458,394</b>	<b>\$ (1,147,379)</b>	<b>\$ 18,349,208</b>	<b>\$ 38,718,742</b>

**SKAGIT COUNTY, WASHINGTON**  
**Reconciliation of the Statement of Revenues, Expenditures**  
**and Changes in Fund Balance of Governmental Funds**  
**To the Statement of Activities**  
**For the Year Ended December 31, 2010**

Net change in fund balances as shown on the Governmental Funds Statement of Revenues, Expenditures and Changes in Fund Balance	\$	2,901,105
Net Capital Asset Activity		(9,790,549)
<p style="margin-left: 20px;">Purchases of capital assets are reported as expenditures in the governmental funds. On the government wide statements they are reported as assets and depreciated over their estimated useful lives.</p>		
Net Internal Service Fund Activity		842,847
<p style="margin-left: 20px;">Internal service funds are included in governmental activities on the statement of net assets</p>		
Net Long-Term Debt Activity		331,495
<p style="margin-left: 20px;">In the governmental funds statements, proceeds of long term debt are considered revenues and debt principal payments are considered expenditures. These transactions are reported as increases and decreases in long-term debt liabilities on the government wide statements.</p>		
Net change in deferred revenues and revenues not reportable on the modified accrual basis		625,411
<p style="margin-left: 20px;">Revenues are reported on the modified accrual basis for the governmental funds statements and on the full accrual basis for the statement of activities.</p>		
		625,411
Change in net assets as reflected in the Statement of Activities	\$	(5,089,691)

**SKAGIT COUNTY, WASHINGTON**  
**Statement of Revenues, Expenditures and Changes in Fund Balances - Budget to Actual**  
**General Fund**  
**For the Year Ended December 31, 2010**

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance</u>
	<u>Original</u>	<u>Final</u>		
<b>Budgeted Fund Balance, January 1</b>	\$ 467,329	\$ 1,514,382	\$ 6,608,012	\$ 5,093,630
<b>Resources (in-flows)</b>				
Taxes	31,283,924	31,283,924	30,822,241	(461,683)
Licenses and Permits	27,500	27,500	22,984	(4,516)
Intergovernmental Revenue	7,286,283	7,446,861	8,809,419	1,362,558
Charges for Services	4,445,226	4,360,226	4,087,575	(272,651)
Fines and Forfeits	1,955,000	1,955,000	1,848,425	(106,575)
Interest Revenue	929,150	929,150	738,421	(190,729)
Miscellaneous Revenues	403,839	433,405	612,822	179,417
Transfers In	228,453	228,453	158,659	(69,794)
<b>Total Resources (in-flows)</b>	<u>46,559,375</u>	<u>46,664,519</u>	<u>47,100,547</u>	<u>436,027</u>
<b>Amounts Available for Appropriation</b>	47,026,704	48,178,901	53,708,559	5,529,658
<b>Charges to Appropriations (out-flows)</b>				
General Government	16,941,369	17,785,618	15,317,941	2,467,677
Judicial	7,812,481	7,755,034	7,479,340	275,694
Public Safety	17,410,903	16,805,383	16,120,876	684,507
Physical Environment	684,843	530,079	451,994	78,085
Economic Environment	129,814	128,518	118,372	10,146
Health and Human Services				-
Culture and Recreation	384,540	387,713	368,968	18,745
Debt Service	56,667	56,667	56,667	-
Capital Expenditures	30,000	62,007	27,085	34,922
Transfers Out	3,576,087	4,667,882	5,867,882	(1,200,000)
<b>Amount Charged to Appropriations (out-flows)</b>	<u>47,026,704</u>	<u>48,178,901</u>	<u>45,809,125</u>	<u>2,369,776</u>
<b>Budgeted Fund Balance, December 31</b>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 7,899,434</u>	<u>\$ 7,899,434</u>

**SKAGIT COUNTY, WASHINGTON**  
**Statement of Revenues, Expenditures and Changes in Fund Balances - Budget to Actual**  
**Mental Health Fund**  
**For the Year Ended December 31, 2010**

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance</u>
	<u>Original</u>	<u>Final</u>		
<b>Budgeted Fund Balance, January 1</b>	\$ 32,823	\$ 20,419	\$ 4,885,786	
Resources (in-flows)				
General Property Taxes	259,227	259,227	298,507	39,280
Sales and Use Taxes	2,129,861	2,129,861	2,055,370	(74,491)
Other Taxes	2,127	2,127	2,254	127
Intergovernmental Revenues	223,084	223,084	227,228	4,144
Charges for Services	1,121,845	1,121,845	1,123,766	1,921
Interest Earnings	66,456	66,456	11,072	(55,384)
Other Revenue	215	215	114	(101)
Transfers In	-	-		-
<b>Total Resources (in-flows)</b>	<u>3,802,815</u>	<u>3,802,815</u>	<u>3,718,311</u>	<u>(84,504)</u>
<b>Amounts Available for Appropriation</b>	3,835,638	3,823,234	8,604,097	
<b>Charges to Appropriations (out-flows)</b>				
Health and Human Services	3,095,137	3,082,733	2,870,992	211,741
Transfers Out	740,501	740,501	574,019	166,482
<b>Amount Charged to Appropriations (out-flows)</b>	<u>3,835,638</u>	<u>3,823,234</u>	<u>3,445,011</u>	<u>378,223</u>
<b>Budgeted Fund Balance, December 31</b>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 5,159,086</u>	



**SKAGIT COUNTY, WASHINGTON**  
**Statement of Revenues, Expenditures and Changes to Fund Balances - Budget to Actual**  
**County Road Fund**  
**For the Year Ended December 31, 2010**

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance</u>
	<u>Original</u>	<u>Final</u>		
<b>Budgeted Fund Balance, January 1</b>	\$ 5,983,421	\$ 3,745,013	\$ 9,775,642	
Resources (in-flows)				
General Property Taxes	10,219,017	10,219,017	10,222,035	3,018
Timber Harvest Taxes	150,000	150,000	154,707	4,707
Excise Taxes	45,000	45,000	41,713	(3,287)
Licenses and Permits	76,000	76,000	70,684	(5,316)
Intergovernmental Revenues	12,667,869	12,667,869	6,639,337	(6,028,532)
Charges for Services	1,638,753	1,638,753	1,538,276	(100,477)
Interest Earnings	234,600	234,600	57,625	(176,975)
Other Revenue	85,640	85,640	102,365	16,725
<b>Total Resources (in-flows)</b>	<u>25,116,879</u>	<u>25,116,879</u>	<u>18,826,742</u>	<u>(6,290,137)</u>
<b>Amounts Available for Appropriation</b>	31,100,300	28,861,892	28,602,384	
Charges to Appropriations (out-flows)				
General Government	259,900	259,900	161,755	98,145
Transportation	23,503,029	21,199,621	16,883,460	4,316,161
Capital Expenditures	6,753,056	6,818,056	2,607,485	4,210,571
Transfers Out	584,315	584,315	491,290	93,025
<b>Amount Charged to Appropriations (out-flows)</b>	<u>31,100,300</u>	<u>28,861,892</u>	<u>20,143,990</u>	<u>8,717,902</u>
<b>Budgeted Fund Balance, December 31</b>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 8,458,394</u>	

**SKAGIT COUNTY, WASHINGTON**  
**Statement of Revenues, Expenditures and Changes to Fund Balances - Budget to Actual**  
**Facility Improvement Fund**  
**For the Year Ended December 31, 2010**

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance</u>
	<u>Original</u>	<u>Final</u>		
<b>Budgeted Fund Balance, January 1</b>	\$ 956,906	\$ 323,021	\$ (3,131,965)	
Resources (in-flows)				
General Property Taxes				-
Timber Harvest Taxes				-
Excise Taxes				-
Licenses and Permits				-
Intergovernmental Revenues	-	-	23,193	23,193
Transfers In	-	636,000	1,836,000	1,200,000
Interest Earnings	-	-	97	97
Other Revenue	-	-	338,222	338,222
<b>Total Resources (in-flows)</b>	<u>-</u>	<u>636,000</u>	<u>2,197,512</u>	<u>1,561,512</u>
<b>Amounts Available for Appropriation</b>	956,906	959,021	(934,453)	
<b>Charges to Appropriations (out-flows)</b>				
General Government				-
Transportation				-
Capital Expenditures	956,906	959,021	212,926	746,095
Transfers Out				-
<b>Amount Charged to Appropriations (out-flows)</b>	<u>956,906</u>	<u>959,021</u>	<u>212,926</u>	<u>746,095</u>
<b>Budgeted Fund Balance, December 31</b>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ (1,147,379)</u>	

# SKAGIT COUNTY, WASHINGTON

## Statement of Net Assets

### Proprietary Funds

December 31, 2010

	Business-Type Activities Enterprise Funds			Governmental Activities
	Solid Waste	Drainage Utility	Total	*Internal Service Funds
<b>ASSETS</b>				
<u>Current Assets</u>				
Cash/Cash Equivalents	\$ 11,314,459	\$ 2,978,426	\$ 14,292,885	\$ 12,058,642
Accounts Receivable	754,521	80,429	834,950	7,949
Due From Other Funds	-	-	-	86,743
Due from Other Governments	22,283	104,791	127,074	51,487
Inventories/Prepayments	-	-	-	5,160,407
Total Current Assets	12,091,263	3,163,646	15,254,909	17,365,228
<u>Non-Current Assets</u>				
Capital Assets				
Land	595,379	197,681	793,060	-
Buildings	1,488,591	-	1,488,591	180,888
Improvements	1,354,796	5,035,718	6,390,514	-
Machinery and Equipment	516,408	5,969	522,377	16,758,957
Less Accumulated Depreciation	(2,817,820)	(1,146,729)	(3,964,549)	(8,652,413)
Construction In Progress	-	888,608	888,608	-
Unamortized Debt Issuance Costs	63,920	-	63,920	-
Total Non-Current Assets	1,201,274	4,981,247	6,182,521	8,287,432
Total Assets	13,292,537	8,144,893	21,437,430	25,652,660
<b>LIABILITIES AND FUND EQUITY</b>				
<u>Current Liabilities</u>				
Accounts/Vouchers Payable	431,275	83,878	515,153	3,773,151
Due to Other Funds	230,746	95,463	326,209	154,317
Interest Payable	7,523	-	7,523	-
Interfund Loans Payable	-	-	-	-
Accrued Wages Payable	55,002	14,308	69,310	133,821
Accrued Employee Benefits	9,310	2,161	11,471	17,905
Accrued Taxes Payable	-	-	-	-
Other Accrued Liabilities	300,000	-	300,000	2,500
Bonds Payable	790,000	-	790,000	-
Total Current Liabilities	1,823,856	195,810	2,019,666	4,081,694
<u>Non-Current Liabilities</u>				
Compensated Absences	65,922	31,518	97,440	260,815
Post Closure Landfill Costs	3,418,061	-	3,418,061	-
Environmental Liability	3,020,136	-	3,020,136	203,706
Bonds Payable	11,305,327	-	11,305,327	-
Total Non-Current Liabilities	17,809,446	31,518	17,840,964	464,521
Total Liabilities	19,633,302	227,328	19,860,630	4,546,215
<u>Net Assets</u>				
Invested in Capital Assets, Net of Related Debt	(1,137,353)	4,981,247	3,843,894	8,287,432
Unrestricted	(5,203,412)	2,936,318	(2,267,094)	12,819,013
Total Net Assets	\$ (6,340,765)	\$ 7,917,565	\$ 1,576,800	\$ 21,106,445

See accompanying notes to the financial statements

\*See Internal Service Funds section

**SKAGIT COUNTY, WASHINGTON**  
**Statement of Revenues, Expenses and Changes in Fund Net Assets**  
**Proprietary Funds**  
**For the Year Ended December 31, 2010**

	Business - Type Activities Enterprise Funds			Governmental Activities
	Solid Waste	Drainage Utility	Total	*Internal Service Funds
<u>Operating Revenues</u>				
Charges for Services	\$ 8,387,238	\$ 1,670,458	\$ 10,057,696	\$ 12,381,072
Other Operating Revenue		-	-	9,767,274
Total Operating Revenues	<u>8,387,238</u>	<u>1,670,458</u>	<u>10,057,696</u>	<u>22,148,346</u>
<u>Operating Expenses</u>				
Personnel Services	1,632,418	528,286	2,160,704	4,456,522
Contractual Services	4,645,238	-	4,645,238	1,765,113
Supplies and Expenses	2,360,271	549,814	2,910,085	6,233,312
Depreciation	67,860	162,798	230,658	1,132,373
Payment to Claimants	-	-	-	7,805,670
Total Operating Expenses	<u>8,705,787</u>	<u>1,240,898</u>	<u>9,946,685</u>	<u>21,392,990</u>
Operating Income (Loss)	<u>(318,549)</u>	<u>429,560</u>	<u>111,011</u>	<u>755,356</u>
<u>Non-Operating Revenue (Expenses)</u>				
Intergovernmental Revenue	148,454	154,791	303,245	-
Interest Revenue	10,968	10,143	21,111	12,074
Miscellaneous Revenue	5,817	50	5,867	67,084
Gain (Loss) on Disposition of Capital Assets	-	-	-	14,837
Interest Expense	(139,316)	-	(139,316)	-
Miscellaneous Expense	-	-	-	(6,504)
Total Non-Operating Revenue (Expenses)	<u>25,923</u>	<u>164,984</u>	<u>190,907</u>	<u>87,491</u>
Income (Loss) before Transfers	(292,626)	594,544	301,918	\$842,847
Transfers In	-	97,288	97,288	0
Transfers Out	-	(13,280)	(13,280)	0
Change in Net Assets	<u>(292,626)</u>	<u>678,552</u>	<u>385,926</u>	<u>842,847</u>
Net Assets, January 1	(4,353,451)	7,239,013	2,885,562	20,263,598
Prior Period Adjustment	(1,694,688)	-	(1,694,688)	0
Net Assets, January 1, as Restated	<u>(6,048,139)</u>	<u>7,239,013</u>	<u>1,190,874</u>	<u>20,263,598</u>
Net Assets, December 31	<u>\$ (6,340,765)</u>	<u>\$ 7,917,565</u>	<u>\$ 1,576,800</u>	<u>\$ 21,106,445</u>

**SKAGIT COUNTY, WASHINGTON**  
**Statement of Cash Flows**  
**Proprietary Funds**  
**For the Year Ended December 31, 2010**

	Business - Type Activities Enterprise Funds			Governmental Activities
	Solid Waste	Drainage Utility	Total	*Internal Service Funds
<b>Cash Flows from Operating Activities:</b>				
Receipts from Customers	\$ 8,366,760	\$ 1,648,912	\$ 10,015,672	\$ 1,225,013
Receipts from Interfund Services Provided	-	0	0	21,893,185
Payments to Employees	(1,599,272)	(523,753)	(2,123,025)	(3,962,200)
Payments to Suppliers	(5,563,520)	(249,178)	(5,812,698)	(6,048,497)
Payments to Claimants	-	-	-	(8,285,925)
Payments for Interfund Services Used	751,993	(178,855)	573,138	(2,531,408)
Miscellaneous Receipts	(1,688,871)	50	(1,688,821)	83,968
Net Cash Provided (Used)	<u>267,090</u>	<u>697,176</u>	<u>964,266</u>	<u>2,374,136</u>
<b>Cash Flows From Non-Capital Financing Activities:</b>				
Operating Grants Received	150,061	\$50,000	\$200,061	-
Transfers to Other Funds	-	84,008	84,008	3,651
Net Cash Provided (Used)	<u>150,061</u>	<u>134,008</u>	<u>284,069</u>	<u>3,651</u>
<b>Cash Flows from Capital and Related Financing Activities:</b>				
Proceeds from Capital Debt	9,693,551	-	9,693,551	(849,031)
Purchases of Capital Assets	(20,906)	(655,468)	(676,374)	0
Proceeds from Sale of Capital Assets	-	-	-	83,703
Principal Paid on Capital Debt	(765,000)	-	(765,000)	-
Interest Paid on Capital Debt	(117,050)	-	(117,050)	-
Other Receipts (Payments)	(52,210)	-	(52,210)	-
Net Cash Provided (Used)	<u>8,738,385</u>	<u>(655,468)</u>	<u>8,082,917</u>	<u>(765,328)</u>
<b>Cash Flows from Investing Activities:</b>				
Sale of Investments	-	-	-	-
Interest Earnings	10,968	10,143	21,111	12,074
Net Cash Provided	<u>10,968</u>	<u>10,143</u>	<u>21,111</u>	<u>12,074</u>
Net Change in Cash and Cash Equivalents	9,166,505	185,859	9,352,363	1,624,533
Balance, January 1	<u>2,147,954</u>	<u>2,792,567</u>	<u>4,940,521</u>	<u>10,434,111</u>
Balance, December 31	<u>\$ 11,314,459</u>	<u>\$ 2,978,426</u>	<u>\$ 14,292,885</u>	<u>\$ 12,058,642</u>

**SKAGIT COUNTY, WASHINGTON**  
**Statement of Cash Flows**  
**Proprietary Funds**  
**For the Year Ended December 31, 2010**

	Business - Type Activities Enterprise Funds			Governmental Activities
	Solid Waste	Drainage Utility	Total	*Internal Service Funds
Reconciliation of Operating Income (Loss) to Net Cash Provided (Used) by Operating Activities				
Operating Income (Loss)	\$ (318,549)	\$ 429,560	\$ 111,011	\$ 755,356
Adjustments to Reconcile Operating Income to Net Cash Provided (Used) by Operating Activities:				
Depreciation Expense	67,860	162,798	230,658	1,132,373
Miscellaneous Receipts	(1,688,871)	50	(1,688,821)	156,835
Changes in Assets and Liabilities:				
Receivables, Net	(20,478)	(21,547)	(42,025)	1,008,227
Prepayments	42,708	7,906	50,614	47,062
Inventories	-	-	-	(229,400)
Accounts and Other Payables	2,184,420	118,409	2,302,829	(496,317)
Net Cash Provided (Used) by Operating Activities	<u>\$ 267,090</u>	<u>\$ 697,176</u>	<u>\$ 964,266</u>	<u>\$ 2,374,136</u>

**SKAGIT COUNTY, WASHINGTON**

**Statement of Fiduciary Net Assets**

**Fiduciary Funds**

**December 31, 2010**

	<u>Agency Funds</u>
<b>ASSETS</b>	
Cash	\$ 40,408,069
Investments	224,919,068
Taxes Receivable	6,269,550
Deposits	10,000
Total Assets	<u>\$271,606,687</u>
<b>LIABILITIES</b>	
Warrants Payable	\$26,817,499
Custodial Accounts	244,789,188
Total Liabilities	<u>\$ 271,606,687</u>

**Skagit County, Washington**  
**Notes to the Financial Statements**  
**December 31, 2010**

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**I. Summary of Significant Accounting Policies**

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

**Reporting Entity**

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

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

The Skagit County Emergency Medical Services Commission was established on April 1, 2003 by Ordinance #O20030003 of the Board of County Commissioners. The EMS was established pursuant to the Revised Code of Washington 35.21.730 and 36.01.095 for the purpose of providing emergency medical services within the County. EMS is funded by an excess property tax levy approved by the voters through 2012. The Board of County Commissioners appoints the members of the EMS board and has final approval on the EMS operating budget. As of July 1, 2009, EMS no longer directly provided emergency medical services in Central Skagit County as per Ordinance #O20090003 adopted by the Board of County Commissioners.

The Central Valley Ambulance Commission was established in April 2009 by Ordinance #O20090004 pursuant to the RCW 35.21.730 and Resolution #R20090255 established as a separate fund June 2009. Central Valley Ambulance Authority is component unit of Skagit County and began its operations July 1, 2009. Central Valley Ambulance Authority is a governmental agency providing emergency medical care and transportation services to the citizens of Skagit County, mainly their response coverage area.

More information concerning both the EMS Commission and the CVA Commission, including complete financial statements can be obtained at their respective offices in Mount Vernon, Washington.

**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 units. For the most part, the effect of interfund activity has been removed from these statements. Governmental activities, which normally are supported by taxes and intergovernmental revenues, are reported 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.



**Skagit County, Washington**  
**Notes to the Financial Statements**  
**December 31, 2010**

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The statement of activities reflects 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.

The County reports the following functions/programs:

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

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

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

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

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

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

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

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

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

Fund financial statements are used to report additional and more detailed information about the primary government. Separate financial statements are provided for governmental funds, proprietary funds, and fiduciary funds. The latter are excluded from the government wide financial statements. Major individual governmental funds and major individual enterprise funds are reported as separate columns in the fund financial statements.

**Measurement Focus, Basis of Accounting and Financial Statement Presentation**

**Skagit County, Washington**  
**Notes to the Financial Statements**  
**December 31, 2010**

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The government-wide financial statements are reported using the economic resource measurement focus and the accrual basis of accounting, as are the proprietary fund financial statements. Accordingly, revenues are recorded when earned and expenses are recorded at the time liabilities are incurred, regardless of the timing of related cash flows. Property taxes are recognized as revenues in the year for which they are levied. Grants and similar items are recognized as revenue as soon as all eligibility requirements are imposed by the provider have been met.

All governmental funds are presented using the flow of current financial resources measurement focus and the modified accrual basis of accounting. Revenues are recognized when they become measurable and available. Revenues are considered to be available when they are collectible within the current period or soon enough thereafter to pay liabilities of the current period. For this purpose, the County considers revenues to be available if they are collected within 60 days of the end of the fiscal period. Revenues susceptible to accrual are earned interest, certain charges for services, and intergovernmental revenues such as grants where program expenditures are the prime factor for determining reimbursement. Other revenues, such as licenses, fines and fees are not considered susceptible for accrual since they are not generally measurable until received. However debt service expenditures, as well as expenditures related to compensated absences and claims and judgments, are recorded only when payment is due.

Property taxes, licenses, and interest associated within the current period are all considered to be susceptible to accrual and so have been recognized as revenues of the current fiscal period. Only the portion of special assessment receivable due within the current fiscal period is considered to be susceptible to accrual as revenue of the current period. All other revenue items are considered to be measurable and available only when cash is received by the county.

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

- The General Fund is the County's primary operating fund. It is used to account for all activities of the general government not accounted for in another fund.
- The County Road Fund accounts for the design, construction, and maintenance of County Roads.
- The Facility Improvement Fund accounts for expenditures incurred in capital projects.
- The Mental Health Fund accounts for expenditures relating to support services provided to citizens with mental and developmental disabilities.

Skagit County reports two major proprietary funds:

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

Additionally, the County reports the following fund types:

- Internal Service Funds account for equipment rental, insurance, unemployment, and technology services provided to County departments and to other governments on a cost reimbursement basis.
- Agency Funds are custodial in nature and do not present results of operations or have a measurement focus. These funds account for assets (such as property taxes collected on behalf of other governments) that the County holds for others in an agency capacity. Agency funds include

**Skagit County, Washington**  
**Notes to the Financial Statements**  
**December 31, 2010**

---

fire, school, port, cemetery, air pollution, city and town, library, dike and drain districts and miscellaneous clearing fund activity.

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

Proprietary funds distinguish operating revenues and expenses from non-operating items. Operating revenues and expenses generally result from providing services and producing and delivering goods in connection with a proprietary fund's principal ongoing operations. The principal operating revenues of the Solid Waste Fund 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 service, contractual services, other supplies and expenses and depreciation on capital assets. Revenues and expenses not meeting this definition are reported as non-operating revenues and expenses.

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

**Assets, Liabilities, and Equity**

Cash and Cash Equivalents

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

Investments – See Note IV

Receivables and Payables

Amounts due for the exchange of goods and services between County funds are reported as due to or from other funds. Loans between funds are reported as interfund loans receivable or payable. Any residual balances outstanding between the governmental activities and business-type activities are reported in the government-wide financial statements as internal balances. Interfund balances between governmental funds and internal service funds have been eliminated and were not included in the government-wide statement of net assets.

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

**Skagit County, Washington**  
**Notes to the Financial Statements**  
**December 31, 2010**

---

Accounts Receivable consists of amounts owed from private individuals for goods or services. All receivables have been recorded net of any estimated uncollectible amounts.

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

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

Inventories

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

Restricted Assets and Liabilities

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

The restricted assets of the enterprise funds are composed of the following:

Special Assessments – Current	\$1,492,343
Special Assessments – Delinquent	73,958
Cash and Investments – Debt Service	728,797
Cash and Investments – Construction	707,919

Capital Assets – See Note IV

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

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

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

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

**Skagit County, Washington**  
**Notes to the Financial Statements**  
**December 31, 2010**

---

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

Major outlays for capital assets and improvements are capitalized as projects are constructed. Interest incurred during the construction phase of the capital asset of business-type activities is included as part of the capitalized value of the assets constructed. The total interest expense incurred by the County during the current fiscal year is \$728,797. Of this amount, \$707,919 was included as part of the cost of capital assets under construction in connection with facilities projects.

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

- Buildings – 5 to 40 years
- Improvements- 15 to 40 years
- Furniture and Equipment – 3 to 25 years
- Information Technology Equipment – 5 years
- Vehicles – 5 to 25 years
- Infrastructure – 20 to 65 years

Compensated Absences

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

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

Long-Term Obligations – See Note V

Fund Equity

Fund equity is recognized as fund balance in government fund types, and as net assets in proprietary fund types. Fund balance may be reserved or unreserved. Net assets may be subject to legal restriction for a particular purpose. Unless otherwise noted, fund balances and net assets are unreserved and unrestricted.

**II. RECONCILIATION OF GOVERNMENT-WIDE AND FUND FINANCIAL STATEMENTS**

Total governmental fund balances as reported on the governmental funds balance sheet differs from net assets of governmental activities as reported on the statement of net assets due to the different accounting

**Skagit County, Washington**  
**Notes to the Financial Statements**  
**December 31, 2010**

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methods applied in the preparation of these statements. The governmental fund statements are presented on the modified accrual basis and the statement of net assets is presented on a full accrual basis. Also, net internal service fund activity is included in governmental activities.

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

<u>Net Capital Assets</u>		
Total Capital Assets		\$ 572,969,193
Less Accumulated Depreciation		(212,984,045)
Construction in Progress		651,253
Net Capital Assets		<u>360,636,401</u>
<u>Long-Term Liabilities</u>		
Bonds Payable		\$ 13,745,000
Unamortized Bond Issue Costs		(317,619)
Unamortized Bond Discounts/Premiums		27,191
Loans Payable		4,147,073
Compensated Absences Liability		2,567,497
OPEB Liability		232,897
Accrued Interest Payable on Long-Term Liabilities		77,067
Long Term Liabilities		<u>\$ 20,479,106</u>

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

<u>Net Capital Assets Activity</u>		
Net Capital Expenditures Subject to Capitalization		\$ 6,742,652
Depreciation Expense		(16,533,201)
Net Capital Assets		<u>(9,790,549)</u>
<u>Net Long-Term Debt Activity</u>		
Proceeds of Long Term Debt		\$ (415,042)
Principal Payments		1,058,133
Amortization of Bond Discounts/Premiums		30,187
Amortization of Bond Issue Costs		(26,468)
Change in Compensated Absences Liability		(269,045)
Change in OPEB Liability		(46,270)
Net Long-Term Debt Activity		<u>\$ 331,495</u>

**III. STEWARDSHIP, COMPLIANCE AND ACCOUNTABILITY**

**Budget**

Scope of Budget

**Skagit County, Washington**  
**Notes to the Financial Statements**  
**December 31, 2010**

---

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.

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

Procedures for Adopting the Original Budget

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

- On or before the second Monday in July, County officials are requested to prepare estimates of revenues and expenditures for the next fiscal year.
- On or before the second Monday in August, each County official submits detailed estimates of probable revenues and expenditures for the ensuing year.
- On or before the first Tuesday in September, the preliminary annual budget is submitted to the Board of County Commissioners.
- The Commissioners conduct public meetings/hearings on the proposed budget from September through October.
- The Commissioners make adjustments to the proposed budget and adopt, by resolution, a final balanced budget no later than December 31.
- Upon adoption, the final budget is made available to the public.

Amending the Budget

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

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

**Deficit Fund Equity**

The following funds had deficit fund balances/net assets as of December 31, 2010

- The Hansen Creek Sub-Flood Control Zone Fund deficit was \$13,957. Operating assessments being collected from property owners in this zone will resolve the deficit by December of 2013.

**Skagit County, Washington**  
**Notes to the Financial Statements**  
**December 31, 2010**

---

- The Solid Waste fund deficit was \$6,340,765. This results primarily from the recording of liabilities for landfill post closure care costs and environmental remediation costs.
- The Facility Improvement Fund deficit was \$1,147,379. This results primarily from new facility purchases and remodels.

**IV. DETAIL INFORMATION BY TRANSACTION TYPE**

**A. Deposits and Investments**

Deposits

The Skagit County Treasurer is empowered by the State to act as the treasurer not only for the County but also for special purpose districts located in the County. It is the County's policy to deposit and invest all temporary cash surpluses. At the end of the year, the total amount held in certificates of deposit and money market accounts was \$16,965,495 and the treasurer's bank balance was \$9,684,994, all of which was covered by federal depository insurance or collateralized with securities which are either held by the County or by the County's agent in the County's name. the FDIC (Federal Depository Insurance Corporation) insures all deposits of the County up to \$250,000 and the Washington Public Deposit Protection Commission insures amounts over \$100,000. On January 1, 2014, the standard insurance will return to the \$100,000 per depositor for all account categories except certain retirement accounts, which will remain at \$250,000 per depositor.

Investments

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

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



**Skagit County, Washington**  
**Notes to the Financial Statements**  
**December 31, 2010**

---

As of December 31, 2010, the County held the following investments:

Investment Type	Fair Value	Less Than 1			
		Year Maturity	1 Year	2 Years	3 years
Certificates of Deposit	\$ 9,616,252	\$ 5,952,122	\$ 3,217,651		\$ 446,479
Money Market	7,349,243	7,349,243			
Registered Warrants	361,658	361,658			
Commercial Paper	8,340,116	4,348,192	3,991,924		
Bankers Acceptances	36,169,766	36,169,766			
Treasury Notes	704,791	-	503,260	201,531	
Municipal Bonds	10,064,440	2,455,185	3,227,104	4,225,139	157,012
U.S. Agencies	89,411,625	27,385,381	26,292,082	32,435,247	3,298,915
State Treasurer Pool	160,785,946	160,785,946			
	<b>\$ 322,803,837</b>	<b>\$ 244,807,493</b>	<b>\$ 37,232,021</b>	<b>\$ 36,861,917</b>	<b>\$ 3,902,406</b>

Total fair value of investments represents \$96,874,451 for Skagit County and \$225,929,386 for the Junior Taxing districts.

Interest Rate Risk

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

Custodial Credit Risk

Custodial credit risk is the risk that in event of a failure of the counterparty to an investment transaction the county would not be able to cover the value of the investment or collateral securities. The County had no custodial credit risk as of December 31, 2010.

Credit Risk

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

As of December 31, 2010, the County's investments in U.S. Agencies in the amount of \$89,336,219 (fair value) was rated AAA by Standard & Poor's, an additional amount of \$797,228 (fair value) was rated AAA by Moody's. Details of ratings on investments in municipal bonds and banker's acceptances are as follows:

**Skagit County, Washington**  
**Notes to the Financial Statements**  
**December 31, 2010**

<b>Municipal Bonds</b>	<b>Fair Value</b>	<b>Standard &amp; Poor</b>	<b>Moody's</b>	<b>Fitch</b>
Gastonia NC	167,901	A1	AA-	AA-
Charlotte NC	302,763	AAA	Stable	AAA
San Francisco City	250,030	A1	A-	A
Wichita Kansas	55,196	Aa2	AA+	
State of Washington	250,000	AA1	AA+	
Oregon School Board	269,343	Aa3	A+	
WA State Various Purpose	51,150	Aa1	AA+	AA+
Chicago, IL	300,000	AAA	AA3	AAA
Illinois State	803,079	A2	A+	A
Nevada State - ADV Refunding	106,467			
Pierce Co Fire	200,852	AA-		
Wa State Zero	232,051	Aa1	AA	AA
WA Stata Health Care	402,560	Aa1	AAA	
Maine State	102,170	Aa2	AA	AA+
Whatcom Co SD	82,861	AA1	AA3	
WA State CTFS	200,000		Aa2	
Redmond WA	238,869	AAA	Aa2	
Lynnwood WA	132,438	AA		
Utah State	51,231	Aaa	AAA	
Port of Port Townsend	129,336	A1		
Revenue Test Prop WA	272,709	Aa2	AA+	
Tukwila WA LTD Series	344,073	Aa3		
Cedar River WTR & SWR	151,605	AA		
Samish PLT WTR & SWR	60,746	AAA		
Port of Chelan	356,895	A1		
Vancouver WA	20,239			
Grant County PUD	414,718	AAA	Aa3	AA
WA ST Health Providence	51,753	Aa2	AA	AA
Cook County	500,250	Aa2	AA	AA
Jefferson SD	155,967	Aa1	A2	
Ellensburg WA	26,573	Aa3	AAA	
WA State Univ Rev	105,496	Aa2	A+	
Port of Bremerton	106,839	Aa3		
Arlington WA	371,534	A2		
Clark CO SD	346,872	Aa1		
Cowlitz Co PUD	158,829	A1	A	
King Co Trans	104,268	Aa1	AAA	AA+
Thurston Co SD	26,305	Aa1	AA+	
Kitsap Co SD	102,292	Aa1		
Kirkland Material Events	80,151	Aa1	AAA	
Oregon State Material Evnts	133,003	Aa1	AA	
Maricopa Co SD	132,505	Aa2	AAA	
King Co SD	212,196	Aa1		
Clallam County PUD	769,948	Aa3		
Lacrosse Co WI	524,310	Aa1		
WA & Clack Co SD	49,054	Aa2		
Seattle Water	157,013	AA	AA+	
<b>Total Municipal Bonds</b>	<b>10,064,440</b>			

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

Concentration of Credit Risk

Concentration of credit risk is the risk of loss attributed to the magnitude of a government's investment in a single issuer. The County's policy is to limit to 15 percent of the total portfolio the amount that may be invested in any one financial institution. In addition, no more than 3 percent of the total portfolio may be invested in any one issuer of commercial paper and no more than 10 percent may be invested in any one Treasury obligation. As of December 31, 2010 the investment in the Washington State LGIP was limited to 65 percent, this was modified by resolution on March 16, 2009 to allow investment in excess of 65 percent when there are no other viable alternatives. At year end, the County had no investment in a single issuer that was greater than 5 percent of total investments.

**Skagit County, Washington**  
**Notes to the Financial Statements**  
**December 31, 2010**

---

Property Taxes

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

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

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

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

2010 Tax levy information is as follows:

		Levy in Dollars		
		Assessed Per		
Year/Entity		Thousand	Total Value	Levy
2010				
	County	1.3325	\$ 15,989,575,730	\$ 21,306,723
	Medic 1 Services	0.2460	15,969,744,068	3,929,323
	Roads	1.4531	8,017,185,761	11,650,152
	Conservation Future	0.0461	15,989,575,730	737,735

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

**B. Receivables**

Governmental funds report revenues as deferred if they are not available to liquidate liabilities of the current period or are not yet earned. Detail of deferred revenue balances as of December 31, 2010 is as follows:

**Skagit County, Washington**  
**Notes to the Financial Statements**  
**December 31, 2010**

	<b>Unavailable</b>	<b>Unearned</b>	<b>Total</b>
Property Taxes Receivable (General Fund)	\$ 1,067,831	-	\$ 1,067,831
Property Taxes Receivable (Road Fund)	427,579	-	\$ 427,579
Property Taxes Receivable (Mental Health Fund)	14,313	-	\$ 14,313
Property Taxes Receivable (Other Government Funds)	306,323	-	\$ 306,323
Revenue Earned but Not yet Available	1,933,520		\$ 1,933,520
Revenue Received Prior to Meeting Eligibility Requirements		603,815	\$ 603,815
<b>Total Deferred Revenue for Government Funds</b>	<b>\$ 3,749,566</b>	<b>\$ 603,815</b>	<b>\$ 4,353,381</b>

**C. Interfund Receivables, Payables and Transfers**

Details of interfund payable/receivable balances of December 31, 2010 are as follows:

	<b>Due From Other funds</b>			
	<b>General Fund</b>	<b>Other Government Funds</b>	<b>Internal Service Funds</b>	<b>Total</b>
<b>Due to Other funds</b>				
General Fund	\$ -	1,200,000	\$ 153	\$ 1,200,153
Non-Major Governmental Funds	-	355,612	65,580	421,192
Internal Service	-	148,708	5,608	154,316
Solid Waste	2,147	222,029	8,717	232,893
Drainage Utility	-	88,778	6,685	95,463
<b>Total</b>	<b>\$ 2,147</b>	<b>\$ 2,015,127</b>	<b>\$ 86,743</b>	<b>\$ 2,104,017</b>

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

Interfund loans have been made to provide cash flows for the operations of the receiving funds. Details of the interfund loans are as follows:

<b>Borrowing Fund</b>	<b>Lending Fund</b>	<b>Balance</b>			<b>Balance</b>
		<b>1/1/2010</b>	<b>New Loans</b>	<b>Repayment</b>	
Hansen Creek Sub Flood	General Fund	\$ 33,500	\$ 16,000	\$ 28,000	\$ 21,500
Planning and Development	General Fund	-	375,000	250,000	125,000
Lake Management No. 1	General Fund	-	7,000	7,000	-
Lake Management No. 3	General Fund	-	10,000	10,000	-
Drainage Utility	General Fund	28,000	-	-	28,000
Solid Waste	General Fund	232,500	-	-	232,500
Edison Clean Water	General Fund	3,000	-	-	3,000
Facility Improvement	General Fund/Cap Fac	5,000,000	80,000	2,706,000	2,374,000
Internal Service Fund	General Fund	19,000	226,000	245,000	-
<b>Total</b>		<b>\$ 5,316,000</b>	<b>\$ 714,000</b>	<b>\$ 3,246,000</b>	<b>\$ 2,784,000</b>

Interfund transfers represent subsidies and contributions provided to the receiving fund. Most transfers from the general fund are for the purposes of ordinary operations and debt service. Transfers out of non-major governmental funds are generally for debt service and capital project funding. Details of 2010 transfers are as follows:

**Skagit County, Washington**  
**Notes to the Financial Statements**  
**December 31, 2010**

Borrowing Fund	Transfers In					Balance 12/31/2010
	General Fund	Mental Health	Facility Improvement	Drainage Utility	Non-Major Governmental	
General Fund	\$ -	\$ 748,967	\$ 1,836,000	\$ -	\$ 3,282,915	\$ 5,867,882
Mental Health	80,750			-	493,269	574,019
County Roads	-	491,290		-	-	491,290
Non-Major Governmental	54,068			97,288	1,622,205	1,773,561
Total	\$ 134,818	\$ 1,240,257	\$ 1,836,000	\$ 97,288	\$ 5,398,389	\$ 8,706,751

**D. Capital Assets**

Summarized capital asset transactions for governmental activities are as follows:

Governmental Activities	Beginning Balance	Increases	Decreases	Ending Balance
<b>Capital Assets, Non-depreciable</b>				
Land	\$ 18,375,096	\$ -	\$ -	\$ 18,375,096
Development Rights	10,497,115	1,714,904	-	12,212,019
Capital asset held for resale	392,956		392,956	-
Construction in Progress	629,813	21,440		651,253
	29,894,980	1,736,344	392,956	31,238,368
<b>Depreciable Capital Assets</b>				
Buildings	52,598,955	1,322,286		53,921,241
Improvements	7,179,972	12,267		7,192,239
Machinery and Equipment	21,913,034	1,114,169	1,041,276	21,985,927
Infrastructure	472,130,339	4,180,900	88,722	476,222,517
	553,822,300	6,629,622	1,129,998	559,321,924
<b>Less Accumulated Depreciation</b>				
Buildings	(18,567,426)	(1,199,925)		(19,767,351)
Improvements	(3,731,717)	(301,988)		(4,033,705)
Machinery and Equipment	(12,703,339)	(1,375,560)	(953,634)	(13,125,266)
Infrastructure	(169,709,000)	(15,068,416)	(67,282)	(184,710,134)
	(204,711,482)	(17,945,889)	(1,020,916)	(221,636,456)
<b>Total Net Depreciable Capital Assets</b>	349,110,818	(11,316,267)	109,082	337,685,468
<b>Total Net Capital Assets</b>	\$ 379,005,798	\$ (9,579,923)	\$ 502,038	\$ 368,923,836

Depreciation expense by function for governmental activities is as follows:

General Governmental Services	\$ 994,175
Judicial	79,765
Public Safety	464,790
Physical Environment	61,047
Transportation	16,088,939
Economic Environment	25,895
Mental and Physical Health	7,249
Culture and Recreation	224,029
<b>Total governmental activities depreciation expense</b>	<b>\$ 17,945,889</b>

**Skagit County, Washington**  
**Notes to the Financial Statements**  
**December 31, 2010**

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

<b>Business - Type Activities</b>		<b>Beginning Balance</b>	<b>Increases</b>	<b>Decreases</b>	<b>Ending Balance</b>
<b>Capital Assets, Non-depreciable</b>					
Land		\$ 793,059		\$ -	\$ 793,059
Construction in Progress		512,318	531,199	154,908	888,609
		<u>1,305,377</u>	<u>531,199</u>	<u>154,908</u>	<u>1,681,668</u>
<b>Depreciable Capital Assets</b>					
Buildings		1,488,591	-		1,488,591
Improvements		6,111,338	279,177		6,390,515
Machinery and Equipment		501,471	20,906	-	522,377
		<u>8,101,400</u>	<u>300,083</u>	<u>-</u>	<u>8,401,483</u>
<b>Less Accumulated Depreciation</b>					
Buildings		(1,027,446)	(54,522)		(1,081,968)
Improvements		(2,271,162)	(168,460)		(2,439,622)
Machinery and Equipment		(435,284)	(7,676)		(442,961)
		<u>(3,733,892)</u>	<u>(230,658)</u>	<u>-</u>	<u>(3,964,551)</u>
<b>Total Net Depreciable Capital Assets</b>		<u>4,367,508</u>	<u>69,425</u>	<u>-</u>	<u>4,436,932</u>
<b>Total Net Capital Assets</b>		<u>5,672,885</u>	<u>600,624</u>	<u>154,908</u>	<u>6,118,600</u>

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

Solid Waste	\$ 67,860
Drainage Utility	162,798
<b>Total business type activities depreciation expense</b>	<u>\$ 230,658</u>

**Federal Arbitrage**

Federal Arbitrage is the ability to obtain tax-exempt bond proceeds and invest the funds in higher yielding taxable securities, resulting in a profit. The County had no federal arbitrage in 2010.

**V. LONG TERM LIABILITIES**

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

**Skagit County, Washington**  
**Notes to the Financial Statements**  
**December 31, 2010**

Details of general obligation bonds outstanding as of December 31, 2010 are as follows:

Description	Balance
In 1997 bonds were issued in the amount of \$875,000 to finance the purchase of an office building and the renovation of an existing building. Repayment has been financed by lease-purchase agreements with non-profit social service agencies. Principal payments are due annually on June 1, interest payments are due on June 1 and December 1. The interest rates range from 4.10% for 1999 maturities to 5.20% for maturities in 2013. The bonds are scheduled to mature June 1, 2013. Principal payments of \$70,000 and interest payments of \$13,598 were made in 2010.	\$ 230,000
In 2003 bonds were issued in the amount of \$5,340,000 to finance the acquisition and renovation of a building to house County offices, and to refund 1993 bonds. Principal payments are due annually on December 1, interest payments are due on June 1 and December 1. The interest rates range from 2.00% for 2003 maturities to 4.10% for maturities in 2017. Principal payments of \$160,000 and interest payments of \$56,818 were made in 2010.	1,335,000
In 2005 bonds were issued in the amount of \$5,475,000. \$160,000 of the proceeds were used to acquire land for county facilities. This portion of the issue is being serviced by general government revenues. Principal payments are due annually on December 1, interest payments are due on June 1 and December 1. The interest rate ranges from 3.00% for 2005 maturities to 3.75% for maturities in 2013. Principal of \$20,000 and interest payments of \$2,900 were made in 2010.	60,000
In 2006 bonds in the amount of \$7,610,000 were issued to acquire land, construct county facilities and for other capital purposes. Principal payments are due annually on December 1, interest payments are due on June 1 and December 1. The interest rates range from 3.75% on 2006 maturities to 4.0% for maturities in 2026. Principal payments of \$295,000 and interest payments of \$262,885 were made in 2010.	6,530,000
In 2007 bonds were issued in the amount of \$6,115,000 to refund a portion of the 2000 Bond issue. Principal payments are due annually on December 1, interest payments are due on June 1 and December 1. The interest rates range from 3.875% on 2007 maturities to 4.00% for maturities in 2022. Principal payments of \$365,000 and interest payments of \$232,403 were made in 2010.	5,590,000
Total bonds payable at December 31, 2010 for governmental activities	<b>\$ 13,745,000</b>
Proceeds in the amount of \$5,315,000 from the 2005 bond issue were used to refund the callable maturities of the 1996 bond issue. The proceeds of the 1996 issue were used for purposes relating to solid waste disposal and the 2005 refunding bonds are being serviced by the solid waste fund. Principal payments are due annually on December 1, interest payments are due on June 1 and December 1. The interest rates range from 3.00% on 2005 maturities to 3.75% for maturities in 2013. Principal payments of \$765,000 and interest payments of \$117,050 were made in 2010	2,460,000
Proceeds in the amount of \$9,740,000 from the 2010 bond issue are for the purpose of improving the County's solid waste transfer station and other Capital improvements to County facilities. Principal payments are due annually on December 1, beginning in 2014. Interest payments are due on June 1 and December 1. The interest rates range from 1.9% in 2011 to 5.35% for maturities in 2030. There were no principal or interest payments made in 2010.	9,740,000
Total bonds payable at December 31, 2010 for business-type activities	<b>\$ 12,200,000</b>



**Skagit County, Washington**  
**Notes to the Financial Statements**  
**December 31, 2010**

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

Year Ending December 31	Government Activities			
	Government Activities		Business-Type Activities	
	Principal	Interest	Principal	Interest
2011	\$ 945,000	\$ 533,834	\$ 790,000	\$ 517,614
2012	975,000	497,371	820,000	472,870
2013	1,015,000	459,385	850,000	442,120
2014	950,000	421,736	480,000	410,245
2015	980,000	385,301	495,000	401,125
2016-2020	4,845,000	1,367,763	2,595,000	1,791,612
2021-2025	2,985,000	500,588	2,885,000	1,255,135
2026-2030	1,050,000	42,000	3,285,000	171,917
Totals	13,745,000	4,207,978	12,200,000	5,462,638

Refunded Bonds

In 2007 the County refunded a portion of the 2000 bond issue using proceeds from the 2007 bond issue. These proceeds were placed in an irrevocable trust to fund all future payments on the 2000 bonds. Accordingly, those 2000 bonds are considered to be defeased and the liability for them is not included in the 2010 financial statements. As of December 31, 2010 the balance of the defeased bonds outstanding is \$5,735,000.

Loans Payable

Details of loans payable as of December 31, 2010 is as follows:

Description	Balance
Payable to the State of Washington Department of Ecology Water Pollution Control Revolving Fund pursuant to a 1997 loan agreement. The term is 20 years and no interest is due. Principal payments of \$17,768 were made in 2010.	\$ 151,029
Payable to the State of Washington Department of Ecology Water Pollution Control Revolving Fund pursuant to a 2000 loan agreement. The term is 20 years and no interest is due. Principal payments of \$2,948 were made in 2010.	38,319
Payable to the State of Washington Community Economic Revitalization Board pursuant to a 2001 loan agreement. The term is 20 years and no interest is due. Principal payments of \$56,667 were made in 2010.	623,333
Payable to the State of Washington Department of Ecology pursuant to a 2005 loan agreement. The term is 20 years at 1.5% interest. Principal payments of \$70,751 and interest payments of \$20,878 were made in 2010.	1,334,391
Payable to the State of Washington Department of Ecology pursuant to a 2007 loan agreement. Payments are to begin in 2012. The interest rate is 2.6% and the term is 20 years.	2,000,000
Total loans payable at December 31, 2010 for governmental activities	\$ 4,147,073



**Skagit County, Washington**  
**Notes to the Financial Statements**  
**December 31, 2010**

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

<b>Year Ending December 31</b>	<b>Principal</b>	<b>Interest</b>
2011	\$ 149,202	\$ 19,809
2012	447,559	75,794
2013	221,709	61,440
2014	224,667	58,482
2015	227,690	55,459
2016-2020	1,159,527	229,568
2021-2025	951,024	143,319
2026-2030	653,758	54,375
2031	111,937	2,187
<b>Totals</b>	<b>4,147,073</b>	<b>700,433</b>

Debt Limitation

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

At December 31, 2010, the County's remaining capacity for non-voted debt was \$213,536,350. Additional debt capacity with an authorizing vote is \$152,104,735.

Changes in Long-Term Liabilities

Details of changes in long term liabilities for the year ended December 31, 2010 is as follows:

	<b>Beginning Balance</b>	<b>New Issue</b>	<b>Retirements</b>	<b>Ending Balance</b>	<b>Due Within One year</b>
<b>Governmental Activities:</b>					
Bonds Payable					
General Obligation Bonds	\$ 14,655,000		\$ 910,000	\$ 13,745,000	\$ 945,000
Add: Net Unamortized Discounts/Premiums	28,647		1,455	27,192	
<b>Total Bonds Payable</b>	<b>14,683,647</b>	<b>-</b>	<b>911,455</b>	<b>13,772,192</b>	<b>945,000</b>
Loans Payable	3,880,164	415,042	148,133	4,147,073	149,202
Note Payable	6,908		6,908	-	
Compensated Absences	2,521,388	318,949	12,026	2,828,311	
OPEB Liability	186,627	232,897	186,627	232,897	
Environmental Liabilities	117,295	136,411	47,500	206,206	2,500
<b>Total Long-Term Liabilities</b>	<b>\$ 21,396,029</b>	<b>\$ 1,103,299</b>	<b>\$ 1,312,649</b>	<b>\$ 21,186,679</b>	<b>\$ 1,096,702</b>
<b>Business-Type Activities</b>					
Bonds Payable					
General Obligation Bonds	\$ 3,225,000	\$ 9,765,000	\$ 790,000	\$ 12,200,000	\$ 790,000
Discounts/Premiums	13,924	44,032	93,575	(35,619)	
Less: Unamortized Refunding	(92,074)	23,019		(69,054)	
<b>Total Bonds Payable</b>	<b>3,146,850</b>	<b>9,832,051</b>	<b>883,575</b>	<b>12,095,327</b>	<b>790,000</b>
Compensated Absences	87,007	10,433	-	97,440	-
Post Closure Landfill Costs	3,358,352	470,906	411,197	3,418,061	190,000
Environmental Liabilities	1,381,129	1,639,007	-	3,020,136	110,000
<b>Total Long-Term Liabilities</b>	<b>\$ 7,973,339</b>	<b>\$ 11,952,397</b>	<b>\$ 1,294,772</b>	<b>\$ 18,630,964</b>	<b>\$ 1,090,000</b>

**Skagit County, Washington**  
**Notes to the Financial Statements**  
**December 31, 2010**

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For governmental activities, the General Fund or the respective special revenue fund generally liquidates compensated absences.

**VI. PENSION AND OTHER BENEFIT PLANS**

Substantially all Skagit County's full-time and qualifying part-time employees participate in a retirement plan administered by the Washington State Department of Retirement Systems. The Department of Retirement Systems (DRS) issues a publicly available comprehensive annual financial report (CAFR). 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: Plan 1 and 2 are defined benefit plans and Plan 3 is a defined benefit plan with a defined contribution component.

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 participating 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 3 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 by only the State Legislature.

Plan 1 members are vested after the 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 two percent of the average 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. Plan 1 retirement from inactive status prior to the age of 65 may receive actuarially reduced benefits. The benefit is actuarially reduced to reflect the choice of a survivor option. A cost-of-living allowance (COLA) is granted at age 66 based upon years of service times the COLA amount, increased by 3 percent annually. Plan 1 members may also elect to receive an additional COLA amount (indexed to Seattle Consumer Price Index), capped at 3 percent annually. To offset the cost of this annual adjustment, the benefit is reduced.

**Skagit County, Washington**  
**Notes to the Financial Statements**  
**December 31, 2010**

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Plan 2 members are vested after the completion of 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 receive 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. The benefit is also actuarially reduced to reflect the choice of a survivor option. 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. Effective June 7, 2006, Plan 3 members are vested in the defined benefit portion of their plan after ten years of service; or after five years of service, if twelve months of that service were earned after the age of 44; or after five service credit years earned in PERS Plan 2 prior to June 1, 2003. Plan 3 members are immediately vested in the defined contribution portion of their plan. Vested Plan 3 members are eligible to retire with full benefits at age 65, or at age 55 with 10 years of service. Retirements prior to the age of 65 receive 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. The benefit is also actuarially reduced to reflect the choice of a survivor option. 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.

Judicial Benefit Multiplier

Beginning January 1, 2007 through December 31, 2007, members were given the option of joining the JMB Program. Current justices or judges in PERS 1 and 2 may make a one-time irrevocable election to pay increased contributions that would fund a retirement benefit with a 3.5 percent multiplier. The benefit would be capped at 75 percent of average financial compensation. Judges in PERS Plan 3 can elect a 1.6 percent of pay per year of service benefit, capped at 37.5 percent of average compensation.

Members who choose to participate in JBM will accrue credit at the higher multiplier beginning with the date of their election, pay higher contributions, stop contributing to the Judicial Retirement Account (JRA), and be given the option to increase the multiplier on past judicial service. Members who do not choose to participate will continue to accrue service credit at the regular multiplier; continue to participate in JRA, if applicable; never be a participant in the JBM Program; and continue to pay contributions at the regular PERS rate.

Justices and judges who are newly elected or appointed to judicial service and choose to become PERS members on or after January 1, 2007, or who have not previously opted into PERS membership, are required to participate in the JBM Program.

Justices and judges who are newly elected or appointed to judicial service will return to a prior PERS Plan if membership had previously been established; be mandated into Plan 2 and not have a Plan 3 transfer choice, if a new PERS member; accrue the higher multiplier for all judicial service; not contribute to JRA; and not have the option to increase the multiplier for past judicial service.

**Skagit County, Washington**  
**Notes to the Financial Statements**  
**December 31, 2010**

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There are 2,326 participating employers in PERS. Details of PERS membership as of the latest actuarial valuation date of June 30, 2010 is as follows:

<b>Description</b>	<b>Members</b>
Retirees and Beneficiaries Receiving Benefits	74,857
Terminated Plan Members Entitled to but not yet Receiving Benefits	28,074
Active Plan Members Vested	105,339
Active Plan Members Non-vested	53,896
Total	262,166

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 officials. The employer and employee contribution rates for Plan 2 and the employer contribution rates for Plan 3 are developed by the Office of 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. Under PERS Plan 3, employer contributions finance the defined benefit portion of the plan, an member contributions finance the defined contribution portion. 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. As a result of the implementation of the Judicial Benefit Multiplier Program in January 2007, a second tier of employer and employee rates was developed to fund, along with investment earnings, the increased retirement benefits of those justices and judges that participate in the program. 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, 2010 are as follows:

Rates for members not participating in JBM are as follows:			
<b>Contributor</b>	<b>PERS Plan 1</b>	<b>PERS Plan 2</b>	<b>PERS Plan 3</b>
Employer*	5.31%	5.31%	5.31%**
Employee	6.00%	3.90%	***
* The employer rates include the employer administrative expense fee currently set at 0.16%.			
** Plan 3 defined benefit portion only.			
*** Variable from 5% minimum to 15% maximum based on rate selected by the PERS 3 member.			

**Skagit County, Washington**  
**Notes to the Financial Statements**  
**December 31, 2010**

Rates for members participating in JBM are as follows:			
<b>Contributor</b>	<b>PERS Plan 1</b>	<b>PERS Plan 2</b>	<b>PERS Plan 3</b>
Employer*	5.31%	5.31%	5.31%**
Employee	12.26%	9.75%	7.50%***
* The employer rates include employer administrative expense fee currently set at 0.16%.			
** Plan 3 defined benefit portion only.			
*** Minimum rate.			

Both Skagit County and its employees have made the required contributions to the plan. Details of these contributions for the years ending December 31 are as follows:

<b>Year</b>	<b>PERS Plan 1</b>	<b>PERS Plan 2</b>	<b>PERS Plan 3</b>
2010	\$ 144,221	\$ 2,214,612	\$ 651,602
2009	212,747	2,899,132	879,796
2008	290,884	3,050,838	926,162

**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. 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. Membership in the system includes all full-time, fully compensated local law enforcement officers and firefighters. LEOFF membership is comprised primarily of non-state employees, along with the Department of Fish and Wildlife enforcement officers, who were first included prospectively effective July 27, 2003 being an exception. In addition, effective July 24, 2005, current members of PERS who are emergency medical technicians can elect to become members of LEOFF Plan 2.

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.

LEOFF defined benefit retirement benefits are financed from a combination of investment earnings, employer and employee contributions, and contributions by the state. LEOFF retirement benefit provisions are established in state statute and may be amended 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:

<b>Service Term</b>	<b>Percent of Final Average Salary</b>
20 or more years	2.0%
More than 10 years but less than 20 years	1.5%
More than 5 years 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

**Skagit County, Washington**  
**Notes to the Financial Statements**  
**December 31, 2010**

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average of the highest consecutive 24 months' salary within the last 10 years of service. A cost-of-living allowance is granted (indexed to the Seattle Consumer Price Index).

Plan 2 retirement benefits are vested after the 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, and to reflect the choice of a survivor option. There is no cap on years of service credit; and a cost-of-living allowance is granted (indexed at the Seattle Consumer Price Index), capped at three percent annually.

There are 441 participating employers in LEOFF. Membership in LEOFF consisted of the following as of the latest actuarial valuation date of June 30, 2010:

<b>Description</b>	<b>Members</b>
Retirees and Beneficiaries Receiving Benefits	9,454
Terminated Plan Members Entitled to but not yet Receiving Benefits	674
Active Plan Members Vested	13,363
Active Plan Members Non-vested	3,944
<b>Total</b>	<b>27,435</b>

Funding Policy

Effective July 1, 2000, Plan 1 employers and employees will make no contributions as long as the plan remains fully funded. Employer and employee contribution rates are developed by the Office of the State Actuary. Plan 2 employers and employees are required to pay at the level adopted by the LEOFF Plan 2 Retirement Board. All employers are required to contribute at the level mandated 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 and the LEOFF Plan 2 Retirement Board. However, this funding arrangement is not mandated by the state constitution and the liability 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, 2010 are as follows:

<b>Contributor</b>	<b>LEOFF Plan 1</b>	<b>LEOFF Plan 2</b>
Employer*	0.16%	5.24%
Employee	0.00%	8.46%
* The employer rates include the employer administrative expense fee currently set at 0.16%		

Both Skagit County and its employees made the required contributions to the plan. Skagit County contributions for the years ending December 31 are as follows:

**Skagit County, Washington**  
**Notes to the Financial Statements**  
**December 31, 2010**

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Year	LEOFF Plan 1	LEOFF Plan 2
2010	-	\$ 562,206
2009	35	652,773
2008	96	531,802

**C. Public Safety Employees' Retirement System (PSERS) Plan 2**

Plan Description

PSERS, established July 1, 2006 is a cost-sharing multiple-employer retirement system comprised of a single defined benefit plan, PSERS Plan 2.

PSERS Plan 2 membership includes full-time employees of a covered employer on or before July 1, 2006, who met at least one of the PSERS eligibility criteria (outlined below), and elected membership during the election period of July 1, 2006 to September 30, 2006; and those full-time employees, hired on or after July 1, 2006 by a covered employer, that meet at least one of the PSERS eligibility criteria. A covered employer is one that participates in PSERS. Covered employers include: State of Washington agencies, Department of Corrections, Department of Natural Resources, Parks and Recreation Commission, Gambling Commission, Washington State Patrol, Liquor Control Board, Washington state counties, and Washing state cities except for Seattle, Tacoma, and Spokane.

To be eligible for PSERS, an employee must work on a full-time basis and:

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

PSERS defined benefit retirement benefits are financed from a combination of investment earnings and employer and employee contributions. PSERS retirement benefit provisions are established in state statute and may be amended only by the State Legislature.

Plan 2 retirement benefits are vested after an employee completes five years of eligible service and attains the age of 65. PSERS Plan 2 members may retire at the age of 65 with five years of service, or at the age of 60 with at least 10 years of PSERS service credit, with an allowance of 2 percent of the average final compensation per year of service. The average final compensation is the monthly average of the member's 60 consecutive highest-paid service credit months, excluding any severance pay such as lump-sum payments for deferred sick leave, vacation or annual leave. Plan 2 retirees prior to the age of 60 receive reduced benefits. If retirement is at 53 or older with at least 20 years of service, a 3 percent per year reduction for each year between the age at retirement and age 60 applies. 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 73 participating employers in PSERS. There were 3,982 active non-vested plan members as of the latest actuarial valuation date of June 30, 2010.

**Skagit County, Washington**  
**Notes to the Financial Statements**  
**December 31, 2010**

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Description	Members
Retirees and Beneficiaries Receiving Benefits	2
Active Plan Members Non-vested	4,340
Total	4,342

Funding Policy

Each biennium, the state Pension Funding Council adopts Plan 2 employer and employee contribution rates. The employer and employee contribution rates for Plan 2 are developed by the Office of the State Actuary to fully fund Plan 2. All employers are required to contribute at the level established by the Legislature. The methods used to determine the contribution requirements are established under state statute in accordance with chapters 41.37 and 41.45 RCW.

The required contribution rates expressed as a percentage of current-year covered payroll, as of December 31, 2010 were as follows:

Contributor	PSERS Plan 2
Employer*	7.85%
Employee	6.55%
* The employer rates include the employer administrative expense fee currently set at 0.16%	

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

Year	PSERS Plan 2
2010	\$ 209,243
2009	233,389
2008	214,593

**D. Other Post Employment Benefit Plans (OPEB)**

State law requires the County to pay medical and nursing care costs for LEOFF Plan 1 retirees. Authority for changes in benefits for the LEOFF Plan 1 resides with the Washington state law and the Employee Retirement Benefits Board (ERBB). Members of the ERBB are appointed by the Governor.

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

We have used the alternative measurement method permitted under GASB Statement No. 45. A single retirement age of 56.22 was assumed for all active members for the purpose of determining the actuarial accrued liability. Termination and mortality rates were assumed to follow the LEOFF Plan 1 termination and mortality rates used in the September 30, 2006 actuarial valuation report issued by the Office of the Washington State Actuary (OSA). Healthcare costs and trends were determined by Milliman, Inc., actuarial consultants, and used by OSA in a statewide LEOFF Plan 1 medical study performed in 2007. The results were based on grouped data with 4 active groupings and 4 inactive groupings. The actuarial cost method used to determine the actuarial accrued liability was Projected Unit Credit. These assumptions were



**Skagit County, Washington**  
**Notes to the Financial Statements**  
**December 31, 2010**

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considered individually and collectively reasonable for the purposes of this valuation. The alternative measurement used in the 2008 and 2009 was used again in the 2010 financial statements, as authorized by GASB Statement No. 45.

The following table illustrates the components of the May 13, 2009, 30-year closed amortization period actuarial study:

Further Breakdown of Key Results		PVFB	AAL
Active:			
	Medical Expenses	\$ 268,778	\$ 231,375
	Long-Term Care	68,815	59,239
	Total Active	337,593	290,614
Inactive:			
	Medical Expenses	3,074,058	3,074,058
	Long-Term Care	1,209,411	1,209,411
	Total Inactive	4,283,469	4,283,469
Total		\$ 4,621,062	\$ 4,574,083
ARC			
	Normal Cost	39,595	
	UAAL Amortization	425,910	
ARC		\$ 465,505	
Annual OPEB Cost			
	ARC	465,505	
	NOO Interest	-	
	NOO Amortization	-	
Annual OPEB Cost		465,505.00	

Annual OPEB costs of \$465,505 less expenses of \$232,608 resulted in a net 2010 OPEB obligation of \$232,897.

The actual expense constitutes 40% of the ARC. The County's actuarial accrued liability (AAL) of \$4,574,084 was unfunded as of December 31, 2010.

Schedule of Funding Progress

As of May 13, 2009, the most recent actuarial valuation date, the plan was zero percent funded. The actuarial accrued liability for benefits was \$4,574,083 and the actuarial value of the assets was zero percent resulting in an Unfunded Actuarial Accrued Liability (UAAL) of \$4,574,083.

**Skagit County, Washington**  
**Notes to the Financial Statements**  
**December 31, 2010**

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**VII. RISK MANAGEMENT**

**Liability Insurance**

Skagit County was one of the twenty-eight members of the Washington Counties Risk Pool ("Pool") during 2010. Other members included: Adams, Benton, Chelan, Clallam, Clark, Columbia, Cowlitz, Douglas, Franklin, Garfield, Grays Harbor, Island, Jefferson, Kitsap, Kittitas, Lewis, Mason, Okanogan, Pacific, Pend Oreille, San Juan, Skamania, Spokane, Thurston, Walla Walla, Whatcom, and Yakima Counties. Klickitat and Whitman Counties were former Pool members, but terminated their memberships effective October 2002 and 2003 respectively.

The Pool was formed August 18, 1988 when several Washington counties signed an Interlocal (Cooperative) Agreement. It was established to provide its member counties with "joint" programs and services including self-insurance, purchasing of insurance, and contracting for or hiring of personnel to provide administrative services, claims handling and risk management. The Pool operates under Washington's "pooling" laws, more specifically Chapters 48.62 RCW and 82.60 WAC and implemented via Chapter 39.34 RCW. It is overseen by the State Risk Manager and is subject to fiscal audits performed annually by the State Auditor.

The enabling Interlocal Agreement was amended once in 2000 to add the Membership Compact, a commitment to strengthen the Pool by helping its member counties implement and/or enhance local risk management efforts to reduce losses and support the best management of the Pool and its resources. The Compact established obligations to support these goals through three major elements; membership involvement, risk control practices, and a targeted risk management program.

The Pool's mission is: To provide comprehensive and economical risk coverage; to reduce the frequency and severity of losses; and to decrease costs incurred in the managing and litigation of claims. The Pool's core values include: being committed to learn, understand and respond to the member counties' insurance needs; being committed to establish working relationships with all members that identify business issues and jointly develop solutions; member counties commit to allocate necessary resources to risk management in their own operations; the Pool's board of directors and professional staff share a commitment to manage the organization based on sound business principles, benchmarked industry standards and measurable outcomes; and being committed to continuous planning and innovation in product development and service delivery.

New members are required to pay the Pool modest admittance fees to cover the members' share of organizational expenses and the costs to analyze their loss data and risk profile. Members contract initially to remain in the Pool for at least five years. Counties may terminate their memberships at the conclusion of any Pool fiscal year following the initial term if the county timely files its required advance written notice. Otherwise, the Interlocal Agreement is renewed automatically for another year. Even after termination, a former member remains responsible for reassessments from the Pool for any unresolved, unreported, and in-process claims for the period they were a signatory to the Interlocal Agreement.

The Pool is governed by a board of directors consisting of one director (and at least one alternate director) designated by each member county. The Pool's board of directors, made up of both elected and appointed county officials, meets three times each year with the summer meeting being the Annual Meeting. The board of directors is responsible for determining the 3<sup>rd</sup>-party liability coverage to be offered (approving the insuring agreement or coverage document), the reinsurance program to acquire, the excess insurances to be jointly purchased or offered for optional purchase, and approving the Pool's annual operating budgets and work programs, and the member deposit assessment formulas.

**Skagit County, Washington**  
**Notes to the Financial Statements**  
**December 31, 2010**

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Regular oversight of the Pool's operations is furnished by an 11-person executive committee. The committee persons are elected by the Pool's board of directors from its membership to staggered 3-year terms during each Annual Meeting. The committee meets several times throughout the year to approve all Pool disbursements and examine the Pool's financial health; to approve case settlements exceeding the members' deductibles by at least \$50,000 and to review all claims with incurred loss estimates exceeding \$100,000; to evaluate the Executive Director and the Pool's operations and program deliverables; and to participate in the Board's standing committees (finance, personnel, risk management, and underwriting) for development or review/revision of the organization's policies and coverage documents.

The following constitute the highlights from the Pool's most recently completed Policy (Fiscal) Year (October 2009 through September 2010):

- *Operating Income* was \$1.8 million, a 59% increase from FY 2009.
- *Interest Income* slipped to just \$0.1 million (-69%) due to the nearly non-existent interest rates associated with the national and worldwide recession.
- *Total Assets* grew by \$3.2 million (9%) to more than \$38.9 million. Specifically, current assets increased \$3.1 million (9%) while non-current assets decreased \$0.1 million (12%).
- 769 cases were added to the Risk Pool's claims-related database during the year which raised the to-date (Oct. 1988 – Sept 2010) total of third-party liability claims and lawsuits submitted by WCRP member counties to 17,238. Estimates of incurred losses (payments made plus reserve estimates for open claims) increased \$17.8 million during the year to \$221.4 million.
- *Net Assets* (also referred to as *Members' Equity*) increased nearly \$2 million to more than \$10.2 million at September 30, 2010. \$5.8 million is classified as 'Restricted' to satisfy the Section D provisions of the WCRP Underwriting Policy that were enhanced by the Board of Directors in March of 2007. Another \$1.03 million is invested in *Capital Assets* (net of debt). The remaining \$3.2 million is listed as 'Non-Restricted' and is available. The WCRP Board of Directors is the authority to decide if, how much, and when distributions of any (Non-Restricted) *Net Assets* are to be made.

Professionals from some of the most respected organizations worldwide are called upon regularly to address specific needs of the Pool. For example, independent actuarial services are furnished by PricewaterhouseCoopers, LLP; insurance brokerage and advanced loss control services are provided by Arthur J Gallagher Risk Management Service, Inc; coverage counsel is provided by Stafford Frey Cooper; and special claims audits are frequently performed by the Pool's insurers and re-insurers. These professionals are in addition to the many contracted and in-country counselors assigned to defend Pool cases, as well as the ongoing oversight provided by the State Risk Manager and the annual financial audits performed by the State Auditor.

Over half of the Pool's 9-person staff handles and/or manages the several hundred liability cases filed upon and submitted by the Pool's member counties each year. These claims professionals have more than eighty years combined claims-handling experience. The Pool's "open" file count remains fairly constant between 400 to 500 cases. Other staffers provide various member services including conducting risk assessments and compliance audits, coordinating numerous trainings, researching other coverage and marketing, with some simply supporting the organization's administrative needs.

Pool member counties presently acquire \$20 million (with another \$5 million optional) of joint liability coverage on a "per occurrence" basis for 3<sup>rd</sup> party bodily injury, personal injury, property damage, errors and omissions, and advertising injury, and includes public officials' errors and omissions. Annually, members select a per occurrence deductible amount of \$10,000, \$25,000, \$50,000, \$100,000, \$250,000 or \$500,000.

**Skagit County, Washington**  
**Notes to the Financial Statements**  
**December 31, 2010**

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The initial \$10 million of coverage, less the retention (the greater of the member's deductible or \$100,000) is fully reinsured by superior-rated commercial carriers. The remaining insurance, up to \$15 million, is acquired from superior-rated commercial carriers as "following form" excess insurance. There are no aggregate limits to the payments made for any one member county or all member counties combined.

Property insurance, with composite limits of \$500 million for normal ("All Other Perils") coverage and \$250 million for catastrophe coverage and participant deductibles between \$5,000 and \$50,000, was added to the Pool coverage lines a few years ago as an individual county option. Coverage is for structures, vehicles, mobile equipment, EDP equipment, and equipment breakdown, etc. Participants are responsible for their claims' deductibles. The commercial insurers are responsible for covered losses exceeding the participant deductibles to the maximum limits of the policy. Twenty-six counties purchased this program during 2010.

Additionally, many members use the Pool's producer (broker) services for other insurance placements, e.g. public officials bonds, and crime & fidelity, special events/concessionaires, and environmental hazards coverage.

The Washington Counties Risk Pool is a cooperative program, so there is joint liability amongst its participating members. Contingent liabilities are established when assets are not sufficient to cover liabilities. Pool member counties are required to timely submit their 3<sup>rd</sup>-party liability claims which are handled by the Pool's staff. This includes establishing reserves for both reported and unreported covered events, as well as estimates of the undiscounted future cash payments for losses and related claims adjustment expenses. Deficits resulting from any Pool fiscal year are financed by proportional reassessments against that year's membership. **The Pool's reassessments receivable balance at December 31, 2010 remains ZERO.**

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

Fiscal Year	Beginning Balance	Current Year		Year End Balance
		Claims & Changes in Estimate	Claim Payments	
2008	\$ 426,875	\$ 770,534	\$ 128,020	\$ 1,069,389
2009	1,069,389	659,452	98,727	1,630,114
2010	1,630,114	556,366	155,209	2,031,271

**Other Insurance**

Employee on-the-job injuries are covered by industrial insurance through the State of Washing Department of Labor & Industries (L&I). All employees and some volunteers, except LEOFF-1 members and ferry crewmembers, are covered to statutory limits. Industrial insurance (L&I) rates are occupation and experienced based, with base premiums adjusted for individual entity claims experience. The experience modification multiplier was 1.1825 in 2008, 1.0829 in 2009, and 1.1562 in 2010.

Skagit County is self-insured for unemployment claims. These claims are processed by the Washington State Department of Employment Security and the county is billed for them on a quarterly basis. The County has established an Unemployment Compensation Fund which charges other County funds based on estimates of future claims, and pays the claims when they are billed. The Unemployment Compensation Fund had net assets of (\$36,808) at December 31, 2010.

The County is self-insured for dental insurance claims. Washington Dental Services serves as the third party administrator and bills the County for claims paid. Administrative fees and charges paid to Washington

**Skagit County, Washington**  
**Notes to the Financial Statements**  
**December 31, 2010**

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Dental Service totaled \$81,398 for 2010. Dental claims activity for 2010 and the preceding two years are as follows:

		Current Year		
Fiscal Year	Beginning Balance	Claims & Changes in Estimate	Claim Payments	Year End Balance
2008	\$ 109,833	\$ 728,401	\$ 728,899	\$ 109,335
2009	109,335	781,120	774,309	116,146
2010	116,146	749,009	752,309	112,846

The County is self-insured for medical insurance coverage for eligible employees. The claims processing is administered by Trusteed Plans. The County's health benefits broker, Wells Fargo, determines the premiums charged to County funds. These amounts are transferred to the Insurance Services Fund, which pays the amount billed by the claims processor. An insurance policy is in place to cover claims in excess of \$200,000 per claimant. Administrative fees and charges paid to Trusteed Plans totaled \$321,923 for 2010. Medical claims activity for 2010 and the preceding two years are as follows:

		Current Year		
Fiscal Year	Beginning Balance	Claims & Changes in Estimate	Claim Payments	Year End Balance
2008	\$ 1,186,425	\$ 7,008,799	\$ 6,782,255	\$ 1,412,969
2009	1,412,970	6,514,202	6,560,418	1,366,754
2010	1,366,754	6,298,165	6,343,381	1,321,538

**VIII. COMMITMENTS, CONTINGENCIES AND LITIGATION**

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

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

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. The District has authorized the issuance and sale of limited sales tax obligation bonds in the 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 principle amount of outstanding loans by the County is not to exceed \$10,000,000. As of December 31, 2010, there have been no loans made by the County to the Public Facilities District.

**Leasing Commitments**

Future minimum rental payments required under operating leases that have initial or remaining non-cancelable lease terms in excess of one year as of December 31, 2010 are as follows:

**Skagit County, Washington**  
**Notes to the Financial Statements**  
**December 31, 2010**

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<b>Year</b>	<b>Due</b>
2011	\$ 63,434
2012	20,713
2013	1,419
<b>TOTAL</b>	<b>\$ 85,566</b>

2010 rent expense for all operating leases, except those with terms of a month or less that were not renewed was \$55,002.

**Construction**

At December 31, 2010, the County had pending construction project contracts in progress. The commitments related to the remaining contract balances are summarized as follows:

	<b>Total Contracts</b>	<b>Expended to 12/31/2010</b>	<b>Balance Unexpended</b>
<b>Governmental Activities</b>			
Clean Water Fund	\$ 1,724,503	\$ 1,363,080	\$ 361,423
Non-Major Government Funds	1,358,911	521,318	837,593
Road Fund	11,460,594	6,470,834	4,989,760

**Landfill Post Closure Costs**

State and federal laws and regulations require Skagit County to perform landfill maintenance and monitoring activities for a minimum of twenty to thirty years after closure. Accordingly, a liability for post closure costs in the amount of \$3,608,061 is reported in the Solid Waste Fund at December 31, 2010.

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

**Liabilities for Pollution Remediation Obligations**

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

*Whitmarsh Landfill*

The Solid Waste Fund recognized a liability of \$2,581,072 for the closed Whitmarsh Landfill site. In 2007, Skagit County received notice from the Department of Ecology that it was being named a Potentially Liable Party (PLP) under Washington's Model Toxics Control Act (MTCA), as a former operator of the landfill, for releases of leachate from the landfill to the environment. Skagit County implemented a preliminary investigation of the site in 2008 and entered into an Agreed Order with the Department of Ecology along with 3 other named parties. As of December 31, 2010, the County is still in Phase I Remedial Investigation stage. Work remaining is Phase II Remedial Investigation, Feasibility Study, and a Cleanup Action Plan.

**Skagit County, Washington**  
**Notes to the Financial Statements**  
**December 31, 2010**

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*Sinnes Road Landfill*

The Solid Waste Fund recognized a liability of \$549,064 for the closed Sinnes Road Landfill site. The Skagit County Health Department facilitated an agreed order between the County and two other parties to address the releases of leachate from the landfill to the environment. As of December 31, 2010, the County is in the remedial design stage, with remedial action and long-term monitoring and maintenance to be determined.

*Burlington Road Shop*

The Equipment Rental and Revolving Fund recognized a liability of \$203,706 for costs relating to the monitoring and potential cleanup of soil and water contamination at the site of underground fuel storage tanks. Petroleum-impacted soil and groundwater were initially discovered in 1992 during the removal of three underground fuel storage tanks. Subsequent soil and groundwater investigations were conducted in 1993 by the County. Subsequently, four underground fuel storage tanks were removed. Annual groundwater monitoring using the existing well network was voluntarily implemented in 2003 and has continued to the present. Long-term groundwater monitoring is planned to continue until groundwater conditions improve.

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

The County has received notice from the state Department of Ecology that two other closed landfill sites will be ranked per the Washington Model Toxic Control Act. These landfills include the Alger Landfill and the Panorama Landfill. The County likely has some liability related to these landfills. Because they have not been ranked, the County has not estimated a liability as of 2010. The County's remediation activities to date have consisted of occasional monitoring of nearby wells and surface water.

**IX. PRIOR PERIOD ADJUSTMENTS**

**Road Fund** – A construction billing in the amount of \$16,251 was expensed in 2005 when it should have been paid against an accrual account.

**Government-Wide Statements** – The calculation for depreciation was incorrectly computed in 2009 resulting in a cumulative amount of \$78,695. This was discovered when a new capital asset depreciation program was implemented by the County.

**Interlocal Investigation Fund** – Recognition of \$20,000 was made for a transfer of funds in 2007.

**Solid Waste Fund** – the prior period adjustment of \$1,694,688 consisted of errors in the estimated liability at the Whitmarsh Landfill.

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# NonMajor Governmental Funds



**SKAGIT COUNTY, WASHINGTON**  
**COMBINING BALANCE SHEET**  
**NONMAJOR GOVERNMENTAL FUNDS**  
**AS OF DECEMBER 31, 2010**

	Nonmajor Funds						Total
	Special Revenue	Debt Service	341	342	352	Capital Project	
<b>ASSETS</b>							
Cash/Cash Equivalents	\$ 4,953,104	\$ 15,796	\$ 965,477	\$ 1,285,953	\$ 812,752	\$ 3,064,182	\$ 8,033,082
Investments	4,456,645	1,491,538	121,123	1,522,183		1,643,306	7,591,489
Taxes Receivable	306,164	160				-	306,324
Accounts Receivable	16,035	-				-	16,035
Due From Other Funds	288,203	-				-	288,203
Due From Other Governmental Units	2,574,497	-		343,399	1,070	344,469	2,918,966
Interfund Loan Receivable	3,000	260,500	2,374,000			2,374,000	2,637,500
Inventory/Prepayments	76,143	-				-	76,143
<b>Total Assets</b>	<b>12,673,791</b>	<b>1,767,994</b>	<b>3,460,600</b>	<b>3,151,535</b>	<b>813,822</b>	<b>7,425,956</b>	<b>21,867,742</b>
<b>LIABILITIES AND FUND BALANCES</b>							
<u>Liabilities</u>							
Accounts/Vouchers Payable	769,167	-		468,899	(2,341)	\$ 466,557	1,235,724
Due To Other Funds	93,582	-				-	93,582
Due To Other Governmental Units	224,812	-				-	224,812
Accrued Wages Payable	277,201	-				-	277,201
Accrued Employee Benefits	58,503	-				-	58,503
Custodial Accounts	257,842	-			50,731	50,731	308,573
Deferred Revenue	393,203	160			516,775	516,775	910,138
Long-Term Interfund Loans Payable	146,500	263,500				-	410,000
<b>Total Liabilities</b>	<b>2,220,810</b>	<b>263,660</b>	<b>-</b>	<b>468,899</b>	<b>565,165</b>	<b>1,034,063</b>	<b>3,518,533</b>
<u>Fund Balance</u>							
Reserved for:							
Prepaid Items		-				-	-
Inventory	76,143						76,143
Debt Service		1,504,334				-	1,504,334
Interfund Loan receivable	3,000	-	2,374,000			2,374,000	2,377,000
Unreserved, Undesignated, Reported in:							
Special Revenue Funds	10,373,838	-				-	10,373,838
Capital Project Funds	-	-	1,086,600	2,682,636	248,657	4,017,893	4,017,893
<b>Total Fund Balances</b>	<b>10,452,981</b>	<b>1,504,334</b>	<b>3,460,600</b>	<b>2,682,636</b>	<b>248,657</b>	<b>6,391,893</b>	<b>18,349,208</b>
<b>Total Liabilities and Fund Balances</b>	<b>\$ 12,673,791</b>	<b>\$ 1,767,994</b>	<b>\$ 3,460,600</b>	<b>\$ 3,151,535</b>	<b>\$ 813,822</b>	<b>\$ 7,425,956</b>	<b>\$ 21,867,742</b>

**SKAGIT COUNTY, WASHINGTON**  
**COMBINING STATEMENT OF REVENUES, EXPENDITURES AND**  
**CHANGES IN FUND BALANCE**  
**NONMAJOR GOVERNMENTAL FUNDS**  
**FOR THE YEAR ENDED DECEMBER 31, 2010**

	Non Major Funds						Total
	Special Revenue	Debt Service	341	342	352	Capital Project	
<u>Revenues</u>							
Property Taxes	\$6,011,606	-	\$963,137			\$963,137	\$ 6,974,743
Sales and Use Taxes	2,357,676			1,851,083		1,851,083	4,208,759
Other Taxes	1,050,840						1,050,840
Licenses and Permits	1,010,953	-				-	1,010,953
Intergovernmental	8,832,446	-			864,934	864,934	9,697,380
Charges for Services	2,989,181	-			18,650	18,650	3,007,831
Fines and Forfeits	109,540	-				-	109,540
Interest Earnings	18,186	78,490	1,029	14,202		15,231	111,907
Donations	270,720	-			153,225	153,225	423,945
Other Revenues	390,112	365,311				-	755,423
Total Revenues	<u>23,041,260</u>	<u>443,801</u>	<u>964,166</u>	<u>1,865,285</u>	<u>1,036,809</u>	<u>3,866,260</u>	<u>27,351,321</u>
<u>Expenditures</u>							
Current:							
General Governmental Services	1,076,324	-				-	1,076,324
Public Safety	8,280,077	-				-	8,280,077
Physical Environment	3,942,414	-				-	3,942,414
Transportation	143,844	-				-	143,844
Economic Environment	2,758,612	-		1,072,038		1,072,038	3,830,650
Health and Human Services	8,390,227	-				-	8,390,227
Culture and Recreation	1,655,889	-			1,184,870	1,184,870	2,840,759
Debt Service:	-						-
Principal	-	1,001,467				-	1,001,467
Interest	-	589,480				-	589,480
Capital Outlay	1,844,332	-			12,267	12,267	1,856,599
Total Expenditures	<u>28,091,719</u>	<u>1,590,947</u>	<u>-</u>	<u>1,072,038</u>	<u>1,197,137</u>	<u>2,269,175</u>	<u>31,951,841</u>
Excess (Deficit) Revenues Over Expenditures	<u>(5,050,459)</u>	<u>(1,147,146)</u>	<u>964,166</u>	<u>793,247</u>	<u>(160,328)</u>	<u>1,597,085</u>	<u>(4,600,520)</u>
<u>Other Financing Sources (Uses)</u>							
<u>Interfund Loan receivable</u>							
Issuance of General Long-Term Debt	415,042	-				-	415,042
Proceeds of Capital Assets	-	-				-	-
Transfers In	4,976,481	1,501,603			150,000	150,000	6,628,083
Transfers Out	(401,454)	-	(774,703)	(597,403)		(1,372,106)	(1,773,560)
Total Other Financing Source (Uses)	<u>4,990,069</u>	<u>1,501,603</u>	<u>(774,703)</u>	<u>(597,403)</u>	<u>150,000</u>	<u>(1,222,106)</u>	<u>5,269,565</u>
Net Change in Fund Balance	<u>(60,390)</u>	<u>354,457</u>	<u>189,463</u>	<u>195,844</u>	<u>(10,328)</u>	<u>374,979</u>	<u>669,045</u>
Fund Balance-January 1	<u>10,513,371</u>	<u>1,149,878</u>	<u>3,271,137</u>	<u>2,486,792</u>	<u>258,985</u>	<u>6,016,914</u>	<u>17,680,163</u>
Fund Balance-December 31	<u>\$10,452,981</u>	<u>\$1,504,333</u>	<u>\$3,460,600</u>	<u>\$2,682,636</u>	<u>\$248,657</u>	<u>\$6,391,893</u>	<u>\$ 18,349,208</u>

**SKAGIT COUNTY, WASHINGTON**  
**NONMAJOR SPECIAL REVENUE FUNDS**  
**AS OF DECEMBER 31, 2010**

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.

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

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

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

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

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

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

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

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

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

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

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

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

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

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

**SKAGIT COUNTY, WASHINGTON**  
**NONMAJOR SPECIAL REVENUE FUNDS**  
**AS OF DECEMBER 31, 2010**

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

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

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

**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

*Britt Slough SFCZ*  
*Britt Slough SFCZ*  
*Sedro Wolley Lateral SFCZ*

*Blanchard SFCZ*  
*Hansen Creek SFCZ*

*Shangrila SFCZ*  
*Warner Prairie 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.

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

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

**Drug Enforcement** - A fund established for drug enforcement activities.

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

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

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

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

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

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

**SKAGIT COUNTY, WASHINGTON**  
**COMBINING BALANCE SHEET**  
**NONMAJOR SPECIAL REVENUE FUNDS**  
**AS OF DECEMBER 31, 2010**

<b>ASSETS</b>	<b>Public Health</b>	<b>Special Paths</b>	<b>Emergency Mgmt</b>	<b>Fair</b>
Cash and Cash Equivalents	\$387,793	\$99,963	\$198,336	\$172,495
Investments	133,102	747,760		
Taxes Receivable				
Accounts Receivable	12,507			
Due from Other Funds				
Due from Other Governments	287,455		159,282	
Interfund Loans Receivable				
Inventories	76,143			
Prepaid Items				
<b>Total Assets</b>	<b>897,000</b>	<b>847,723</b>	<b>357,618</b>	<b>172,495</b>
<b>LIABILITIES AND FUND BALANCES</b>				
<u>Liabilities</u>				
Accounts and Vouchers Payable	42,344	367	67,345	30,319
Due to Other Funds				
Due to Other Governments	105	195	(179)	
Accrued Wages Payable	97,033	1,695	13,433	
Accrued Employee Benefits	16,088	288	2,294	
Custodial Accounts				(433)
Deferred Revenue				2,300
Interfund Loans Payable				
<b>Total Liabilities</b>	<b>155,570</b>	<b>2,545</b>	<b>82,893</b>	<b>32,186</b>
<u>Fund Balance</u>				
Reserved for:				
Inventory	76,143			
Prepaid Items				
Non Current Receivables				
Debt Service				
Unreserved, Reported in:				
Special Revenue Funds	665,287	845,178	274,725	140,309
Capital Projects Funds				
<b>Total Fund Balances</b>	<b>741,430</b>	<b>845,178</b>	<b>274,725</b>	<b>140,309</b>
<b>TOTAL LIABILITIES AND FUND BALANCE</b>	<b>\$897,000</b>	<b>\$847,723</b>	<b>\$357,618</b>	<b>\$172,495</b>

**SKAGIT COUNTY, WASHINGTON  
COMBINING BALANCE SHEET  
NONMAJOR SPECIAL REVENUE FUNDS  
AS OF DECEMBER 31, 2010**

<b>ASSETS</b>	<b>Veterans' Relief</b>	<b>Law Library</b>	<b>River Imp</b>	<b>Treasurer O&amp;M</b>
Cash and Cash Equivalents	\$217,201	\$40,735	\$156,820	\$42,104
Investments			303,723	176,109
Taxes Receivable	8,961			
Accounts Receivable				
Due from Other Funds			287,238	
Due from Other Governments			79,968	
Interfund Loans Receivable				
Inventories				
Prepaid Items				
<b>Total Assets</b>	<b>226,162</b>	<b>40,735</b>	<b>827,749</b>	<b>218,213</b>
<b>LIABILITIES AND FUND BALANCES</b>				
<u>Liabilities</u>				
Accounts and Vouchers Payable	14,738	9,213	46,276	
Due to Other Funds			414	
Due to Other Governments				
Accrued Wages Payable		3,018	8,756	2,169
Accrued Employee Benefits		396	1,272	
Custodial Accounts				
Deferred Revenue	8,961			
Interfund Loans Payable				
Total Liabilities	23,699	12,627	56,718	2,169
<u>Fund Balance</u>				
Reserved for:				
Inventory				
Prepaid Items				
Non Current Receivables				
Debt Service				
Unreserved, Reported in:				
Special Revenue Funds	202,463	28,108	771,031	216,044
Capital Projects Funds				
Total Fund Balances	202,463	28,108	771,031	216,044
<b>TOTAL LIABILITIES AND FUND BALANCE</b>	<b>\$226,162</b>	<b>\$40,735</b>	<b>\$827,749</b>	<b>\$218,213</b>

**SKAGIT COUNTY, WASHINGTON**  
**COMBINING BALANCE SHEET**  
**NONMAJOR SPECIAL REVENUE FUNDS**  
**AS OF DECEMBER 31, 2010**

<b>ASSETS</b>	<b>Document</b>			<b>Substance</b>
	<b>Preserv</b>	<b>Election</b>	<b>Parks &amp; Rec</b>	<b>Abuse</b>
Cash and Cash Equivalents	\$70,607	\$95,942	\$458,972	\$487,365
Investments	511,864		520,203	
Taxes Receivable				
Accounts Receivable				
Due from Other Funds				
Due from Other Governments		30,454		305,078
Interfund Loans Receivable				
Inventories				
Prepaid Items				
<b>Total Assets</b>	<b>582,471</b>	<b>126,396</b>	<b>979,175</b>	<b>792,443</b>
<b>LIABILITIES AND FUND BALANCES</b>				
<u>Liabilities</u>				
Accounts and Vouchers Payable	2,171	8,521	29,493	160,130
Due to Other Funds				1,092
Due to Other Governments		19	278	224,394
Accrued Wages Payable	2,363	8,205	17,319	2,394
Accrued Employee Benefits	330	1,179	3,023	341
Custodial Accounts			86	
Deferred Revenue			84,737	
Interfund Loans Payable				
<b>Total Liabilities</b>	<b>4,864</b>	<b>17,924</b>	<b>134,936</b>	<b>388,351</b>
<u>Fund Balance</u>				
Reserved for:				
Inventory				
Prepaid Items				
Non Current Receivables				
Debt Service				
Unreserved, Reported in:				
Special Revenue Funds	577,607	108,472	844,239	404,092
Capital Projects Funds				
<b>Total Fund Balances</b>	<b>577,607</b>	<b>108,472</b>	<b>844,239</b>	<b>404,092</b>
<b>TOTAL LIABILITIES AND FUND BALANCE</b>	<b>\$582,471</b>	<b>\$126,396</b>	<b>\$979,175</b>	<b>\$792,443</b>



**SKAGIT COUNTY, WASHINGTON**  
**COMBINING BALANCE SHEET**  
**NONMAJOR SPECIAL REVENUE FUNDS**  
**AS OF DECEMBER 31, 2010**

<b>ASSETS</b>	<b>Community Services</b>	<b>Conv. Center</b>	<b>Clean Water</b>	<b>Conserv. Futures</b>
Cash and Cash Equivalents	\$329,831	\$256,455	\$439,364	(\$347,468)
Investments		129,164	200,061	
Taxes Receivable			55,289	35,472
Accounts Receivable			3,528	
Due from Other Funds				
Due from Other Governments	68,838	29,520	148,335	679,750
Interfund Loans Receivable				
Inventories				
Prepaid Items				
<b>Total Assets</b>	<b>398,669</b>	<b>415,139</b>	<b>846,577</b>	<b>367,754</b>
<b>LIABILITIES AND FUND BALANCES</b>				
<u>Liabilities</u>				
Accounts and Vouchers Payable	20,711	59,316	98,678	58
Due to Other Funds	2,374		84,756	
Due to Other Governments				
Accrued Wages Payable	47,108		13,927	3,668
Accrued Employee Benefits	7,099		2,123	525
Custodial Accounts				
Deferred Revenue			55,289	35,472
Interfund Loans Payable				
Total Liabilities	77,292	59,316	254,773	39,723
<u>Fund Balance</u>				
Reserved for:				
Inventory				
Prepaid Items				
Non Current Receivables				
Debt Service				
Unreserved, Reported in:				
Special Revenue Funds	321,377	355,823	591,804	328,031
Capital Projects Funds				
Total Fund Balances	321,377	355,823	591,804	328,031
<b>TOTAL LIABILITIES AND FUND BALANCE</b>	<b>\$398,669</b>	<b>\$415,139</b>	<b>\$846,577</b>	<b>\$367,754</b>

**SKAGIT COUNTY, WASHINGTON**  
**COMBINING BALANCE SHEET**  
**NONMAJOR SPECIAL REVENUE FUNDS**  
**AS OF DECEMBER 31, 2010**

<b>ASSETS</b>	<b>Medic 1</b>	<b>Crime Victim</b>	<b>Comm. System</b>	<b>Water Quality</b>
Cash and Cash Equivalents	\$134,695	\$41,164	\$232,862	\$254,500
Investments		117,941		
Taxes Receivable	188,667			
Accounts Receivable				
Due from Other Funds				
Due from Other Governments			379,361	2,388
Interfund Loans Receivable				
Inventories				
Prepaid Items				
<b>Total Assets</b>	<b>323,362</b>	<b>159,105</b>	<b>612,223</b>	<b>256,888</b>
<b>LIABILITIES AND FUND BALANCES</b>				
<u>Liabilities</u>				
Accounts and Vouchers Payable		738		78
Due to Other Funds				
Due to Other Governments				
Accrued Wages Payable		870		
Accrued Employee Benefits		127		
Custodial Accounts				
Deferred Revenue	188,668			
Interfund Loans Payable				
Total Liabilities	188,668	1,735	-	78
<u>Fund Balance</u>				
Reserved for:				
Inventory				
Prepaid Items				
Non Current Receivables				
Debt Service				
Unreserved, Reported in:				
Special Revenue Funds	134,694	157,370	612,223	256,810
Capital Projects Funds				
Total Fund Balances	134,694	157,370	612,223	256,810
<b>TOTAL LIABILITIES AND FUND BALANCE</b>	<b>\$323,362</b>	<b>\$159,105</b>	<b>\$612,223</b>	<b>\$256,888</b>

**SKAGIT COUNTY, WASHINGTON  
COMBINING BALANCE SHEET  
NONMAJOR SPECIAL REVENUE FUNDS  
AS OF DECEMBER 31, 2010**

<b>ASSETS</b>	<b>Planning &amp; Development</b>	<b>Woolley Subflood</b>	<b>Slough Subflood</b>	<b>Blanchard Subflood</b>
Cash and Cash Equivalents	\$228,224	\$39,298		
Investments		229,353		
Taxes Receivable		1,116		
Accounts Receivable				
Due from Other Funds				
Due from Other Governments	216,444			
Interfund Loans Receivable				
Inventories				
Prepaid Items				
<b>Total Assets</b>	<b>444,668</b>	<b>269,767</b>	-	-
 <b>LIABILITIES AND FUND BALANCES</b>				
<u>Liabilities</u>				
Accounts and Vouchers Payable	77,486	35		
Due to Other Funds	4,018			
Due to Other Governments				
Accrued Wages Payable	50,250			
Accrued Employee Benefits	23,418			
Custodial Accounts				
Deferred Revenue		1,116		
Interfund Loans Payable	125,000			
Total Liabilities	280,172	1,151	-	-
 <u>Fund Balance</u>				
Reserved for:				
Inventory				
Prepaid Items				
Non Current Receivables				
Debt Service				
Unreserved, Reported in:				
Special Revenue Funds	164,496	268,616	-	-
Capital Projects Funds				
Total Fund Balances	164,496	268,616	-	-
<b>TOTAL LIABILITIES AND FUND BALANCE</b>	<b>\$444,668</b>	<b>\$269,767</b>	<b>\$0</b>	<b>\$0</b>

**SKAGIT COUNTY, WASHINGTON  
COMBINING BALANCE SHEET  
NONMAJOR SPECIAL REVENUE FUNDS  
AS OF DECEMBER 31, 2010**

<b>ASSETS</b>	<b>Shangrila Subflood</b>	<b>Creek Subflood</b>	<b>Prairie Subflood</b>	<b>Mgmt Dist. 1</b>
Cash and Cash Equivalents		\$7,543		\$20,914
Investments				
Taxes Receivable		1,041		1,460
Accounts Receivable				
Due from Other Funds				
Due from Other Governments				
Interfund Loans Receivable				
Inventories				
Prepaid Items				
<b>Total Assets</b>	<b>-</b>	<b>8,584</b>	<b>-</b>	<b>22,374</b>
<b>LIABILITIES AND FUND BALANCES</b>				
<u>Liabilities</u>				
Accounts and Vouchers Payable				1,514
Due to Other Funds				
Due to Other Governments				
Accrued Wages Payable				199
Accrued Employee Benefits				
Custodial Accounts				
Deferred Revenue		1,041		1,460
Interfund Loans Payable		21,500		
Total Liabilities	-	22,541	-	3,173
<u>Fund Balance</u>				
Reserved for:				
Inventory				
Prepaid Items				
Non Current Receivables				
Debt Service				
Unreserved, Reported in:				
Special Revenue Funds	-	(13,957)	-	19,201
Capital Projects Funds				
Total Fund Balances	-	(13,957)	-	19,201
<b>TOTAL LIABILITIES AND FUND BALANCE</b>	<b>\$0</b>	<b>\$8,584</b>	<b>\$0</b>	<b>\$22,374</b>

**SKAGIT COUNTY, WASHINGTON**  
**COMBINING BALANCE SHEET**  
**NONMAJOR SPECIAL REVENUE FUNDS**  
**AS OF DECEMBER 31, 2010**

<b>ASSETS</b>	<b>Mgmt Dist. 2</b>	<b>Mgmt Dist. 3</b>	<b>Mgmt Dist. 4</b>	<b>Edison Clean Wtr</b>
Cash and Cash Equivalents	\$9,544	\$1,360	\$10,685	\$100,895
Investments	10,000	20,000	5,000	
Taxes Receivable	302	1,036	394	12,426
Accounts Receivable				
Due from Other Funds				
Due from Other Governments				
Interfund Loans Receivable				3,000
Inventories				
Prepaid Items				
<b>Total Assets</b>	<b>19,846</b>	<b>22,396</b>	<b>16,079</b>	<b>116,321</b>
<b>LIABILITIES AND FUND BALANCES</b>				
<u>Liabilities</u>				
Accounts and Vouchers Payable	2,055		271	1,938
Due to Other Funds				
Due to Other Governments				
Accrued Wages Payable	77	122	75	
Accrued Employee Benefits				
Custodial Accounts				
Deferred Revenue	302	1,037	394	12,426
Interfund Loans Payable				
Total Liabilities	2,434	1,159	740	14,364
<u>Fund Balance</u>				
Reserved for:				
Inventory				
Prepaid Items				
Non Current Receivables				3,000
Debt Service				
Unreserved, Reported in:				
Special Revenue Funds	17,412	21,237	15,339	98,957
Capital Projects Funds				
Total Fund Balances	17,412	21,237	15,339	101,957
<b>TOTAL LIABILITIES AND FUND BALANCE</b>	<b>\$19,846</b>	<b>\$22,396</b>	<b>\$16,079</b>	<b>\$116,321</b>

**SKAGIT COUNTY, WASHINGTON  
COMBINING BALANCE SHEET  
NONMAJOR SPECIAL REVENUE FUNDS  
AS OF DECEMBER 31, 2010**

<b>ASSETS</b>	<b>Drug Enforce.</b>	<b>Boating Safety</b>	<b>Low Inc. Housing</b>	<b>Title III Projects</b>
Cash and Cash Equivalents	\$46,363	\$73,807	\$151,971	\$121,951
Investments	103,534		246,897	
Taxes Receivable				
Accounts Receivable				
Due from Other Funds				
Due from Other Governments	23,424	2,262		69,289
Interfund Loans Receivable				
Inventories				
Prepaid Items				
<b>Total Assets</b>	<b>173,321</b>	<b>76,069</b>	<b>398,868</b>	<b>191,240</b>
<b>LIABILITIES AND FUND BALANCES</b>				
<u>Liabilities</u>				
Accounts and Vouchers Payable	(9)	1,454	348	12,005
Due to Other Funds		(37)		
Due to Other Governments				
Accrued Wages Payable				
Accrued Employee Benefits				
Custodial Accounts				
Deferred Revenue				
Interfund Loans Payable				
<b>Total Liabilities</b>	<b>(9)</b>	<b>1,417</b>	<b>348</b>	<b>12,005</b>
<u>Fund Balance</u>				
Reserved for:				
Inventory				
Prepaid Items				
Non Current Receivables				
Debt Service				
Unreserved, Reported in:				
Special Revenue Funds	173,330	74,652	398,520	179,235
Capital Projects Funds				
<b>Total Fund Balances</b>	<b>173,330</b>	<b>74,652</b>	<b>398,520</b>	<b>179,235</b>
<b>TOTAL LIABILITIES AND FUND BALANCE</b>	<b>\$173,321</b>	<b>\$76,069</b>	<b>\$398,868</b>	<b>\$191,240</b>

**SKAGIT COUNTY, WASHINGTON  
COMBINING BALANCE SHEET  
NONMAJOR SPECIAL REVENUE FUNDS  
AS OF DECEMBER 31, 2010**

<b>ASSETS</b>	<u>Treasurer REET</u>	<u>Housing Assistance</u>	<u>Interlocal Invest.</u>
Cash and Cash Equivalents	\$3	\$122,086	\$248,724
Investments	164,408	403,260	434,266
Taxes Receivable			
Accounts Receivable			
Due from Other Funds			965
Due from Other Governments			92,649
Interfund Loans Receivable			
Inventories			
Prepaid Items			
<b>Total Assets</b>	<b>164,411</b>	<b>525,346</b>	<b>776,604</b>
<b>LIABILITIES AND FUND BALANCES</b>			
<u>Liabilities</u>			
Accounts and Vouchers Payable		33,550	48,026
Due to Other Funds			965
Due to Other Governments			
Accrued Wages Payable			4,520
Accrued Employee Benefits			
Custodial Accounts			258,189
Deferred Revenue			
Interfund Loans Payable			
Total Liabilities	-	33,550	311,700
<u>Fund Balance</u>			
Reserved for:			
Inventory			
Prepaid Items			
Non Current Receivables			
Debt Service			
Unreserved, Reported in:			
Special Revenue Funds	164,411	491,796	464,904
Capital Projects Funds			
Total Fund Balances	164,411	491,796	464,904
<b>TOTAL LIABILITIES AND FUND BALANCE</b>	<b>\$164,411</b>	<b>\$525,346</b>	<b>\$776,604</b>

**SKAGIT COUNTY, WASHINGTON**  
**COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND**  
**CHANGES IN FUND BALANCE**  
**NONMAJOR SPECIAL REVENUE FUNDS**  
**FOR THE YEAR ENDED DECEMBER 31,2010**

<b>REVENUES</b>	<b>Public Health</b>	<b>Special Paths</b>	<b>Emergency Mgmt</b>	<b>Fair</b>
Property Taxes				
Sales and Use Taxes				
Other Taxes				
Licenses and Permits	447,658		9,750	
Intergovernmental	1,974,505	153,296	478,783	38,902
Charges for Services	712,795		19,623	179,883
Fines and Forfeits	5,304			
Interest Earnings	359	1,154		
Donations	18,241			18,926
Other Revenue	2,193		17,000	56,295
Total Revenue	<u>3,161,055</u>	<u>154,450</u>	<u>525,156</u>	<u>294,006</u>
<b>EXPENDITURES</b>				
Current:				
General Governmental Services				
Public Safety			818,846	
Utilities and Environment				
Transportation		143,844		
Economic Environment				
Health & Human Services	3,967,402			
Culture and Recreation				265,812
Debt Service:				
Principal				
Interest				
Capital Outlay		7,858	35,390	
Total Expenditures	<u>3,967,402</u>	<u>151,702</u>	<u>854,236</u>	<u>265,812</u>
Excess (Deficit) of Revenues Over Expenditures	<u>(806,347)</u>	<u>2,748</u>	<u>(329,080)</u>	<u>28,194</u>
<b>Other Financing Sources (Uses)</b>				
Proceeds from Long Term Debt				
Proceeds from Sale of Capital Assets				
Transfers In	775,122		352,805	50,000
Transfers Out		(150,000)		
Total Other Financial Sources (Uses)	<u>775,122</u>	<u>(150,000)</u>	<u>352,805</u>	<u>50,000</u>
Net Change in Fund Balance	<u>(31,225)</u>	<u>(147,252)</u>	<u>23,725</u>	<u>78,194</u>
Fund Balance, January 1	772,655	992,430	251,000	62,115
Prior Period Adjustments				
Fund Balance, January 1, restated	<u>772,655</u>	<u>992,430</u>	<u>251,000</u>	<u>62,115</u>
<b>Fund Balance, December 31</b>	<u><b>\$741,430</b></u>	<u><b>\$845,178</b></u>	<u><b>\$274,725</b></u>	<u><b>\$140,309</b></u>



**SKAGIT COUNTY, WASHINGTON**  
**COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND**  
**CHANGES IN FUND BALANCE**  
**NONMAJOR SPECIAL REVENUE FUNDS**  
**FOR THE YEAR ENDED DECEMBER 31,2010**

<b>REVENUES</b>	<b>Veterans'</b>	<b>Law</b>	<b>River</b>	<b>Treasurer</b>
	<b>Relief</b>	<b>Library</b>	<b>Imp</b>	<b>O&amp;M</b>
Property Taxes	\$179,153			
Sales and Use Taxes	2,676			
Other Taxes				
Licenses and Permits				
Intergovernmental	11,543		149,479	
Charges for Services		60,603	20,000	26,783
Fines and Forfeits				
Interest Earnings	4		638	2,492
Donations				
Other Revenue	69	2,785		
Total Revenue	<u>193,445</u>	<u>63,388</u>	<u>170,117</u>	<u>29,275</u>
<b>EXPENDITURES</b>				
Current:				
General Governmental Services		157,675		89,807
Public Safety				
Utilities and Environment			668,527	
Transportation				
Economic Environment				
Health & Human Services	192,949			
Culture and Recreation				
Debt Service:				
Principal				
Interest				
Capital Outlay				
Total Expenditures	<u>192,949</u>	<u>157,675</u>	<u>668,527</u>	<u>89,807</u>
Excess (Deficit) of Revenues Over Expenditures	<u>496</u>	<u>(94,287)</u>	<u>(498,410)</u>	<u>(60,532)</u>
<b>Other Financing Sources (Uses)</b>				
Proceeds from Long Term Debt				
Proceeds from Sale of Capital Assets				
Transfers In		89,311	504,570	
Transfers Out				
Total Other Financial Sources (Uses)	<u>0</u>	<u>89,311</u>	<u>504,570</u>	<u>0</u>
Net Change in Fund Balance	<u>496</u>	<u>(4,976)</u>	<u>6,160</u>	<u>(60,532)</u>
Fund Balance, January 1	201,967	33,084	764,871	276,576
Prior Period Adjustments				
Fund Balance, January 1, restated	<u>201,967</u>	<u>33,084</u>	<u>764,871</u>	<u>276,576</u>
<b>Fund Balance, December 31</b>	<b><u>\$202,463</u></b>	<b><u>\$28,108</u></b>	<b><u>\$771,031</u></b>	<b><u>\$216,044</u></b>

**SKAGIT COUNTY, WASHINGTON**  
**COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND**  
**CHANGES IN FUND BALANCE**  
**NONMAJOR SPECIAL REVENUE FUNDS**  
**FOR THE YEAR ENDED DECEMBER 31,2010**

<b>REVENUES</b>	<b>Document Preservation</b>	<b>Election</b>	<b>Parks &amp; Rec</b>	<b>Substance Abuse</b>
Property Taxes				
Sales and Use Taxes				
Other Taxes				
Licenses and Permits				
Intergovernmental	73,484	115,125	12,173	1,397,448
Charges for Services	58,928	139,809	361,285	
Fines and Forfeits				
Interest Earnings	4,809		1,483	
Donations			14,708	
Other Revenue		16	180,127	
Total Revenue	<u>137,221</u>	<u>254,950</u>	<u>569,776</u>	<u>1,397,448</u>
<b>EXPENDITURES</b>				
Current:				
General Governmental Services	194,635	550,014		
Public Safety				
Utilities and Environment				
Transportation				
Economic Environment				
Health & Human Services				1,875,861
Culture and Recreation			1,192,513	
Debt Service:				
Principal				
Interest				
Capital Outlay		35,847	5,405	
Total Expenditures	<u>194,635</u>	<u>585,861</u>	<u>1,197,918</u>	<u>1,875,861</u>
Excess (Deficit) of Revenues Over Expenditures	<u>(57,414)</u>	<u>(330,911)</u>	<u>(628,142)</u>	<u>(478,413)</u>
<b>Other Financing Sources (Uses)</b>				
Proceeds from Long Term Debt				
Proceeds from Sale of Capital Assets				
Transfers In			744,802	443,272
Transfers Out				(2,068)
Total Other Financial Sources (Uses)	<u>0</u>	<u>0</u>	<u>744,802</u>	<u>441,204</u>
Net Change in Fund Balance	<u>(57,414)</u>	<u>(330,911)</u>	<u>116,660</u>	<u>(37,209)</u>
Fund Balance, January 1	635,021	439,383	727,579	441,301
Prior Period Adjustments				
Fund Balance, January 1, restated	<u>635,021</u>	<u>439,383</u>	<u>727,579</u>	<u>441,301</u>
<b>Fund Balance, December 31</b>	<b><u>\$577,607</u></b>	<b><u>\$108,472</u></b>	<b><u>\$844,239</u></b>	<b><u>\$404,092</u></b>

**SKAGIT COUNTY, WASHINGTON**  
**COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND**  
**CHANGES IN FUND BALANCE**  
**NONMAJOR SPECIAL REVENUE FUNDS**  
**FOR THE YEAR ENDED DECEMBER 31,2010**

<b>REVENUES</b>	<b>Community Services</b>	<b>Conv. Center</b>	<b>Clean Water</b>	<b>Conserv. Futures</b>
Property Taxes			\$1,218,838	\$729,360
Sales and Use Taxes		264,666		11,049
Other Taxes				
Licenses and Permits				
Intergovernmental	651,291		1,259,708	956,800
Charges for Services	55,532		22,692	
Fines and Forfeits				
Interest Earnings		677	678	951
Donations	218,470			75
Other Revenue	120,963			295
Total Revenue	<u>1,046,256</u>	<u>265,343</u>	<u>2,501,916</u>	<u>1,698,530</u>
<b>EXPENDITURES</b>				
Current:				
General Governmental Services				
Public Safety				
Utilities and Environment			2,465,339	182,493
Transportation				
Economic Environment				
Health & Human Services	1,847,060			
Culture and Recreation		197,564		
Debt Service:				
Principal				
Interest				
Capital Outlay				1,714,904
Total Expenditures	<u>1,847,060</u>	<u>197,564</u>	<u>2,465,339</u>	<u>1,897,397</u>
Excess (Deficit) of Revenues Over Expenditures	<u>(800,804)</u>	<u>67,779</u>	<u>36,577</u>	<u>(198,867)</u>
<b>Other Financing Sources (Uses)</b>				
Proceeds from Long Term Debt				
Proceeds from Sale of Capital Assets				
Transfers In	957,457		125,897	
Transfers Out		(129,100)		
Total Other Financial Sources (Uses)	<u>957,457</u>	<u>(129,100)</u>	<u>125,897</u>	<u>0</u>
Net Change in Fund Balance	<u>156,653</u>	<u>(61,321)</u>	<u>162,474</u>	<u>(198,867)</u>
Fund Balance, January 1	164,724	417,144	429,330	526,898
Prior Period Adjustments				
Fund Balance, January 1, restated	<u>164,724</u>	<u>417,144</u>	<u>429,330</u>	<u>526,898</u>
<b>Fund Balance, December 31</b>	<b><u>\$321,377</u></b>	<b><u>\$355,823</u></b>	<b><u>\$591,804</u></b>	<b><u>\$328,031</u></b>

**SKAGIT COUNTY, WASHINGTON**  
**COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND**  
**CHANGES IN FUND BALANCE**  
**NONMAJOR SPECIAL REVENUE FUNDS**  
**FOR THE YEAR ENDED DECEMBER 31,2010**

<b>REVENUES</b>	<b>Medic 1</b>	<b>Crime Victim</b>	<b>Comm. System</b>	<b>Water Quality</b>
Property Taxes	\$3,884,255			
Sales and Use Taxes	29,523		2,049,762	
Other Taxes	29,368		802,953	
Licenses and Permits				
Intergovernmental	250,906			33,205
Charges for Services		87,687		2,504
Fines and Forfeits				
Interest Earnings	85	336		160
Donations				
Other Revenue	1,491			
Total Revenue	<u>4,195,628</u>	<u>88,023</u>	<u>2,852,715</u>	<u>35,869</u>
<b>EXPENDITURES</b>				
Current:				
General Governmental Services		84,195		
Public Safety	4,144,483		2,606,796	
Utilities and Environment				442,718
Transportation				
Economic Environment				
Health & Human Services				
Culture and Recreation				
Debt Service:				
Principal				
Interest				
Capital Outlay				
Total Expenditures	<u>4,144,483</u>	<u>84,195</u>	<u>2,606,796</u>	<u>442,718</u>
Excess (Deficit) of Revenues Over Expenditures	<u>51,145</u>	<u>3,828</u>	<u>245,919</u>	<u>(406,849)</u>
<b>Other Financing Sources (Uses)</b>				
Proceeds from Long Term Debt				415,042
Proceeds from Sale of Capital Assets				
Transfers In				
Transfers Out				(23,000)
Total Other Financial Sources (Uses)	<u>0</u>	<u>0</u>	<u>0</u>	<u>392,042</u>
Net Change in Fund Balance	<u>51,145</u>	<u>3,828</u>	<u>245,919</u>	<u>(14,807)</u>
Fund Balance, January 1	83,549	153,542	366,304	271,617
Prior Period Adjustments				
Fund Balance, January 1, restated	<u>83,549</u>	<u>153,542</u>	<u>366,304</u>	<u>271,617</u>
<b>Fund Balance, December 31</b>	<u><b>\$134,694</b></u>	<u><b>\$157,370</b></u>	<u><b>\$612,223</b></u>	<u><b>\$256,810</b></u>

**SKAGIT COUNTY, WASHINGTON**  
**COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND**  
**CHANGES IN FUND BALANCE**  
**NONMAJOR SPECIAL REVENUE FUNDS**  
**FOR THE YEAR ENDED DECEMBER 31,2010**

<b>REVENUES</b>	<b>Planning &amp; Development</b>	<b>Woolley Subflood</b>	<b>Slough Subflood</b>	<b>Blanchard Subflood</b>
Property Taxes				
Sales and Use Taxes				
Other Taxes		19,687		
Licenses and Permits	553,545			
Intergovernmental	684,561			
Charges for Services	559,261			
Fines and Forfeits	14,603			
Interest Earnings		788		
Donations	300			
Other Revenue	3,091			
Total Revenue	1,815,361	20,475	0	0
<b>EXPENDITURES</b>				
Current:				
General Governmental Services				
Public Safety				
Utilities and Environment		60,550		
Transportation				
Economic Environment	2,618,798			
Health & Human Services				
Culture and Recreation				
Debt Service:				
Principal				
Interest				
Capital Outlay				
Total Expenditures	2,618,798	60,550	0	0
Excess (Deficit) of Revenues Over Expenditures	(803,437)	(40,075)	0	0
<b>Other Financing Sources (Uses)</b>				
Proceeds from Long Term Debt				
Proceeds from Sale of Capital Assets				
Transfers In	933,245			
Transfers Out			(43,819)	(36,450)
Total Other Financial Sources (Uses)	933,245	0	(43,819)	(36,450)
Net Change in Fund Balance	129,808	(40,075)	(43,819)	(36,450)
Fund Balance, January 1	34,688	308,691	43,819	36,450
Prior Period Adjustments				
Fund Balance, January 1, restated	34,688	308,691	43,819	36,450
<b>Fund Balance, December 31</b>	<b>\$164,496</b>	<b>\$268,616</b>	<b>\$0</b>	<b>\$0</b>

**SKAGIT COUNTY, WASHINGTON**  
**COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND**  
**CHANGES IN FUND BALANCE**  
**NONMAJOR SPECIAL REVENUE FUNDS**  
**FOR THE YEAR ENDED DECEMBER 31,2010**

<b>REVENUES</b>	<b>Shangrila Subflood</b>	<b>Creek Subflood</b>	<b>Prairie Subflood</b>	<b>Mgmt Dist. 1</b>
Property Taxes				
Sales and Use Taxes				
Other Taxes		29,634		55,694
Licenses and Permits				
Intergovernmental				
Charges for Services				
Fines and Forfeits				
Interest Earnings				
Donations				
Other Revenue				
Total Revenue	0	29,634	0	55,694
<b>EXPENDITURES</b>				
Current:				
General Governmental Services				
Public Safety				
Utilities and Environment		7,597	0	38,941
Transportation				
Economic Environment				
Health & Human Services				
Culture and Recreation				
Debt Service:				
Principal				
Interest				
Capital Outlay				
Total Expenditures	0	7,597	0	38,941
Excess (Deficit) of Revenues Over Expenditures	0	22,037	0	16,753
<b>Other Financing Sources (Uses)</b>				
Proceeds from Long Term Debt				
Proceeds from Sale of Capital Assets				
Transfers In				
Transfers Out	(4,861)		(12,156)	
Total Other Financial Sources (Uses)	(4,861)	0	(12,156)	0
Net Change in Fund Balance	(4,861)	22,037	(12,156)	16,753
Fund Balance, January 1	4,861	(35,994)	12,156	2,448
Prior Period Adjustments				
Fund Balance, January 1, restated	4,861	(35,994)	12,156	2,448
<b>Fund Balance, December 31</b>	<b>\$0</b>	<b>(\$13,957)</b>	<b>\$0</b>	<b>\$19,201</b>

**SKAGIT COUNTY, WASHINGTON**  
**COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND**  
**CHANGES IN FUND BALANCE**  
**NONMAJOR SPECIAL REVENUE FUNDS**  
**FOR THE YEAR ENDED DECEMBER 31,2010**

<b>REVENUES</b>	<b>Mgmt Dist. 2</b>	<b>Mgmt Dist. 3</b>	<b>Mgmt Dist. 4</b>	<b>Clean Wtr District</b>
Property Taxes				
Sales and Use Taxes				
Other Taxes	14,740	28,433	20,475	49,856
Licenses and Permits				
Intergovernmental				
Charges for Services				
Fines and Forfeits				
Interest Earnings				
Donations				
Other Revenue				
Total Revenue	<u>14,740</u>	<u>28,433</u>	<u>20,475</u>	<u>49,856</u>
<b>EXPENDITURES</b>				
Current:				
General Governmental Services				
Public Safety				
Utilities and Environment	5,234	27,876	16,519	26,620
Transportation				
Economic Environment				
Health & Human Services				
Culture and Recreation				
Debt Service:				
Principal				
Interest				
Capital Outlay				
Total Expenditures	<u>5,234</u>	<u>27,876</u>	<u>16,519</u>	<u>26,620</u>
Excess (Deficit) of Revenues Over Expenditures	<u>9,506</u>	<u>557</u>	<u>3,956</u>	<u>23,236</u>
<b>Other Financing Sources (Uses)</b>				
Proceeds from Long Term Debt				
Proceeds from Sale of Capital Assets				
Transfers In				
Transfers Out				
Total Other Financial Sources (Uses)	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
Net Change in Fund Balance	<u>9,506</u>	<u>557</u>	<u>3,956</u>	<u>23,236</u>
Fund Balance, January 1	7,906	20,680	11,383	78,721
Prior Period Adjustments				
Fund Balance, January 1, restated	<u>7,906</u>	<u>20,680</u>	<u>11,383</u>	<u>78,721</u>
<b>Fund Balance, December 31</b>	<b><u>\$17,412</u></b>	<b><u>\$21,237</u></b>	<b><u>\$15,339</u></b>	<b><u>\$101,957</u></b>

**SKAGIT COUNTY, WASHINGTON**  
**COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND**  
**CHANGES IN FUND BALANCE**  
**NONMAJOR SPECIAL REVENUE FUNDS**  
**FOR THE YEAR ENDED DECEMBER 31,2010**

<b>REVENUES</b>	<b>Drug Enforce.</b>	<b>Boating Safety</b>	<b>Low Inc. Housing</b>	<b>Title III Projects</b>
Property Taxes				
Sales and Use Taxes				
Other Taxes				
Licenses and Permits				
Intergovernmental	78,340	86,915		69,354
Charges for Services			127,452	
Fines and Forfeits				
Interest Earnings	295		704	
Donations				
Other Revenue	3	455		
Total Revenue	78,638	87,370	128,156	69,354
<b>EXPENDITURES</b>				
Current:				
General Governmental Services				
Public Safety	52,694	80,197		
Utilities and Environment				
Transportation				
Economic Environment			67,965	71,849
Health & Human Services				
Culture and Recreation				
Debt Service:				
Principal				
Interest				
Capital Outlay	33,526			
Total Expenditures	86,220	80,197	67,965	71,849
Excess (Deficit) of Revenues Over Expenditures	(7,582)	7,173	60,191	(2,495)
<b>Other Financing Sources (Uses)</b>				
Proceeds from Long Term Debt				
Proceeds from Sale of Capital Assets				
Transfers In				
Transfers Out				
Total Other Financial Sources (Uses)	0	0	0	0
Net Change in Fund Balance	(7,582)	7,173	60,191	(2,495)
Fund Balance, January 1	180,912	67,479	338,329	181,730
Prior Period Adjustments				
Fund Balance, January 1, restated	180,912	67,479	338,329	181,730
<b>Fund Balance, December 31</b>	<b>\$173,330</b>	<b>\$74,652</b>	<b>\$398,520</b>	<b>\$179,235</b>



**SKAGIT COUNTY, WASHINGTON**  
**COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND**  
**CHANGES IN FUND BALANCE**  
**NONMAJOR SPECIAL REVENUE FUNDS**  
**FOR THE YEAR ENDED DECEMBER 31,2010**

<b>REVENUES</b>	<b>Treasurer REET</b>	<b>Housing Assistance</b>	<b>Interlocal Invest.</b>
Property Taxes			
Sales and Use Taxes			
Other Taxes			
Licenses and Permits			
Intergovernmental	14,778		341,850
Charges for Services		554,344	
Fines and Forfeits			89,633
Interest Earnings	377	912	1,284
Donations			
Other Revenue			5,329
Total Revenue	<u>15,155</u>	<u>555,256</u>	<u>438,096</u>
 <b>EXPENDITURES</b>			
Current:			
General Governmental Services			
Public Safety			577,061
Utilities and Environment			
Transportation			
Economic Environment			
Health & Human Services		506,955	
Culture and Recreation			
Debt Service:			
Principal			
Interest			
Capital Outlay			11,402
Total Expenditures	<u>0</u>	<u>506,955</u>	<u>588,463</u>
Excess (Deficit) of Revenues Over Expenditures	<u>15,155</u>	<u>48,301</u>	<u>(150,367)</u>
 <b>Other Financing Sources (Uses)</b>			
Proceeds from Long Term Debt			
Proceeds from Sale of Capital Assets			
Transfers In			
Transfers Out			
Total Other Financial Sources (Uses)	<u>0</u>	<u>0</u>	<u>0</u>
Net Change in Fund Balance	<u>15,155</u>	<u>48,301</u>	<u>(150,367)</u>
Fund Balance, January 1	149,256	443,495	595,271
Prior Period Adjustments			20,000
Fund Balance, January 1, restated	<u>149,256</u>	<u>443,495</u>	<u>615,271</u>
 <b>Fund Balance, December 31</b>	 <u><b>\$164,411</b></u>	 <u><b>\$491,796</b></u>	 <u><b>\$464,904</b></u>

# SKAGIT COUNTY, WASHINGTON

## Public Health

### Schedule of Revenues, Expenditures and Changes in Fund Balance Budget (GAAP Basis) and Actual For the Year Ended December 31, 2010

	Budgeted Amounts			Variance with Final Budget
	Original Budget	Final Budget	Actual	
<b>Budgeted Fund Balance, January 1</b>	\$ -	\$ (98,398)	\$ 772,655	
<b>Resources (in-flows)</b>				
Licenses and Permits	542,000	542,000	447,658	(94,342)
Intergovernmental Revenue	1,808,748	2,251,194	1,974,506	(276,688)
Charges for Goods and Services	779,400	779,400	712,795	(66,605)
Fines and Forfeits	5,000	5,000	5,304	304
Interest Revenue	325	325	359	34
Donations	7,000	13,000	18,241	5,241
Transfers In	779,467	779,467	775,122	(4,345)
Miscellaneous Revenues	700	700	2,192	1,492
<b>Total Resources (in-flows)</b>	<b>3,922,640</b>	<b>4,371,086</b>	<b>3,936,177</b>	<b>(434,909)</b>
<b>Amounts Available for Appropriation</b>	<b>3,922,640</b>	<b>4,272,688</b>	<b>4,708,832</b>	
<b>Charges to Appropriations (out-flows)</b>				
Salaries and Wages	2,412,832	2,301,906	2,316,703	14,797
Personnel Benefits	944,355	938,947	923,372	(15,575)
Supplies	319,075	623,075	446,092	(176,983)
Services and Charges	182,226	315,672	180,332	(135,340)
Capital Outlays				-
Interfund Payments for Services	64,152	93,088	100,903	7,815
Transfers Out				-
<b>Amount Charged to Appropriations (out-flows)</b>	<b>3,922,640</b>	<b>4,272,688</b>	<b>3,967,402</b>	<b>(305,286)</b>
<b>Budgeted Fund Balance, December 31</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 741,430</b>	

# 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, 2010

	Budgeted Amounts			Variance with Final Budget
	Original Budget	Final Budget	Actual	
<b>Budgeted Fund Balance, January 1</b>	\$ 105,370	\$ 255,370	\$ 992,430	
<b>Resources (in-flows)</b>				
Intergovernmental Revenue	160,130	160,130	153,296	(6,834)
Interest Revenue	4,000	4,000	1,154	(2,846)
<b>Total Resources (in-flows)</b>	164,130	164,130	154,450	(9,680)
<b>Amounts Available for Appropriation</b>	269,500	419,500	1,146,880	
<b>Charges to Appropriations (out-flows)</b>				
Salaries and Wages	57,000	57,000	39,564	(17,436)
Personnel Benefits	15,000	15,000	17,656	2,656
Supplies	2,500	2,500	10,469	7,969
Services and Charges	85,000	85,000	72,382	(12,618)
Capital Outlays	110,000	110,000	7,858	(102,142)
Interfund Payments for Services	-	-	3,773	3,773
Transfers Out	-	150,000	150,000	-
<b>Amount Charged to Appropriations (out-flows)</b>	269,500	419,500	301,702	(117,798)
 <b>Budgeted Fund Balance, December 31</b>	 \$ -	 \$ -	 \$ 845,178	

# 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, 2010

	Budgeted Amounts			Variance with Final Budget
	Original Budget	Final Budget	Actual	
<b>Budgeted Fund Balance, January 1</b>	\$ 11,915	\$ (3,299)	\$ 251,000	
<b>Resources (in-flows)</b>				
Licenses and Permits	15,000	15,000	9,750	(5,250)
Intergovernmental Revenue	386,642	603,449	478,782	(124,667)
Charges for Goods and Services	35,486	35,486	19,623	(15,863)
Transfers In	352,805	352,805	352,805	-
Miscellaneous Revenues	-	-	17,000	17,000
<b>Total Resources (in-flows)</b>	<b>789,933</b>	<b>1,006,740</b>	<b>877,960</b>	<b>(128,780)</b>
<b>Amounts Available for Appropriation</b>	<b>801,848</b>	<b>1,003,441</b>	<b>1,128,960</b>	
<b>Charges to Appropriations (out-flows)</b>				
Salaries and Wages	395,117	410,804	393,848	(16,956)
Personnel Benefits	156,553	163,630	150,610	(13,020)
Supplies	47,294	49,494	103,054	53,560
Services and Charges	61,576	79,005	93,110	14,105
Capital Outlays	48,800	208,000	35,390	(172,610)
Interfund Payments for Services	92,508	92,508	78,223	(14,285)
Transfers Out	-	-	-	-
<b>Amount Charged to Appropriations (out-flows)</b>	<b>801,848</b>	<b>1,003,441</b>	<b>854,235</b>	<b>(149,206)</b>
<b>Budgeted Fund Balance, December 31</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 274,725</b>	

# SKAGIT COUNTY, WASHINGTON

## Skagit County Fair

### Schedule of Revenues, Expenditures and Changes in Fund Balance

#### Budget (GAAP Basis) and Actual

For the Year Ended December 31, 2010

	Budgeted Amounts		Actual	Variance with Final Budget
	Original Budget	Final Budget		
<b>Budgeted Fund Balance, January 1</b>	\$ -	\$ -	\$ 62,115	
<b>Resources (in-flows)</b>				
Licenses and Permits				-
Intergovernmental Revenue	35,000	35,000	38,902	3,902
Charges for Goods and Services	152,450	152,450	179,883	27,433
Donations	30,500	30,500	18,926	(11,574)
Transfers In	50,000	50,000	50,000	-
Miscellaneous Revenues	39,030	39,030	56,295	17,265
<b>Total Resources (in-flows)</b>	<b>306,980</b>	<b>306,980</b>	<b>344,006</b>	<b>37,026</b>
<b>Amounts Available for Appropriation</b>	<b>306,980</b>	<b>306,980</b>	<b>406,121</b>	
<b>Charges to Appropriations (out-flows)</b>				
Salaries and Wages	13,100	81,115	79,455	(1,660)
Personnel Benefits	-	12,762	12,761	(1)
Supplies	27,500	27,500	23,553	(3,947)
Services and Charges	245,580	164,803	139,852	(24,951)
Capital Outlays				-
Interfund Payments for Services	20,800	20,800	10,191	(10,609)
Transfers Out	-	-	-	-
<b>Amount Charged to Appropriations (out-flows)</b>	<b>306,980</b>	<b>306,980</b>	<b>265,812</b>	<b>(41,168)</b>
<b>Budgeted Fund Balance, December 31</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 140,309</b>	

# 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, 2010

	Budgeted Amounts		Actual	Variance with Final Budget
	Original Budget	Final Budget		
<b>Budgeted Fund Balance, January 1</b>	\$ -	\$ 20,000	\$ 201,967	
<b>Resources (in-flows)</b>				
Property Tax	185,000	185,000	179,153	(5,847)
Sales and Use Tax	3,000	3,000	2,676	(324)
Intergovernmental Revenue	5,000	5,000	11,543	6,543
Interest Revenue	-	-	4	4
Miscellaneous Revenues	-	-	69	69
<b>Total Resources (in-flows)</b>	<b>193,000</b>	<b>193,000</b>	<b>193,445</b>	<b>445</b>
<b>Amounts Available for Appropriation</b>	<b>193,000</b>	<b>213,000</b>	<b>395,412</b>	
<b>Charges to Appropriations (out-flows)</b>				
Salaries and Wages				-
Personnel Benefits				-
Supplies				-
Services and Charges	193,000	213,000	189,834	(23,166)
Capital Outlays				-
Interfund Payments for Services	-	-	3,115	3,115
Transfers Out	-	-	-	-
<b>Amount Charged to Appropriations (out-flows)</b>	<b>193,000</b>	<b>213,000</b>	<b>192,949</b>	<b>(20,051)</b>
<b>Budgeted Fund Balance, December 31</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 202,463</b>	

# 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, 2010

	Budgeted Amounts		Actual	Variance with Final Budget
	Original Budget	Final Budget		
<b>Budgeted Fund Balance, January 1</b>		\$ 494	\$ 33,084	
<b>Resources (in-flows)</b>				
Charges for Goods and Services	83,400	83,400	60,603	(22,797)
Donations	200	200	-	(200)
Transfers In	72,228	72,228	89,311	17,083
Miscellaneous Revenues	2,000	2,000	2,784	784
<b>Total Resources (in-flows)</b>	<b>157,828</b>	<b>157,828</b>	<b>152,698</b>	<b>(5,130)</b>
<b>Amounts Available for Appropriation</b>	<b>157,828</b>	<b>158,322</b>	<b>185,782</b>	
<b>Charges to Appropriations (out-flows)</b>				
Salaries and Wages	54,543	55,374	56,269	895
Personnel Benefits	25,471	25,346	24,454	(892)
Supplies	9,547	9,335	4,982	(4,353)
Services and Charges	68,267	68,267	71,969	3,702
Capital Outlays				-
Interfund Payments for Services				-
Transfers Out				-
<b>Amount Charged to Appropriations (out-flows)</b>	<b>157,828</b>	<b>158,322</b>	<b>157,674</b>	<b>(648)</b>
<b>Budgeted Fund Balance, December 31</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 28,108</b>	

# 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, 2010

	Budgeted Amounts		Actual	Variance with Final Budget
	Original Budget	Final Budget		
<b>Budgeted Fund Balance, January 1</b>	\$ -	\$ -	\$ 764,871	
<b>Resources (in-flows)</b>				
Intergovernmental Revenue	521,237	521,237	149,479	(371,758)
Charges for Goods and Services	-	-	20,000	20,000
Interest Revenue	-	-	639	639
Transfers In	723,743	723,743	504,570	(219,173)
Miscellaneous Revenues	16,000	16,000	-	(16,000)
<b>Total Resources (in-flows)</b>	<b>1,260,980</b>	<b>1,260,980</b>	<b>674,688</b>	<b>(586,292)</b>
<b>Amounts Available for Appropriation</b>	1,260,980	1,260,980	1,439,559	
<b>Charges to Appropriations (out-flows)</b>				
Salaries and Wages	188,151	188,151	172,964	(15,187)
Personnel Benefits	56,929	56,929	71,854	14,925
Supplies	12,000	12,000	508	(11,492)
Services and Charges	851,001	851,001	414,282	(436,719)
Capital Outlays	-	-	-	-
Interfund Payments for Services	152,899	152,899	8,920	(143,979)
Transfers Out	-	-	-	-
<b>Amount Charged to Appropriations (out-flows)</b>	<b>1,260,980</b>	<b>1,260,980</b>	<b>668,528</b>	<b>(592,452)</b>
<b>Budgeted Fund Balance, December 31</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 771,031</b>	



# 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, 2010

	Budgeted Amounts		Actual	Variance with Final Budget
	Original Budget	Final Budget		
<b>Budgeted Fund Balance, January 1</b>	\$ 274,038	\$ 347,232	\$ 635,021	
<b>Resources (in-flows)</b>				
Intergovernmental Revenue	75,000	75,000	73,484	(1,516)
Charges for Goods and Services	80,000	80,000	58,928	(21,072)
Interest Revenue	10,000	10,000	4,809	(5,191)
<b>Total Resources (in-flows)</b>	165,000	165,000	137,221	(27,779)
<b>Amounts Available for Appropriation</b>	439,038	512,232	772,242	
<b>Charges to Appropriations (out-flows)</b>				
Salaries and Wages	25,000	130,000	74,152	(55,848)
Personnel Benefits	7,288	39,482	32,971	(6,511)
Supplies	2,750	2,750	-	(2,750)
Services and Charges	204,000	89,000	8,883	(80,117)
Capital Outlays				-
Interfund Payments for Services	200,000	251,000	78,629	(172,371)
Transfers Out				-
<b>Amount Charged to Appropriations (out-flows)</b>	439,038	512,232	194,635	(317,597)
 <b>Budgeted Fund Balance, December 31</b>	 \$ -	 \$ -	 \$ 577,607	

# 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, 2010

	Budgeted Amounts			Variance with Final Budget
	Original Budget	Final Budget	Actual	
<b>Budgeted Fund Balance, January 1</b>	\$ 357,866	\$ 357,866	\$ 439,383	
<b>Resources (in-flows)</b>				
Intergovernmental Revenue	70,000	119,332	115,125	(4,207)
Charges for Goods and Services	185,000	185,000	139,809	(45,191)
Miscellaneous Revenues	-	-	16	16
<b>Total Resources (in-flows)</b>	255,000	304,332	254,950	(49,382)
<b>Amounts Available for Appropriation</b>	612,866	662,198	694,333	
<b>Charges to Appropriations (out-flows)</b>				
Salaries and Wages	247,540	247,540	258,621	11,081
Personnel Benefits	112,076	112,076	90,294	(21,782)
Supplies	250,750	250,750	198,723	(52,027)
Services and Charges				-
Capital Outlays	-	49,332	35,847	(13,485)
Interfund Payments for Services	2,500	2,500	2,376	(124)
Transfers Out				-
<b>Amount Charged to Appropriations (out-flows)</b>	612,866	662,198	585,861	(76,337)
<b>Budgeted Fund Balance, December 31</b>	\$ -	\$ -	\$ 108,472	

# 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, 2010

	Budgeted Amounts			Variance with Final Budget
	Original Budget	Final Budget	Actual	
<b>Budgeted Fund Balance, January 1</b>		\$ (18,788)	\$ 727,579	
<b>Resources (in-flows)</b>				
Intergovernmental Revenue	2,200	2,200	12,173	9,973
Charges for Goods and Services	339,392	339,392	361,285	21,893
Interest Revenue	6,500	6,500	1,483	(5,017)
Donations	7,200	7,200	10,343	3,143
Transfers In	744,802	744,802	744,802	-
Miscellaneous Revenues	131,500	131,500	184,492	52,992
<b>Total Resources (in-flows)</b>	1,231,594	1,231,594	1,314,578	82,984
<b>Amounts Available for Appropriation</b>	1,231,594	1,212,806	2,042,157	
<b>Charges to Appropriations (out-flows)</b>				
Salaries and Wages	530,181	502,596	486,113	(16,483)
Personnel Benefits	193,583	192,380	198,924	6,544
Supplies	83,781	83,781	84,165	384
Services and Charges	277,140	287,140	285,542	(1,598)
Capital Outlays	6,300	6,300	5,405	(895)
Interfund Payments for Services	140,609	140,609	137,769	(2,840)
Transfers Out				-
<b>Amount Charged to Appropriations (out-flows)</b>	1,231,594	1,212,806	1,197,918	(14,888)
<b>Budgeted Fund Balance, December 31</b>	\$ -	\$ -	\$ 844,239	

# SKAGIT COUNTY, WASHINGTON

## Substance Abuse

### Schedule of Revenues, Expenditures and Changes in Fund Balance

#### Budget (GAAP Basis) and Actual

For the Year Ended December 31, 2010

	Budgeted Amounts			Variance with Final Budget
	Original Budget	Final Budget	Actual	
<b>Budgeted Fund Balance, January 1</b>	\$ 173,779	\$ 167,093	\$ 441,301	
<b>Resources (in-flows)</b>				
Intergovernmental Revenue	1,297,190	1,345,001	1,397,447	52,446
Transfers In	533,548	533,548	443,273	(90,275)
<b>Total Resources (in-flows)</b>	<u>1,830,738</u>	<u>1,878,549</u>	<u>1,840,720</u>	<u>(37,829)</u>
<b>Amounts Available for Appropriation</b>	2,004,517	2,045,642	2,282,021	
<b>Charges to Appropriations (out-flows)</b>				
Salaries and Wages	88,657	89,213	73,462	(15,751)
Personnel Benefits	37,861	38,635	40,247	1,612
Supplies	1,975	2,238	109	(2,129)
Services and Charges	1,842,064	1,871,405	1,739,604	(131,801)
Capital Outlays				-
Interfund Payments for Services	33,960	44,151	22,439	(21,712)
Transfers Out	-	-	2,068	2,068
<b>Amount Charged to Appropriations (out-flows)</b>	<u>2,004,517</u>	<u>2,045,642</u>	<u>1,877,929</u>	<u>(167,713)</u>
<b>Budgeted Fund Balance, December 31</b>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 404,092</u>	

# SKAGIT COUNTY, WASHINGTON

## Community Service

### Schedule of Revenues, Expenditures and Changes in Fund Balance

#### Budget (GAAP Basis) and Actual

For the Year Ended December 31, 2010

	Budgeted Amounts			Variance with Final Budget
	Original Budget	Final Budget	Actual	
<b>Budgeted Fund Balance, January 1</b>		\$ (29,344)	\$ 164,724	
<b>Resources (in-flows)</b>				
Intergovernmental Revenue	460,178	632,449	651,290	18,841
Charges for Goods and Services	2,500	52,500	55,532	3,032
Donations	334,213	346,113	316,693	(29,420)
Transfers In	633,990	957,457	957,457	-
Miscellaneous Revenues	7,000	7,000	22,740	15,740
<b>Total Resources (in-flows)</b>	<b>1,437,881</b>	<b>1,995,519</b>	<b>2,003,712</b>	<b>8,193</b>
<b>Amounts Available for Appropriation</b>	1,437,881	1,966,175	2,168,436	
<b>Charges to Appropriations (out-flows)</b>				
Salaries and Wages	650,513	1,005,984	943,924	(62,060)
Personnel Benefits	295,167	440,421	425,193	(15,228)
Supplies	287,890	296,121	306,735	10,614
Services and Charges	188,978	205,345	158,335	(47,010)
Capital Outlays				-
Interfund Payments for Services	15,333	18,304	12,872	(5,432)
Transfers Out				-
<b>Amount Charged to Appropriations (out-flows)</b>	<b>1,437,881</b>	<b>1,966,175</b>	<b>1,847,059</b>	<b>(119,116)</b>
 <b>Budgeted Fund Balance, December 31</b>	 <b>\$ -</b>	 <b>\$ -</b>	 <b>\$ 321,377</b>	

# 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, 2010

	Budgeted Amounts		Actual	Variance with Final Budget
	Original Budget	Final Budget		
<b>Budgeted Fund Balance, January 1</b>	\$ 79,600	\$ 109,600	\$ 417,144	
<b>Resources (in-flows)</b>				
Sales and Use Tax	225,000	225,000	264,666	39,666
Interest Revenue	1,000	1,000	677	(323)
<b>Total Resources (in-flows)</b>	<u>226,000</u>	<u>226,000</u>	<u>265,343</u>	<u>39,343</u>
<b>Amounts Available for Appropriation</b>	305,600	335,600	682,487	
<b>Charges to Appropriations (out-flows)</b>				
Salaries and Wages				-
Personnel Benefits				-
Supplies				-
Services and Charges	176,500	206,500	196,053	(10,447)
Capital Outlays				-
Interfund Payments for Services	129,100	129,100	130,611	1,511
Transfers Out				-
<b>Amount Charged to Appropriations (out-flows)</b>	<u>305,600</u>	<u>335,600</u>	<u>326,664</u>	<u>(8,936)</u>
<b>Budgeted Fund Balance, December 31</b>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 355,823</u>	

# SKAGIT COUNTY, WASHINGTON

## Clean Water Program

### Schedule of Revenues, Expenditures and Changes in Fund Balance

#### Budget (GAAP Basis) and Actual

For the Year Ended December 31, 2010

	Budgeted Amounts		Actual	Variance with Final Budget
	Original Budget	Final Budget		
<b>Budgeted Fund Balance, January 1</b>			\$ 429,330	
<b>Resources (in-flows)</b>				
Property Tax	1,263,978	1,263,978	1,218,838	(45,140)
Intergovernmental Revenue	413,230	1,624,251	1,259,708	(364,543)
Charges for Goods and Services	-	-	22,692	22,692
Interest Revenue	-	-	678	678
Donations	2,566	2,566	-	(2,566)
Transfers In	125,897	125,897	125,897	-
<b>Total Resources (in-flows)</b>	<b>1,805,671</b>	<b>3,016,692</b>	<b>2,627,813</b>	<b>(388,879)</b>
<b>Amounts Available for Appropriation</b>	1,805,671	3,016,692	3,057,143	
<b>Charges to Appropriations (out-flows)</b>				
Salaries and Wages	442,357	479,593	365,564	(114,029)
Personnel Benefits	147,540	161,171	133,616	(27,555)
Supplies	48,900	48,900	18,576	(30,324)
Services and Charges	780,600	1,871,601	1,592,614	(278,987)
Capital Outlays	-	-	-	-
Interfund Payments for Services	386,274	455,427	354,969	(100,458)
Transfers Out	-	-	-	-
<b>Amount Charged to Appropriations (out-flows)</b>	<b>1,805,671</b>	<b>3,016,692</b>	<b>2,465,339</b>	<b>(551,353)</b>
 <b>Budgeted Fund Balance, December 31</b>	 <b>\$ -</b>	 <b>\$ -</b>	 <b>\$ 591,804</b>	

# 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, 2010

	Budgeted Amounts			Variance with Final Budget
	Original Budget	Final Budget	Actual	
<b>Budgeted Fund Balance, January 1</b>	\$ (569,035)	\$ (9,732)	\$ 526,898	
<b>Resources (in-flows)</b>				
Property Tax	720,000	720,000	729,360	9,360
Sales and Use Tax	17,500	17,500	11,049	(6,451)
Intergovernmental Revenue	1,170,000	1,470,750	956,800	(513,950)
Interest Revenue	10,015	10,015	967	(9,048)
Donations	320,000	320,000	75	(319,925)
Miscellaneous Revenues	55	55	279	224
<b>Total Resources (in-flows)</b>	<b>2,237,570</b>	<b>2,538,320</b>	<b>1,698,530</b>	<b>(839,790)</b>
<b>Amounts Available for Appropriation</b>	1,668,535	2,528,588	2,225,428	
<b>Charges to Appropriations (out-flows)</b>				
Salaries and Wages	90,788	87,752	87,568	(184)
Personnel Benefits	32,212	32,046	31,324	(722)
Supplies	1,350	1,350	673	(677)
Services and Charges	144,185	144,185	62,928	(81,257)
Capital Outlays	1,400,000	2,263,255	1,714,904	(548,351)
Interfund Payments for Services				-
Transfers Out				-
<b>Amount Charged to Appropriations (out-flows)</b>	<b>1,668,535</b>	<b>2,528,588</b>	<b>1,897,397</b>	<b>(631,191)</b>
<b>Budgeted Fund Balance, December 31</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 328,031</b>	



# SKAGIT COUNTY, WASHINGTON

## Medic I

### Schedule of Revenues, Expenditures and Changes in Fund Balance

Budget (GAAP Basis) and Actual  
For the Year Ended December 31, 2010

	Budgeted Amounts		Actual	Variance with Final Budget
	Original Budget	Final Budget		
<b>Budgeted Fund Balance, January 1</b>			\$ 83,549	
<b>Resources (in-flows)</b>				
Property Tax	-	3,960,000	3,884,255	(75,745)
Sales and Use Tax		63,000	58,891	(4,109)
Licenses and Permits	-	150,000	250,906	100,906
Interest Revenue		100	85	(15)
Miscellaneous Revenues		1,500	1,491	(9)
<b>Total Resources (in-flows)</b>	-	4,174,600	4,195,628	21,028
<b>Amounts Available for Appropriation</b>	-	4,174,600	4,279,177	
<b>Charges to Appropriations (out-flows)</b>				
Salaries and Wages				-
Personnel Benefits				-
Supplies				-
Services and Charges		-	7,483	7,483
Capital Outlays				-
Interfund Payments for Services		4,174,600	4,137,000	(37,600)
Transfers Out				-
<b>Amount Charged to Appropriations (out-flows)</b>	-	4,174,600	4,144,483	(30,117)
 <b>Budgeted Fund Balance, December 31</b>			 \$ -	 \$ -
			\$ 134,694	

# 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, 2010

	Budgeted Amounts		Actual	Variance with Final Budget
	Original Budget	Final Budget		
<b>Budgeted Fund Balance, January 1</b>	\$ (2,967)	\$ (3,892)	\$ 153,542	
<b>Resources (in-flows)</b>				
Charges for Goods and Services	93,000	93,000	87,687	(5,313)
Interest Revenue	1,200	1,200	336	(864)
<b>Total Resources (in-flows)</b>	<u>94,200</u>	<u>94,200</u>	<u>88,023</u>	<u>(6,177)</u>
<b>Amounts Available for Appropriation</b>	91,233	90,308	241,565	
<b>Charges to Appropriations (out-flows)</b>				
Salaries and Wages	23,082	22,157	17,978	(4,179)
Personnel Benefits	11,751	11,751	9,691	(2,060)
Supplies	900	900	187	(713)
Services and Charges	5,500	5,500	5,912	412
Capital Outlays				-
Interfund Payments for Services	50,000	50,000	50,427	427
Transfers Out				-
<b>Amount Charged to Appropriations (out-flows)</b>	<u>91,233</u>	<u>90,308</u>	<u>84,195</u>	<u>(6,113)</u>
<b>Budgeted Fund Balance, December 31</b>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 157,370</u>	

# SKAGIT COUNTY, WASHINGTON

## Communication System

### Schedule of Revenues, Expenditures and Changes in Fund Balance

#### Budget (GAAP Basis) and Actual

For the Year Ended December 31, 2010

	Budgeted Amounts		Actual	Variance with Final Budget
	Original Budget	Final Budget		
<b>Budgeted Fund Balance, January 1</b>			\$ 366,304	
<b>Resources (in-flows)</b>				
Sales and Use Tax	2,000,000	2,000,000	2,049,762	49,762
Other Tax	830,000	830,000	802,953	(27,047)
<b>Total Resources (in-flows)</b>	2,830,000	2,830,000	2,852,715	22,715
<b>Amounts Available for Appropriation</b>	2,830,000	2,830,000	3,219,019	
<b>Charges to Appropriations (out-flows)</b>				
Salaries and Wages				-
Personnel Benefits				-
Supplies				-
Services and Charges	2,830,000	2,830,000	2,606,796	(223,204)
Capital Outlays				-
Interfund Payments for Services				-
Transfers Out				-
<b>Amount Charged to Appropriations (out-flows)</b>	2,830,000	2,830,000	2,606,796	(223,204)
 <b>Budgeted Fund Balance, December 31</b>	 \$ -	 \$ -	 \$ 612,223	

# SKAGIT COUNTY, WASHINGTON

## Water Quality Fund

### Schedule of Revenues, Expenditures and Changes in Fund Balance

#### Budget (GAAP Basis) and Actual

For the Year Ended December 31, 2010

	Budgeted Amounts		Actual	Variance with Final Budget
	Original Budget	Final Budget		
<b>Budgeted Fund Balance, January 1</b>	\$ 800	\$ (49,255)	\$ 271,617	
<b>Resources (in-flows)</b>				
Intergovernmental Revenue	-	-	33,205	33,205
Charges for Goods and Services	-	-	2,504	2,504
Interest Revenue	-	-	160	160
Proceeds of Long Term Debt	443,000	529,055	415,042	(114,013)
<b>Total Resources (in-flows)</b>	443,000	529,055	450,911	(78,144)
<b>Amounts Available for Appropriation</b>	443,800	479,800	722,528	
<b>Charges to Appropriations (out-flows)</b>				
Salaries and Wages				-
Personnel Benefits				-
Supplies	3,800	3,800	1,968	(1,832)
Services and Charges	400,000	436,000	440,750	4,750
Capital Outlays				-
Interfund Payments for Services				-
Transfers Out	40,000	40,000	23,000	(17,000)
<b>Amount Charged to Appropriations (out-flows)</b>	443,800	479,800	465,718	(14,082)
 <b>Budgeted Fund Balance, December 31</b>	 \$ -	 \$ -	 \$ 256,810	

# SKAGIT COUNTY, WASHINGTON

## Planning and Development

### Schedule of Revenues, Expenditures and Changes in Fund Balance

#### Budget (GAAP Basis) and Actual

For the Year Ended December 31, 2010

	Budgeted Amounts			Variance with Final Budget
	Original Budget	Final Budget	Actual	
<b>Budgeted Fund Balance, January 1</b>	\$ (6,078)	\$ (66,729)	\$ 34,688	
<b>Resources (in-flows)</b>				
Licenses and Permits	608,500	526,000	553,545	27,545
Intergovernmental Revenue	511,590	633,832	684,561	50,729
Charges for Goods and Services	580,000	580,000	559,261	(20,739)
Fines and Forfeits	10,000	10,000	14,603	4,603
Donations	-	-	300	300
Transfers In	818,000	933,245	933,245	-
Miscellaneous Revenues	2,500	2,500	3,091	591
<b>Total Resources (in-flows)</b>	<b>2,530,590</b>	<b>2,685,577</b>	<b>2,748,606</b>	<b>63,029</b>
<b>Amounts Available for Appropriation</b>	2,524,512	2,618,848	2,783,294	
<b>Charges to Appropriations (out-flows)</b>				
Salaries and Wages	1,476,471	1,461,044	1,451,201	(9,843)
Personnel Benefits	535,055	540,374	537,120	(3,254)
Supplies	15,000	16,000	15,497	(503)
Services and Charges	463,800	554,244	563,870	9,626
Capital Outlays				-
Interfund Payments for Services	34,186	47,186	51,108	3,922
Transfers Out				-
<b>Amount Charged to Appropriations (out-flows)</b>	<b>2,524,512</b>	<b>2,618,848</b>	<b>2,618,796</b>	<b>(52)</b>
<b>Budgeted Fund Balance, December 31</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 164,498</b>	

# SKAGIT COUNTY, WASHINGTON

## Sedro Woolley Flood Control Zone

### Schedule of Revenues, Expenditures and Changes in Fund Balance

#### Budget (GAAP Basis) and Actual

For the Year Ended December 31, 2010

	Budgeted Amounts			Variance with Final Budget
	Original Budget	Final Budget	Actual	
<b>Budgeted Fund Balance, January 1</b>	\$ 49,220	\$ 359,220	\$ 308,691	
<b>Resources (in-flows)</b>				
Other Tax	20,000	20,000	19,687	(313)
Interest Revenue	2,497	2,497	788	(1,709)
<b>Total Resources (in-flows)</b>	22,497	22,497	20,475	(2,022)
<b>Amounts Available for Appropriation</b>	71,717	381,717	329,166	
<b>Charges to Appropriations (out-flows)</b>				
Salaries and Wages	-	18,700	17,923	(777)
Personnel Benefits		9,500	8,731	(769)
Supplies		1,800	1,419	(381)
Services and Charges	65,400	35,400	25,449	(9,951)
Capital Outlays				-
Interfund Payments for Services	6,317	6,317	7,028	711
Transfers Out	-	310,000		(310,000)
<b>Amount Charged to Appropriations (out-flows)</b>	71,717	381,717	60,550	(321,167)
 <b>Budgeted Fund Balance, December 31</b>	 \$ -	 \$ -	 \$ 268,616	

# SKAGIT COUNTY, WASHINGTON

## Britt Slough Flood Control

### Schedule of Revenues, Expenditures and Changes in Fund Balance

#### Budget (GAAP Basis) and Actual

For the Year Ended December 31, 2010

	Budgeted Amounts		Actual	Variance with Final Budget
	Original Budget	Final Budget		
<b>Budgeted Fund Balance, January 1</b>	\$ (3,700)	\$ 46,119	\$ 43,819	
<b>Resources (in-flows)</b>				
Other Tax	15,600	15,600	-	(15,600)
Interest Revenue	100	100	-	(100)
<b>Total Resources (in-flows)</b>	15,700	15,700	-	(15,700)
<b>Amounts Available for Appropriation</b>	12,000	61,819	43,819	
<b>Charges to Appropriations (out-flows)</b>				
Salaries and Wages	-	7,000	-	(7,000)
Personnel Benefits	-	3,000	-	(3,000)
Supplies	12,000	8,000	-	(8,000)
Services and Charges				-
Capital Outlays				-
Interfund Payments for Services				-
Transfers Out	-	43,819	43,819	-
<b>Amount Charged to Appropriations (out-flows)</b>	12,000	61,819	43,819	(18,000)
 <b>Budgeted Fund Balance, December 31</b>	 \$ -	\$ -	\$ -	

\*\* Fund was closed in 2010

# SKAGIT COUNTY, WASHINGTON

## Blanchard Sub Flood

### Schedule of Revenues, Expenditures and Changes in Fund Balance

#### Budget (GAAP Basis) and Actual

For the Year Ended December 31, 2010

	Budgeted Amounts			Variance with Final Budget
	Original Budget	Final Budget	Actual	
<b>Budgeted Fund Balance, January 1</b>	\$ (100)	\$ 41,350	\$ 36,450	
<b>Resources (in-flows)</b>				
Other Tax	12,000	12,000	-	(12,000)
Interest Revenue	100	100	-	(100)
<b>Total Resources (in-flows)</b>	12,100	12,100	-	(12,100)
<b>Amounts Available for Appropriation</b>	12,000	53,450	36,450	
<b>Charges to Appropriations (out-flows)</b>				
Salaries and Wages	-	1,385	-	(1,385)
Personnel Benefits		615	-	(615)
Supplies			-	-
Services and Charges	12,000	15,000		(15,000)
Capital Outlays				-
Interfund Payments for Services				-
Transfers Out	-	36,450	36,450	-
<b>Amount Charged to Appropriations (out-flows)</b>	12,000	53,450	36,450	(17,000)
 <b>Budgeted Fund Balance, December 31</b>	 \$ -	 \$ -	 \$ -	

\*\* Fund was closed in 2010



# SKAGIT COUNTY, WASHINGTON

## Shangrila Sub Flood

### Schedule of Revenues, Expenditures and Changes in Fund Balance

Budget (GAAP Basis) and Actual  
For the Year Ended December 31, 2010

	Budgeted Amounts			Variance with Final Budget
	Original Budget	Final Budget	Actual	
<b>Budgeted Fund Balance, January 1</b>		\$ 4,863	\$ 4,861	
<b>Resources (in-flows)</b>				
Miscellaneous Revenues				-
<b>Total Resources (in-flows)</b>	-	-	-	-
<b>Amounts Available for Appropriation</b>	-	4,863	4,861	
<b>Charges to Appropriations (out-flows)</b>				
Salaries and Wages				-
Personnel Benefits				-
Supplies				-
Services and Charges				-
Capital Outlays				-
Interfund Payments for Services				-
Transfers Out	-	4,863	4,861	(2)
<b>Amount Charged to Appropriations (out-flows)</b>	-	4,863	4,861	(2)
 <b>Budgeted Fund Balance, December 31</b>	 \$ -	\$ -	\$ -	

\*\* Fund was closed in 2010

# SKAGIT COUNTY, WASHINGTON

## Hansen Creek Sub Flood

### Schedule of Revenues, Expenditures and Changes in Fund Balance

#### Budget (GAAP Basis) and Actual

For the Year Ended December 31, 2010

	Budgeted Amounts		Actual	Variance with Final Budget
	Original Budget	Final Budget		
<b>Budgeted Fund Balance, January 1</b>	\$ 126,316	\$ 126,316	\$ (35,994)	
<b>Resources (in-flows)</b>				
Other Tax	30,000	30,000	29,634	(366)
<b>Total Resources (in-flows)</b>	<u>30,000</u>	<u>30,000</u>	<u>29,634</u>	<u>(366)</u>
<b>Amounts Available for Appropriation</b>	156,316	156,316	(6,360)	
<b>Charges to Appropriations (out-flows)</b>				
Salaries and Wages	-	4,776	4,776	-
Personnel Benefits		2,241	2,240	(1)
Supplies				-
Services and Charges	75,000	67,983	-	(67,983)
Capital Outlays	75,000	75,000		(75,000)
Interfund Payments for Services	6,316	6,316	581	(5,735)
Transfers Out	-			-
<b>Amount Charged to Appropriations (out-flows)</b>	<u>156,316</u>	<u>156,316</u>	<u>7,597</u>	<u>(148,719)</u>
<b>Budgeted Fund Balance, December 31</b>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ (13,957)</u>	

# SKAGIT COUNTY, WASHINGTON

## Warner Prairie Sub Flood

### Schedule of Revenues, Expenditures and Changes in Fund Balance

#### Budget (GAAP Basis) and Actual

For the Year Ended December 31, 2010

	Budgeted Amounts			Variance with Final Budget
	Original Budget	Final Budget	Actual	
<b>Budgeted Fund Balance, January 1</b>		\$ 12,157	\$ 12,156	
<b>Resources (in-flows)</b>				
Miscellaneous Revenues				-
<b>Total Resources (in-flows)</b>	-	-	-	-
<b>Amounts Available for Appropriation</b>	-	12,157	12,156	
<b>Charges to Appropriations (out-flows)</b>				
Salaries and Wages				-
Personnel Benefits				-
Supplies				-
Services and Charges				-
Capital Outlays				-
Interfund Payments for Services				-
Transfers Out	-	12,157	12,156	(1)
<b>Amount Charged to Appropriations (out-flows)</b>	-	12,157	12,156	(1)
 <b>Budgeted Fund Balance, December 31</b>	 \$ -	\$ -	\$ -	

\*\* Fund was closed in 2010

# 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, 2010

	Budgeted Amounts			Variance with Final Budget
	Original Budget	Final Budget	Actual	
<b>Budgeted Fund Balance, January 1</b>	\$ (12,394)	\$ (12,394)	\$ 2,448	
<b>Resources (in-flows)</b>				
Other Tax	57,190	57,190	55,694	(1,496)
<b>Total Resources (in-flows)</b>	<u>57,190</u>	<u>57,190</u>	<u>55,694</u>	<u>(1,496)</u>
<b>Amounts Available for Appropriation</b>	44,796	44,796	58,142	
<b>Charges to Appropriations (out-flows)</b>				
Salaries and Wages	4,057	4,057	3,850	(207)
Personnel Benefits	1,739	1,739	1,503	(236)
Supplies	-	-	-	-
Services and Charges	37,500	37,500	33,588	(3,912)
Capital Outlays	-	-	-	-
Interfund Payments for Services	1,500	1,500	-	(1,500)
Transfers Out	-	-	-	-
<b>Amount Charged to Appropriations (out-flows)</b>	<u>44,796</u>	<u>44,796</u>	<u>38,941</u>	<u>(5,855)</u>
<b>Budgeted Fund Balance, December 31</b>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 19,201</u>	

# SKAGIT COUNTY, WASHINGTON

## Lake Management District 2

### Schedule of Revenues, Expenditures and Changes in Fund Balance

#### Budget (GAAP Basis) and Actual

For the Year Ended December 31, 2010

	Budgeted Amounts			Variance with Final Budget
	Original Budget	Final Budget	Actual	
<b>Budgeted Fund Balance, January 1</b>	\$ (3,141)	\$ (3,141)	\$ 7,906	
<b>Resources (in-flows)</b>				
Other Tax	14,100	14,100	14,740	640
<b>Total Resources (in-flows)</b>	<u>14,100</u>	<u>14,100</u>	<u>14,740</u>	<u>640</u>
<b>Amounts Available for Appropriation</b>	10,959	10,959	22,646	
<b>Charges to Appropriations (out-flows)</b>				
Salaries and Wages	1,082	1,332	1,270	(62)
Personnel Benefits	465	715	453	(262)
Supplies	-	-	-	-
Services and Charges	9,000	8,500	3,511	(4,989)
Capital Outlays	-	-	-	-
Interfund Payments for Services	412	412	-	(412)
Transfers Out	-	-	-	-
<b>Amount Charged to Appropriations (out-flows)</b>	<u>10,959</u>	<u>10,959</u>	<u>5,234</u>	<u>(5,725)</u>
<b>Budgeted Fund Balance, December 31</b>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 17,412</u>	

# SKAGIT COUNTY, WASHINGTON

## Lake Management District 3

### Schedule of Revenues, Expenditures and Changes in Fund Balance

#### Budget (GAAP Basis) and Actual

For the Year Ended December 31, 2010

	Budgeted Amounts			Variance with Final Budget
	Original Budget	Final Budget	Actual	
<b>Budgeted Fund Balance, January 1</b>	\$ (1,000)	\$ (1,000)	\$ 20,680	
<b>Resources (in-flows)</b>				
Other Tax	29,500	29,500	28,433	(1,067)
<b>Total Resources (in-flows)</b>	<u>29,500</u>	<u>29,500</u>	<u>28,433</u>	<u>(1,067)</u>
<b>Amounts Available for Appropriation</b>	28,500	28,500	49,113	
<b>Charges to Appropriations (out-flows)</b>				
Salaries and Wages	2,164	2,164	2,161	(3)
Personnel Benefits	928	928	840	(88)
Supplies	-	-	26	26
Services and Charges	25,000	25,000	24,849	(151)
Capital Outlays	-	-	-	-
Interfund Payments for Services	408	408	-	(408)
Transfers Out	-	-	-	-
<b>Amount Charged to Appropriations (out-flows)</b>	<u>28,500</u>	<u>28,500</u>	<u>27,876</u>	<u>(624)</u>
<b>Budgeted Fund Balance, December 31</b>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 21,237</u>	

# SKAGIT COUNTY, WASHINGTON

## Lake Management District 4

### Schedule of Revenues, Expenditures and Changes in Fund Balance

#### Budget (GAAP Basis) and Actual

For the Year Ended December 31, 2010

	Budgeted Amounts			Variance with Final Budget
	Original Budget	Final Budget	Actual	
<b>Budgeted Fund Balance, January 1</b>	\$ (9,083)	\$ (9,083)	\$ 11,383	
<b>Resources (in-flows)</b>				
Other Tax	23,791	23,791	20,475	(3,316)
Intergovernmental Revenue	3,060	3,060	-	(3,060)
<b>Total Resources (in-flows)</b>	<u>26,851</u>	<u>26,851</u>	<u>20,475</u>	<u>(6,376)</u>
<b>Amounts Available for Appropriation</b>	17,768	17,768	31,858	
<b>Charges to Appropriations (out-flows)</b>				
Salaries and Wages	1,623	1,708	1,700	(8)
Personnel Benefits	695	770	706	(64)
Supplies	-	-	-	-
Services and Charges	15,000	14,840	14,113	(727)
Capital Outlays	-	-	-	-
Interfund Payments for Services	450	450	-	(450)
Transfers Out	-	-	-	-
<b>Amount Charged to Appropriations (out-flows)</b>	<u>17,768</u>	<u>17,768</u>	<u>16,519</u>	<u>(1,249)</u>
<b>Budgeted Fund Balance, December 31</b>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 15,339</u>	

# SKAGIT COUNTY, WASHINGTON

## Edison Clean Water District

### Schedule of Revenues, Expenditures and Changes in Fund Balance

#### Budget (GAAP Basis) and Actual

For the Year Ended December 31, 2010

	Budgeted Amounts		Actual	Variance with Final Budget
	Original Budget	Final Budget		
<b>Budgeted Fund Balance, January 1</b>	\$ 31,000	\$ 31,000	\$ 78,721	
<b>Resources (in-flows)</b>				
Property Tax	-	-	49,856	49,856
<b>Total Resources (in-flows)</b>	-	-	49,856	49,856
 <b>Amounts Available for Appropriation</b>	 31,000	 31,000	 128,577	
<b>Charges to Appropriations (out-flows)</b>				
Salaries and Wages				-
Personnel Benefits				-
Supplies	1,000	1,000	595	(405)
Services and Charges	30,000	30,000	26,025	(3,975)
Capital Outlays				-
Interfund Payments for Services				-
Transfers Out				-
<b>Amount Charged to Appropriations (out-flows)</b>	 31,000	 31,000	 26,620	 (4,380)
 <b>Budgeted Fund Balance, December 31</b>	 \$ -	 \$ -	 \$ 101,957	



# SKAGIT COUNTY, WASHINGTON

## Drug Enforcement Cumulative

### Schedule of Revenues, Expenditures and Changes in Fund Balance

#### Budget (GAAP Basis) and Actual

For the Year Ended December 31, 2010

	Budgeted Amounts			Variance with Final Budget
	Original Budget	Final Budget	Actual	
<b>Budgeted Fund Balance, January 1</b>	\$ -	\$ 3,455	\$ 180,912	
<b>Resources (in-flows)</b>				
Intergovernmental Revenue	66,765	86,901	78,340	(8,561)
Interest Revenue	2,000	2,000	295	(1,705)
Miscellaneous Revenues	9,000	9,000	3	(8,997)
<b>Total Resources (in-flows)</b>	<b>77,765</b>	<b>97,901</b>	<b>78,638</b>	<b>(19,263)</b>
<b>Amounts Available for Appropriation</b>	77,765	101,356	259,550	
<b>Charges to Appropriations (out-flows)</b>				
Salaries and Wages	28,925	28,925	23,248	(5,677)
Personnel Benefits	7,092	7,092	7,076	(16)
Supplies	7,249	13,145	16,503	3,358
Services and Charges	2,599	2,599	5,867	3,268
Capital Outlays	31,900	49,595	33,526	(16,069)
Interfund Payments for Services				-
Transfers Out				-
<b>Amount Charged to Appropriations (out-flows)</b>	<b>77,765</b>	<b>101,356</b>	<b>86,220</b>	<b>(15,136)</b>
<b>Budgeted Fund Balance, December 31</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 173,330</b>	

# 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, 2010

	Budgeted Amounts			Variance with Final Budget
	Original Budget	Final Budget	Actual	
<b>Budgeted Fund Balance, January 1</b>	\$ -	\$ 2,400	\$ 67,479	
<b>Resources (in-flows)</b>				
Intergovernmental Revenue	105,566	105,566	86,915	(18,651)
Miscellaneous Revenues	-	-	455	455
<b>Total Resources (in-flows)</b>	105,566	105,566	87,370	(18,196)
<b>Amounts Available for Appropriation</b>	105,566	107,966	154,849	
<b>Charges to Appropriations (out-flows)</b>				
Salaries and Wages	50,200	50,200	43,437	(6,763)
Personnel Benefits	12,309	12,309	12,671	362
Supplies	10,004	10,004	7,778	(2,226)
Services and Charges	33,053	35,453	15,776	(19,677)
Capital Outlays	-	-	-	-
Interfund Payments for Services	-	-	535	535
Transfers Out	-	-	-	-
<b>Amount Charged to Appropriations (out-flows)</b>	105,566	107,966	80,197	(27,769)
<b>Budgeted Fund Balance, December 31</b>	\$ -	\$ -	\$ 74,652	

# SKAGIT COUNTY, WASHINGTON

## Low-Income Housing Fund

### Schedule of Revenues, Expenditures and Changes in Fund Balance

#### Budget (GAAP Basis) and Actual

For the Year Ended December 31, 2010

	Budgeted Amounts		Actual	Variance with Final Budget
	Original Budget	Final Budget		
<b>Budgeted Fund Balance, January 1</b>	\$ -		\$ 338,329	
<b>Resources (in-flows)</b>				
Charges for Goods and Services	150,000	150,000	127,452	(22,548)
Interest Revenue	1,800	1,800	704	(1,096)
<b>Total Resources (in-flows)</b>	151,800	151,800	128,156	(23,644)
<b>Amounts Available for Appropriation</b>	151,800	151,800	466,485	
<b>Charges to Appropriations (out-flows)</b>				
Salaries and Wages				-
Personnel Benefits				-
Supplies				-
Services and Charges	151,800	151,800	67,637	(84,163)
Capital Outlays				-
Interfund Payments for Services			328	328
Transfers Out				-
<b>Amount Charged to Appropriations (out-flows)</b>	151,800	151,800	67,965	(83,835)
 <b>Budgeted Fund Balance, December 31</b>	 \$ -	\$ -	\$ 398,520	

# SKAGIT COUNTY, WASHINGTON

## Title III Projects Fund

### Schedule of Revenues, Expenditures and Changes in Fund Balance

Budget (GAAP Basis) and Actual  
For the Year Ended December 31, 2010

	Budgeted Amounts			Variance with Final Budget
	Original Budget	Final Budget	Actual	
<b>Budgeted Fund Balance, January 1</b>	\$ 74,816	\$ 74,816	\$ 181,730	
<b>Resources (in-flows)</b>				
Intergovernmental Revenue	-	-	69,354	69,354
<b>Total Resources (in-flows)</b>	-	-	69,354	69,354
 <b>Amounts Available for Appropriation</b>	 74,816	 74,816	 251,084	
<b>Charges to Appropriations (out-flows)</b>				
Salaries and Wages				-
Personnel Benefits				-
Supplies				-
Services and Charges	74,816	74,816	71,849	(2,967)
Capital Outlays				-
Interfund Payments for Services				-
Transfers Out				-
<b>Amount Charged to Appropriations (out-flows)</b>	74,816	74,816	71,849	(2,967)
 <b>Budgeted Fund Balance, December 31</b>	 \$ -	 \$ -	 \$ 179,235	

# SKAGIT COUNTY, WASHINGTON

## Treasurer's Reet

### Schedule of Revenues, Expenditures and Changes in Fund Balance

Budget (GAAP Basis) and Actual  
For the Year Ended December 31, 2010

	Budgeted Amounts		Actual	Variance with Final Budget
	Original Budget	Final Budget		
<b>Budgeted Fund Balance, January 1</b>			\$ 149,256	
<b>Resources (in-flows)</b>				
Intergovernmental Revenue	-	-	14,778	14,778
Interest Revenue	-	-	377	377
<b>Total Resources (in-flows)</b>	-	-	15,155	15,155
<b>Amounts Available for Appropriation</b>	-	-	164,411	
<b>Charges to Appropriations (out-flows)</b>				
Salaries and Wages				-
Personnel Benefits				-
Supplies				-
Services and Charges				-
Capital Outlays				-
Interfund Payments for Services				-
Transfers Out				-
<b>Amount Charged to Appropriations (out-flows)</b>	-	-	-	-
 <b>Budgeted Fund Balance, December 31</b>	 \$ -	 \$ -	 \$ 164,411	

# SKAGIT COUNTY, WASHINGTON

## Homeless Housing

### Schedule of Revenues, Expenditures and Changes in Fund Balance

#### Budget (GAAP Basis) and Actual

For the Year Ended December 31, 2010

	Budgeted Amounts		Actual	Variance with Final Budget
	Original Budget	Final Budget		
<b>Budgeted Fund Balance, January 1</b>	\$ -	\$ 150,000	\$ 443,495	
<b>Resources (in-flows)</b>				
Charges for Goods and Services	422,000	422,000	554,344	132,344
Interest Revenue	2,000	2,000	912	(1,088)
<b>Total Resources (in-flows)</b>	<u>424,000</u>	<u>424,000</u>	<u>555,256</u>	<u>131,256</u>
<b>Amounts Available for Appropriation</b>	424,000	574,000	998,751	
<b>Charges to Appropriations (out-flows)</b>				
Salaries and Wages				-
Personnel Benefits				-
Supplies				-
Services and Charges	424,000	574,000	504,407	(69,593)
Capital Outlays				-
Interfund Payments for Services	-	-	2,548	2,548
Transfers Out				-
<b>Amount Charged to Appropriations (out-flows)</b>	<u>424,000</u>	<u>574,000</u>	<u>506,955</u>	<u>(67,045)</u>
<b>Budgeted Fund Balance, December 31</b>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 491,796</u>	

# SKAGIT COUNTY, WASHINGTON

## Interlocal Investigation

### Schedule of Revenues, Expenditures and Changes in Fund Balance

#### Budget (GAAP Basis) and Actual

For the Year Ended December 31, 2010

	Budgeted Amounts			Variance with Final Budget
	Original Budget	Final Budget	Actual	
<b>Budgeted Fund Balance, January 1</b>	\$ (5,431)	\$ 50,971	\$ 615,271	
<b>Resources (in-flows)</b>				
Intergovernmental Revenue	358,794	358,794	341,850	(16,944)
Fines and Forfeits	222,600	222,600	89,633	(132,967)
Interest Revenue	11,500	11,500	1,284	(10,216)
Miscellaneous Revenues	6,500	6,500	5,329	(1,171)
<b>Total Resources (in-flows)</b>	<u>599,394</u>	<u>599,394</u>	<u>438,096</u>	<u>(161,298)</u>
<b>Amounts Available for Appropriation</b>	593,963	650,365	1,053,367	
<b>Charges to Appropriations (out-flows)</b>				
Salaries and Wages	123,483	123,483	92,670	(30,813)
Personnel Benefits	38,536	38,536	29,352	(9,184)
Supplies	11,900	11,900	19,544	7,644
Services and Charges	388,044	433,044	430,415	(2,629)
Capital Outlays	32,000	43,402	11,402	(32,000)
Interfund Payments for Services	-	-	5,080	5,080
Transfers Out	-	-	-	-
<b>Amount Charged to Appropriations (out-flows)</b>	<u>593,963</u>	<u>650,365</u>	<u>588,463</u>	<u>(61,902)</u>
<b>Budgeted Fund Balance, December 31</b>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 464,904</u>	

# SKAGIT COUNTY, WASHINGTON

## NONMAJOR DEBT SERVICE FUND

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

For the Year Ended December 31, 2010



**SKAGIT COUNTY, WASHINGTON**  
**BALANCE SHEET**  
**Combining Nonmajor Debt Service Fund**  
**As of December 31, 2010**

<b>ASSETS AND OTHER DEBITS:</b>	<b>TOTALS</b>
<b>ASSETS:</b>	
Cash	\$15,796
Investments	1,491,538
Accounts Receivable	160
Interfund Loans Receivable	260,500
<b>TOTAL ASSETS</b>	<b>\$1,767,994</b>
<b>LIABILITIES AND FUND BALANCES</b>	
<b>LIABILITIES</b>	
Deferred Revenue	160
Due to Other Funds	263,499
<b>TOTAL LIABILITIES</b>	<b>263,659</b>
<b>FUND BALANCES</b>	
Reserved for Debt Service	1,504,335
<b>TOTAL FUND BALANCES</b>	<b>1,504,335</b>
<b>TOTAL LIABILITIES AND FUND BALANCES</b>	<b>\$1,767,994</b>

**SKAGIT COUNTY, WASHINGTON**  
**Combing Statement of Revenues, Expenditures**  
**And Changes in Fund Balances**  
**DEBT SERVICE FUND**  
**For the Year Ended December 31, 2010**

<b>REVENUES:</b>	<b>Actual</b>
Interest Revenue	\$78,490
Miscellaneous Revenues	365,311
<b>TOTAL REVENUES</b>	<b>443,801</b>
<b>EXPENDITURES:</b>	
Debt Service: Principal	1,001,467
Debt Service: Interest and Related Costs	589,480
<b>TOTAL EXPENDITURES</b>	<b>1,590,947</b>
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	<b>(1,147,146)</b>
<b>OTHER FINANCING SOURCES (USES):</b>	
Transfers In	1,501,603
<b>TOTAL OTHER FINANCING SOURCES (USES)</b>	<b>1,501,603</b>
EXCESS (DEFICIENCY) OF REVENUES AND OTHER FINANCING SOURCES OVER EXPENDITURES AND OTHER FINANCING USES	<b>354,457</b>
<b>FUND BALANCES:</b>	
Fund Balance, January 1	1,149,878
<b>FUND BALANCE, DECEMBER 31</b>	<b>\$1,504,335</b>

## **SKAGIT COUNTY, WASHINGTON NONMAJOR CAPITAL PROJECT FUNDS**

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

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

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

**SKAGIT COUNTY, WASHINGTON**  
**BALANCE SHEET**  
**NONMAJOR CAPITAL PROJECTS FUNDS**  
**As of December 31,2010**

<b>ASSETS:</b>	CAPITAL IMPROVEMENT	DISTRESSED PUBLIC IMPROVEMENTS	PARKS IMPROVEMENT	2010 TOTALS
<b>ASSETS:</b>				
Cash	\$965,477	\$1,285,953	\$812,752	\$3,064,182
Investments	121,123	1,522,183	-	1,643,306
Due from Other Funds	-	-	-	0
Due from another government unit	-	343,399	1,070	344,469
Interfund Loan Receivable	2,374,000	-	-	2,374,000
<b>TOTAL ASSETS</b>	<u>3,460,600</u>	<u>3,151,535</u>	<u>813,822</u>	<u>\$7,425,957</u>
 <b>LIABILITIES AND FUND BALANCES</b>				
<b>LIABILITIES:</b>				
Accounts/vouchers payable	-	468,899	48,390	\$517,289
Due to other funds	-	-	-	0
Deferred Revenue	-	-	516,775	516,775
<b>TOTAL LIABILITIES</b>	<u>-</u>	<u>468,899</u>	<u>565,165</u>	<u>\$1,034,064</u>
 <b>FUND BALANCES</b>				
Fund balances:				
Reserved for Loan Receivable	2,374,000	-	-	\$2,374,000
Prepaid Items	-	-	-	\$0
Reserved for Capital Improvements	1,086,600	2,682,636	248,657	\$4,017,893
Undesignated	-	-	-	0
<b>TOTAL FUND BALANCES</b>	<u>3,460,600</u>	<u>2,682,636</u>	<u>248,657</u>	<u>\$6,391,893</u>
 <b>TOTAL LIABILITIES AND FUND BALANCES</b>	<u>\$3,460,600</u>	<u>\$3,151,535</u>	<u>\$813,822</u>	<u>\$7,425,957</u>

**SKAGIT COUNTY, WASHINGTON**  
**COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES**  
**IN FUND BALANCE**  
**NONMAJOR CAPITAL PROJECTS FUNDS**  
**For the Year Ended December 31, 2010**

	CAPITAL IMPROVEMENTS FUND	DISTRESSED PUBLIC IMPROVEMENT	PARK IMPROVEMENT FUND	TOTALS
<b>REVENUES:</b>				
Property Taxes	\$963,138			\$963,138
Excise Taxes		\$1,851,083	\$0	\$1,851,083
Intergovernmental Revenue	-	-	864,934	864,934
Charges for Goods and Services	-	-	18,650	18,650
Interest Revenue	1,028	14,202	-	15,230
Other Revenue	-	-	153,225	153,225
<b>TOTAL REVENUES</b>	<b>964,166</b>	<b>1,865,285</b>	<b>1,036,809</b>	<b>3,866,260</b>
<b>EXPENDITURES:</b>				
Current	-	-	-	-
Economic Environment		1,072,038	-	1,072,038
Culture and Recreation	-		1,184,870	1,184,870
Capital Outlay	-	-	12,267	12,267
Total Expenditures	-	1,072,038	1,197,137	2,269,175
<b>TOTAL EXPENDITURES</b>	<b>-</b>	<b>1,072,038</b>	<b>1,197,137</b>	<b>2,269,175</b>
<b>EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES</b>	<b>964,166</b>	<b>793,247</b>	<b>(160,328)</b>	<b>1,597,085</b>
<b>OTHER FINANCING SOURCES (USES):</b>				
Issuance of Long Term Debt	-	-	-	-
Proceeds of Capital Assets	-	-	-	-
Transfers In	-		150,000	150,000
Transfers Out	(774,703)	(597,403)	-	(1,372,106)
<b>TOTAL OTHER FINANCING SOURCES (USES)</b>	<b>(774,703)</b>	<b>(597,403)</b>	<b>150,000</b>	<b>(1,222,106)</b>
<b>EXCESS (DEFICIENCY) OF REVENUES AND OTHER FINANCING SOURCES OVER EXPENDITURES AND OTHER FINANCING USES</b>	<b>189,463</b>	<b>195,844</b>	<b>(10,328)</b>	<b>374,979</b>
<b>FUND BALANCES:</b>				
Fund Balance, January 1	3,271,137	2,486,792	258,985	6,016,914
<b>FUND BALANCE, DECEMBER 31</b>	<b>\$3,460,600</b>	<b>\$2,682,636</b>	<b>\$248,657</b>	<b>\$6,391,893</b>

# SKAGIT COUNTY, WASHINGTON

## Capital Improvements

### Schedule of Revenues, Expenditures and Changes in Fund Balance

#### Budget (GAAP Basis) and Actual

For the Year Ended December 31, 2010

	Budgeted Amounts		Actual	Variance with Final Budget
	Original Budget	Final Budget		
<b>Budgeted Fund Balance, January 1</b>	\$ (26,997)	\$ (26,997)	\$ 3,271,137	
<b>Resources (in-flows)</b>				
Excise Tax	800,000	800,000	963,138	163,138
Interest Revenue	1,700	1,700	1,028	(672)
<b>Total Resources (in-flows)</b>	801,700	801,700	964,166	162,466
<b>Amounts Available for Appropriation</b>	774,703	774,703	4,235,303	
<b>Charges to Appropriations (out-flows)</b>				
Salaries and Wages				-
Personnel Benefits				-
Supplies				-
Services and Charges				-
Capital Outlays				-
Interfund Payments for Services				-
Transfers Out	774,703	774,703	774,703	-
<b>Amount Charged to Appropriations (out-flows)</b>	774,703	774,703	774,703	-
<b>Budgeted Fund Balance, December 31</b>	\$ -	\$ -	\$ 3,460,600	

**SKAGIT COUNTY, WASHINGTON**  
**Distressed Public Improvement**  
**Schedule of Revenues, Expenditures and Changes in Fund Balance**  
**Budget (GAAP Basis) and Actual**  
**For the Year Ended December 31, 2010**

	<u>Budgeted Amounts</u>			Variance with Final Budget
	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	
<b>Budgeted Fund Balance, January 1</b>	\$ 3,434,830	\$ 3,434,830	\$ 2,486,792	
<b>Resources (in-flows)</b>				
Sales and Use Tax	1,620,000	1,620,000	1,851,083	231,083
Interest Revenue	8,500	8,500	14,202	5,702
<b>Total Resources (in-flows)</b>	<u>1,628,500</u>	<u>1,628,500</u>	<u>1,865,285</u>	<u>236,785</u>
<b>Amounts Available for Appropriation</b>	5,063,330	5,063,330	4,352,077	
<b>Charges to Appropriations (out-flows)</b>				
Salaries and Wages				-
Personnel Benefits				-
Supplies				-
Services and Charges	47,000	47,000	75,002	28,002
Capital Outlays				-
Interfund Payments for Services	5,016,330	5,016,330	1,594,439	(3,421,891)
Transfers Out				-
<b>Amount Charged to Appropriations (out-flows)</b>	<u>5,063,330</u>	<u>5,063,330</u>	<u>1,669,441</u>	<u>(3,393,889)</u>
<b>Budgeted Fund Balance, December 31</b>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 2,682,636</u>	

# SKAGIT COUNTY, WASHINGTON

## Park Improvement

### Schedule of Revenues, Expenditures and Changes in Fund Balance

#### Budget (GAAP Basis) and Actual

For the Year Ended December 31, 2010

	Budgeted Amounts			Variance with Final Budget
	Original Budget	Final Budget	Actual	
<b>Budgeted Fund Balance, January 1</b>	\$ 242,110	\$ 387,326	\$ 258,985	
<b>Resources (in-flows)</b>				
Intergovernmental Revenue	150,000	1,048,846	864,934	(183,912)
Charges for Goods and Services	17,890	17,890	18,650	760
Donations	-	190,000	153,225	(36,775)
Transfers In	-	150,000	150,000	-
<b>Total Resources (in-flows)</b>	167,890	1,406,736	1,186,809	(219,927)
<b>Amounts Available for Appropriation</b>	410,000	1,794,062	1,445,794	
<b>Charges to Appropriations (out-flows)</b>				
Salaries and Wages	10,000	10,000	-	(10,000)
Personnel Benefits	-	-	-	-
Supplies	-	450	56	(394)
Services and Charges	20,000	1,323,612	1,184,814	(138,798)
Capital Outlays	380,000	460,000	12,267	(447,733)
Interfund Payments for Services	-	-	-	-
Transfers Out	-	-	-	-
<b>Amount Charged to Appropriations (out-flows)</b>	410,000	1,794,062	1,197,137	(596,925)
<b>Budgeted Fund Balance, December 31</b>	\$ -	\$ -	\$ 248,657	



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# Nonmajor Enterprise Funds



# **SKAGIT COUNTY, WASHINGTON**

## **NONMAJOR ENTERPRISE FUNDS**

For the Year ended December 31,2010, Skagit County has no Nonmajor Enterprise Funds.

# Internal Service Funds



## SKAGIT COUNTY, WASHINGTON INTERNAL SERVICE FUNDS

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

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

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

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

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

**SKAGIT COUNTY, WASHINGTON**  
**Combining Statement of Net Assets**  
**Internal Service Funds**  
**December 31, 2010**

<b>Assets</b>	Equipment Rental Fund	Insurance Service Fund	Central Services Fund	Unemployment Compensation Fund	2010 Total
<b>Current Assets</b>					
Cash and Cash Equivalents	\$3,012,268	\$6,969,072	\$2,039,223	\$38,081	\$12,058,642
Accounts Receivable	5,641	-	2,308	-	7,949
Due From Other Funds	153	-	84,216	2,374	86,743
Due From Other Governments	-	-	51,487	-	51,487
Inventories and Prepayments	5,160,407	-	-	-	5,160,407
<b>Total Current Assets</b>	<b>8,178,469</b>	<b>6,969,072</b>	<b>2,177,234</b>	<b>40,455</b>	<b>17,365,228</b>
<b>Noncurrent Assets</b>					
<b>Capital Assets</b>					
Buildings	180,888	-	-	-	180,888
Machinery and Equipment	15,165,985	-	1,592,972	-	16,758,957
Less Accumulated Depreciation	(7,588,869)	-	(1,063,544)	-	(8,652,413)
<b>Total noncurrent assets</b>	<b>7,758,004</b>	<b>-</b>	<b>529,428</b>	<b>-</b>	<b>8,287,432</b>
<b>Total Assets</b>	<b>15,936,473</b>	<b>6,969,072</b>	<b>2,706,662</b>	<b>40,455</b>	<b>25,652,660</b>
<b>Liabilities and Fund Equity</b>					
<b>Current Liabilities</b>					
Accounts/Vouchers Payable	138,144	3,527,767	39,506	67,736	3,773,151
Accrue Wages Payable	24,909	9,460	89,925	9,527	133,821
Due to other Funds	154,317	-	-	-	154,317
Accrued Employee Benefits	4,170	960	12,775	-	17,905
Other Accrued Liabilities	2,500	-	-	-	2,500
<b>Total Current Liabilities</b>	<b>324,040</b>	<b>3,538,187</b>	<b>142,206</b>	<b>77,263</b>	<b>4,081,694</b>
<b>Non-Current Liabilities</b>					
Compensated Absences	57,180	14,914	188,721	-	260,815
Environmental Liability	203,706	-	-	-	203,706
Other Accrued Liabilities	-	-	-	-	-
<b>Total Non-Current Liabilities</b>	<b>260,886</b>	<b>14,914</b>	<b>188,721</b>	<b>-</b>	<b>464,521</b>
<b>Total Liabilities</b>	<b>584,926</b>	<b>3,553,101</b>	<b>330,927</b>	<b>77,263</b>	<b>4,546,215</b>
<b>Net Assets</b>					
Invested in capital assets, net of related deb	7,758,004	-	529,428	-	8,287,432
Unrestricted	7,593,543	3,415,971	1,846,307	(36,808)	12,819,013
<b>Total net assets</b>	<b>\$15,351,547</b>	<b>\$3,415,971</b>	<b>\$2,375,735</b>	<b>\$ (36,808)</b>	<b>\$ 21,106,445</b>

**SKAGIT COUNTY, WASHINGTON**  
**Combining Statement of Revenues, Expenses and Changes in Fund Net Assets**  
**Internal Service Funds**  
**December 31, 2010**

	Equipment Rental Fund	Insurance Services Fund	Central Services Fund	Unemployment Compensation Fund	2010 Total
<b>Operating Revenues:</b>					
Charges For Services	\$5,375,639	\$1,247,118	\$5,358,315	\$400,000	\$12,381,072
Miscellaneous	55,936	9,502,961	0	208,377	9,767,274
Total Operating Revenue	<u>5,431,575</u>	<u>10,750,079</u>	<u>5,358,315</u>	<u>608,377</u>	<u>22,148,346</u>
<b>Operating Expenses:</b>					
Personal services	761,313	376,606	2,789,654	528,949	4,456,522
Contractual services	-	1,765,113	-	-	1,765,113
Other supplies and expenses	4,003,893	49,983	2,179,436	-	6,233,312
Depreciation	906,130	-	226,243	-	1,132,373
Payment to Claimants	-	7,805,670	-	-	7,805,670
Total Operating Expenses	<u>5,671,336</u>	<u>9,997,372</u>	<u>5,195,333</u>	<u>528,949</u>	<u>21,392,990</u>
Operating Income (Loss)	<u>(239,761)</u>	<u>752,707</u>	<u>162,982</u>	<u>79,428</u>	<u>755,356</u>
<b>Non-Operating Revenues (Expenses):</b>					
Interest Revenue	6,033	4,544	1,497	-	12,074
Miscellaneous Revenue	-	66,395	689	-	67,084
Gain (Loss) on Fixed Asset Disposal	14,837	-	-	-	14,837
Miscellaneous Expense	3,651	(10,155)	-	-	(6,504)
Total non-operating revenues	<u>24,521</u>	<u>60,784</u>	<u>2,186</u>	<u>-</u>	<u>87,491</u>
Net Income (Loss) Before Operating Transfers Contributions and Special Items	<u>(215,240)</u>	<u>813,491</u>	<u>165,168</u>	<u>79,428</u>	<u>842,847</u>
Transfers In	-	-	-	-	-
Transfers Out	-	-	-	-	-
Changes in net assets	<u>(215,240)</u>	<u>813,491</u>	<u>165,168</u>	<u>79,428</u>	<u>842,847</u>
Net assets as of January 1	15,566,787	2,602,480	2,210,567	(116,236)	20,263,598
Net assets as of December 31	<u>\$15,351,548</u>	<u>\$3,415,971</u>	<u>\$2,375,735</u>	<u>(\$36,808)</u>	<u>\$21,106,445</u>

**SKAGIT COUNTY, WASHINGTON**  
**Combining Statement of Cash Flows**  
**Internal Service Funds**  
**December 31, 2010**

	Equipment Rental Fund	Insurance Service Fund	Central Services Fund	Unemployment Compensation Fund	2010 Total
<u>Cash Flows From Operating Activities:</u>					
Receipts from Customers	\$10,677	\$775,297	\$439,039	\$0	\$1,225,013
Receipts from interfund services provided	6,404,340	9,955,408	4,918,042	615,395	21,893,185
Payments to Employees	(749,616)	(391,373)	(2,723,225)	(97,986)	(3,962,200)
Payments to Suppliers	(2,424,309)	(1,431,679)	(2,192,509)	-	(6,048,497)
Payments to Claimants	0	(7,805,669)	-	(480,256)	(8,285,925)
Payments for interfund services used	(2,486,383)	(40,217)	(4,808)	-	(2,531,408)
Miscellaneous receipts(payments)	(2,489)	85,768	689	-	83,968
Net cash provided (used) by operating activities	752,220	1,147,535	437,228	37,153	2,374,136
<u>Cash Flows From Non-Capital And Related Financing Activities</u>					
Transfers to Other Funds	-	-	-	-	-
Transfers From Other Funds	3,651	-	-	-	3,651
Net cash provided (used) by Non-Capital and related financing activities	3,651	-	-	-	3,651
<u>Cash Flows From Capital And Related Financing Activities</u>					
Capital Grant Received	-	-	-	-	-
Proceeds from sale of capital assets	83,703	-	-	-	83,703
Purchases of capital assets	(806,564)	-	(42,467)	-	(849,031)
Net cash provided (used) by capital and related financing activities	(722,861)	-	(42,467)	-	(765,328)
<u>Cash Flows From Investing Activities:</u>					
Interest Received	6,033	4,544	1,497	-	12,074
Net Cash Provided by Investing Activities	6,033	4,544	1,497	-	12,074
Net Increase in Cash & Cash Equivalents	39,043	1,152,079	396,258	37,153	1,624,533
Balances as of January 1	2,973,225	5,816,993	1,642,965	928	10,434,111
Balances as of December 31	3,012,268	6,969,072	2,039,224	38,081	12,058,644
Operating Income/(Loss)	(239,761)	752,707	162,982	79,428	755,356



**SKAGIT COUNTY, WASHINGTON**  
**Reconciliation of Operating Income to Net Cash Provided**  
**Internal Service Funds**  
**December 31, 2010**

	Equipment Rental Fund	Insurance Service Fund	Central Services Fund	Unemployment Compensation Fund	2010 Total
Reconciliation of Operating Income (Loss) to Net Cash Provided (Used) by Operating Activities					
Operating Income (Loss)	\$ (239,761)	\$ 752,707	\$ 162,982	\$ 79,428	\$ 755,356
Adjustments to Reconcile Operating Income to Net Cash Provided (Used) by Operating Activities:					
Depreciation Expense	906,130		226,243		1,132,373
Miscellaneous Receipts	99,906	56,240	689	-	156,835
Changes in Assets and Liabilities:					
Receivables, Net	983,442	-	(1,234)	26,018	1,008,226
Prepayables	9,279	3,658	34,125		47,062
Inventories	(229,400)				(229,400)
Accounts and Other Payables	(777,376)	334,930	14,423	(68,294)	(496,317)
Net Cash Provided (Used) by Operating Activities	<u>\$ 752,220</u>	<u>\$ 1,147,535</u>	<u>\$ 437,228</u>	<u>\$ 37,152</u>	<u>\$ 2,374,135</u>

Agency Funds



# SKAGIT COUNTY, WASHINGTON

## AGENCY FUNDS

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

Agency Funds Include:

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

**SKAGIT COUNTY, WASHINGTON**  
**AGENCY FUNDS**  
**COMBINING BALANCE SHEET**  
**As Of December 31, 2010**

	<b>TRUST FUNDS</b>	<b>CLEARING FUNDS</b>	<b>STATE FUNDS</b>	<b>NW AIR POLLUTION FUNDS</b>	<b>COUNCIL OF GOVERNMENTS FUNDS</b>
Cash	\$115,906	\$5,175,983	\$1,363,675	\$29,220	\$1,783
Investments	0	0	0	2,785,763	0
Taxes receivable	0	0	1,606,108	0	0
Deposits	0	0	0	0	0
<b>TOTAL ASSETS</b>	<b>115,906</b>	<b>5,175,983</b>	<b>2,969,783</b>	<b>2,814,983</b>	<b>1,783</b>
<b>LIABILITIES</b>					
Warrants payable	-	4,980,576	-	-	38,015
Due to other funds	-	-	-	-	-
Custodial accounts	115,906	195,407	2,969,783	2,814,983	(36,232)
<b>TOTAL LIABILITIES</b>	<b>\$115,906</b>	<b>\$5,175,983</b>	<b>\$2,969,783</b>	<b>\$2,814,983</b>	<b>\$1,783</b>

	<b>LIBRARY FUNDS</b>	<b>SKAGIT HOUSING FUND</b>	<b>CITIES AND TOWNS FUNDS</b>	<b>PORT OF ANACORTES FUNDS</b>	<b>PORT OF SKAGIT FUNDS</b>
<b>ASSETS</b>					
Cash	\$213,601	\$0	\$255,104	\$316,598	\$2,325,426
Investments	444,554	552,995	-	16,068,889	3,613,410
Taxes receivable	24,790	-	944,723	17,007	72,389
Deposits	-	-	-	-	10,000
<b>TOTAL ASSETS</b>	<b>682,945</b>	<b>552,995</b>	<b>1,199,827</b>	<b>16,402,494</b>	<b>6,021,225</b>
<b>LIABILITIES</b>					
Warrants payable	9,304	-	-	67,211	61,207
Custodial accounts	673,641	552,995	1,199,827	16,335,283	5,960,018
<b>TOTAL LIABILITIES</b>	<b>\$682,945</b>	<b>\$552,995</b>	<b>\$1,199,827</b>	<b>\$16,402,494</b>	<b>\$6,021,225</b>

**SKAGIT COUNTY, WASHINGTON**  
**AGENCY FUNDS**  
**COMBINING BALANCE SHEET**  
**As Of December 31, 2010**

<b>FIDALGO PARK FUNDS</b>	<b>AFFILIATED HEALTH SERVICES FUNDS</b>	<b>HOSPITAL DISTRICT 1 FUNDS</b>	<b>HOSPITAL DISTRICT 2 FUNDS</b>	<b>HOSPITAL DISTRICT 304 FUNDS</b>	<b>WATER DISTRICTS FUNDS</b>
\$176,195	\$1,390	\$6,364,056	\$1,949,789	\$816,375	\$40,084
-	597,577	92,271,863	13,867,968	8,828,453	171,169
14,707	-	209,555	104,417	49,633	-
-	-	-	-	-	-
<b>190,902</b>	<b>598,967</b>	<b>98,845,474</b>	<b>15,922,174</b>	<b>9,694,461</b>	<b>211,253</b>
26,605	1,389	6,881,406	770,153	662,794	1,440
-	-	-	-	-	-
164,297	597,578	91,964,068	15,152,021	9,031,667	209,813
<b>\$190,902</b>	<b>\$598,967</b>	<b>\$98,845,474</b>	<b>\$15,922,174</b>	<b>\$9,694,461</b>	<b>\$211,253</b>

<b>DIKE DISTRICTS FUNDS</b>	<b>SKAGIT TRANSPORTATION FUND</b>	<b>DRAINAGE DISTRICT FUNDS</b>	<b>SCHOOL DISTRICTS FUNDS</b>	<b>CEMETERY DISTRICTS FUNDS</b>	<b>SKAGIT COMMUNITY NETWORK</b>
\$2,176,890	\$0	\$236,954	\$9,273,860	\$258,718	\$1,801
3,586,026	5,837,144	1,227,609	52,506,213	654,833	-
318,216	-	21,067	2,645,338	9,945	-
-	-	-	-	-	-
<b>6,081,132</b>	<b>5,837,144</b>	<b>1,485,630</b>	<b>64,425,411</b>	<b>923,496</b>	<b>1,801</b>
147,755	-	84,305	7,563,213	5,674	-
5,933,377	5,837,144	1,401,325	56,862,198	917,822	1,801
<b>\$6,081,132</b>	<b>\$5,837,144</b>	<b>\$1,485,630</b>	<b>\$64,425,411</b>	<b>\$923,496</b>	<b>\$1,801</b>

**SKAGIT COUNTY, WASHINGTON**  
**AGENCY FUNDS**  
**COMBINING BALANCE SHEET**  
**As Of December 31, 2010**

<b>SEWER DISTRICTS FUNDS</b>	<b>FIRE DISTRICTS FUNDS</b>	<b>NORTH SOUND RSN</b>	<b>SKAGIT EMERGENCY COMM</b>
\$6,846	\$1,798,795	\$7,181,788	\$238,733
4,511,273	4,372,776	11,370,637	517,072
47,984	183,671	-	-
-	-	-	-
<b>4,566,103</b>	<b>6,355,242</b>	<b>18,552,425</b>	<b>755,805</b>
10,889	177,803	5,298,719	29,040
-	-	-	-
4,555,214	6,177,439	13,253,706	726,765
<b>\$4,566,103</b>	<b>\$6,355,242</b>	<b>\$18,552,425</b>	<b>\$755,805</b>

<b>PUBLIC FACILITIES DISTRICT</b>	<b>2010 TOTALS</b>
\$88,499	\$40,408,069
1,132,844	224,919,068
-	6,269,550
-	10,000
<b>1,221,343</b>	<b>271,606,687</b>
-	26,817,498
1,221,343	244,789,189
<b>\$1,221,343</b>	<b>\$271,606,687</b>

**SKAGIT COUNTY, WASHINGTON**  
**AGENCY FUNDS**  
**COMBINING STATEMENT OF CHANGES IN ASSETS AND LIABILITIES**  
**Fiscal Year Ended December 31, 2010**

<b>TRUST FUNDS</b>	<b>Balance January 1, 2010</b>	<b>Additions</b>	<b>Deductions</b>	<b>Balance December 31, 2010</b>
<b>ASSETS</b>				
Cash	\$154,536	\$6,233,680	\$6,272,310	\$115,906
Investments	0	-	-	0
Taxes receivable	-	-	-	-
Deposits	-	-	-	-
<b>TOTAL ASSETS</b>	<b>154,536</b>	<b>6,233,680</b>	<b>6,272,310</b>	<b>115,906</b>
<b>LIABILITIES</b>				
Warrants payable	-	-	-	-
Due to Other Funds	-	-	-	-
Custodial accounts	154,536	6,233,680	6,272,310	115,906
<b>TOTAL LIABILITIES</b>	<b>\$154,536</b>	<b>\$6,233,680</b>	<b>\$6,272,310</b>	<b>\$115,906</b>

<b>CLEARING FUNDS</b>	<b>Balance January 1, 2010</b>	<b>Additions</b>	<b>Deductions</b>	<b>Balance December 31, 2010</b>
<b>ASSETS</b>				
Cash	\$2,183,078	\$251,499,761	\$248,506,856	\$5,175,983
Investments	-	-	-	-
Taxes receivable	10,119	-	10,119	-
Deposits	-	-	-	-
<b>TOTAL ASSETS</b>	<b>2,193,197</b>	<b>251,499,761</b>	<b>248,516,975</b>	<b>5,175,983</b>
<b>LIABILITIES</b>				
Warrants payable	1,957,759	188,019,244	184,996,428	4,980,575
Due to other funds	-	-	-	-
Custodial accounts	235,438	63,480,517	63,520,547	195,408
<b>TOTAL LIABILITIES</b>	<b>\$2,193,197</b>	<b>\$251,499,761</b>	<b>\$248,516,975</b>	<b>\$5,175,983</b>

<b>STATE FUNDS</b>	<b>Balance January 1, 2010</b>	<b>Additions</b>	<b>Deductions</b>	<b>Balance December 31, 2010</b>
<b>ASSETS</b>				
Cash	\$712,986	\$43,435,418	\$42,784,729	\$1,363,675
Investments	-	-	-	-
Taxes receivable	1,350,135	32,609,850	32,353,877	1,606,108
Deposits	-	-	-	-
<b>TOTAL ASSETS</b>	<b>2,063,122</b>	<b>76,045,268</b>	<b>75,138,606</b>	<b>2,969,783</b>
<b>LIABILITIES</b>				
Warrants payable	-	-	-	-
Due to other funds	-	-	-	-
Custodial accounts	2,063,122	76,045,268	75,138,606	2,969,783
<b>TOTAL LIABILITIES</b>	<b>\$2,063,122</b>	<b>\$76,045,268</b>	<b>\$75,138,606</b>	<b>\$2,969,783</b>

**SKAGIT COUNTY, WASHINGTON**  
**AGENCY FUNDS**  
**COMBINING STATEMENT OF CHANGES IN ASSETS AND LIABILITIES**  
**Fiscal Year Ended December 31, 2010**

<b>NW AIR POLLUTION FUNDS</b>	<b>Balance January 1,2010</b>	<b>Additions</b>	<b>Deductions</b>	<b>Balance December 31,2010</b>
<b>ASSETS</b>				
Cash	\$ 4,883	\$5,833,256	\$5,808,919	\$29,220
Investments	2,834,244	2,517,919	2,566,400	2,785,763
Taxes receivable	-	-	-	-
Deposits	-	-	-	-
<b>TOTAL ASSETS</b>	<b>2,839,127</b>	<b>8,351,175</b>	<b>8,375,319</b>	<b>2,814,983</b>
<b>LIABILITIES</b>				
Warrants payable	-	3,270,000	3,270,000	-
Due to other funds	-	-	-	-
Custodial accounts	2,839,127	5,081,175	5,105,319	2,814,983
<b>TOTAL LIABILITIES</b>	<b>\$2,839,127</b>	<b>\$8,351,175</b>	<b>\$8,375,319</b>	<b>\$2,814,983</b>

<b>COUNCIL OF GOV'T FUNDS</b>	<b>Balance January 1,2010</b>	<b>Additions</b>	<b>Deductions</b>	<b>Balance December 31,2010</b>
<b>ASSETS</b>				
Cash	\$260,071	\$1,024,135	\$1,282,423	\$1,783
Investments	-	-	-	-
Taxes receivable	-	-	-	-
Deposits	-	-	-	-
<b>TOTAL ASSETS</b>	<b>260,070</b>	<b>1,024,135</b>	<b>1,282,423</b>	<b>1,783</b>
<b>LIABILITIES</b>				
Warrants payable	44,020	704,163	710,167	38,017
Due to other funds	-	-	-	-
Custodial accounts	216,050	319,972	572,256	(36,234)
<b>TOTAL LIABILITIES</b>	<b>\$260,070</b>	<b>\$1,024,135</b>	<b>\$1,282,423</b>	<b>\$1,783</b>

<b>LIBRARY FUNDS</b>	<b>Balance January 1,2010</b>	<b>Additions</b>	<b>Deductions</b>	<b>Balance December 31,2010</b>
<b>ASSETS</b>				
Cash	\$205,147	\$1,017,108	\$1,008,654	\$213,601
Investments	393,519	580,045	529,010	444,554
Taxes receivable	30,698	399,103	405,012	24,789
Deposits	-	-	-	-
<b>TOTAL ASSETS</b>	<b>629,364</b>	<b>1,996,256</b>	<b>1,942,676</b>	<b>682,945</b>
<b>LIABILITIES</b>				
Warrants payable	8,738	125,241	124,675	9,304
Due to other funds	-	-	-	-
Custodial accounts	620,626	1,871,015	1,818,001	673,641
<b>TOTAL LIABILITIES</b>	<b>\$629,364</b>	<b>\$1,996,256</b>	<b>\$1,942,676</b>	<b>\$682,945</b>



**SKAGIT COUNTY, WASHINGTON**  
**AGENCY FUNDS**  
**COMBINING STATEMENT OF CHANGES IN ASSETS AND LIABILITIES**  
**Fiscal Year Ended December 31, 2010**

<b>SKAGIT HOUSING</b>	<b>Balance January 1,2010</b>	<b>Additions</b>	<b>Deductions</b>	<b>Balance December 31,2010</b>
<b>ASSETS</b>				
Cash	\$2,000	\$502,839	\$504,839	\$0
Investments	682,801	316,985	446,791	552,995
Taxes receivable	-	-	-	-
Deposits	-	-	-	-
<b>TOTAL ASSETS</b>	<b>684,801</b>	<b>819,824</b>	<b>951,630</b>	<b>552,995</b>
<b>LIABILITIES</b>				
Warrants payable	-	-	-	-
Due to Other Funds	-	-	-	-
Custodial accounts	684,801	819,824	951,630	552,995
<b>TOTAL LIABILITIES</b>	<b>\$684,801</b>	<b>\$819,824</b>	<b>\$951,630</b>	<b>\$552,995</b>

<b>CITIES AND TOWNS FUNDS</b>	<b>Balance January 1,2010</b>	<b>Additions</b>	<b>Deductions</b>	<b>Balance December 31,2010</b>
<b>ASSETS</b>				
Cash	\$228,066	\$17,612,478	\$17,585,440	\$255,104
Investments	-	-	-	-
Taxes receivable	753,065	16,653,385	16,461,727	944,723
Deposits	-	-	-	-
<b>TOTAL ASSETS</b>	<b>981,129</b>	<b>34,265,863</b>	<b>34,047,167</b>	<b>1,199,827</b>
<b>LIABILITIES</b>				
Warrants payable	(7)	7	-	-
Due to other funds	-	-	-	-
Custodial accounts	981,136	34,265,856	34,047,167	1,199,827
<b>TOTAL LIABILITIES</b>	<b>\$981,129</b>	<b>\$34,265,863</b>	<b>\$34,047,167</b>	<b>\$1,199,827</b>

<b>PORT OF ANACORTES FUNDS</b>	<b>Balance January 1,2010</b>	<b>Additions</b>	<b>Deductions</b>	<b>Balance December 31,2010</b>
<b>ASSETS</b>				
Cash	\$252,962	\$94,558,743	\$94,495,107	\$316,598
Investments	10,852,229	39,542,265	34,325,605	16,068,889
Taxes receivable	14,135	530,436	527,564	17,007
Deposits	-	-	-	-
<b>TOTAL ASSETS</b>	<b>11,119,326</b>	<b>134,631,444</b>	<b>129,348,276</b>	<b>16,402,494</b>
<b>LIABILITIES</b>				
Warrants payable	151,350	33,347,198	33,431,337	67,211
Due to other funds	-	-	-	-
Custodial accounts	10,967,976	101,284,246	95,916,939	16,335,283
<b>TOTAL LIABILITIES</b>	<b>\$11,119,326</b>	<b>\$134,631,444</b>	<b>\$129,348,276</b>	<b>\$16,402,494</b>

**SKAGIT COUNTY, WASHINGTON**  
**AGENCY FUNDS**  
**COMBINING STATEMENT OF CHANGES IN ASSETS AND LIABILITIES**  
**Fiscal Year Ended December 31, 2010**

<b>PORT OF SKAGIT FUNDS</b>	<b>Balance January 1,2010</b>	<b>Additions</b>	<b>Deductions</b>	<b>Balance December 31,2010</b>
<b>ASSETS</b>				
Cash	\$1,016,330	\$14,488,101	\$13,179,005	\$2,325,426
Investments	4,516,872	3,494,072	4,397,534	3,613,410
Taxes receivable	58,619	1,242,225	1,228,455	72,389
Deposits	10,000	1,343,140	1,343,140	10,000
<b>TOTAL ASSETS</b>	<b>5,601,821</b>	<b>20,567,538</b>	<b>20,148,134</b>	<b>6,021,225</b>
<b>LIABILITIES</b>				
Warrants payable	12,605	5,684,033	5,635,431	61,207
Due to Other Funds	-			-
Custodial accounts	5,589,216	14,883,505	14,512,703	5,960,018
<b>TOTAL LIABILITIES</b>	<b>\$5,601,821</b>	<b>\$20,567,538</b>	<b>\$20,148,134</b>	<b>\$6,021,225</b>

<b>FIDALGO PARK FUNDS</b>	<b>Balance January 1,2010</b>	<b>Additions</b>	<b>Deductions</b>	<b>Balance December 31,2010</b>
<b>ASSETS</b>				
Cash	\$150,318	\$780,683	\$754,807	\$176,195
Investments	-	8,209	8,209	-
Taxes receivable	9,796	464,635	459,724	14,707
Deposits	-	-	-	-
<b>TOTAL ASSETS</b>	<b>160,114</b>	<b>1,253,527</b>	<b>1,222,740</b>	<b>190,902</b>
<b>LIABILITIES</b>				
Warrants payable	38,244	734,194	745,833	26,605
Due to other funds	-	-	-	-
Custodial accounts	121,870	519,333	476,907	164,297
<b>TOTAL LIABILITIES</b>	<b>\$160,114</b>	<b>\$1,253,527</b>	<b>\$1,222,740</b>	<b>\$190,902</b>

<b>AFFILIATED HEALTH FUNDS</b>	<b>Balance January 1,2010</b>	<b>Additions</b>	<b>Deductions</b>	<b>Balance December 31,2010</b>
<b>ASSETS</b>				
Cash	\$330	\$273,478	\$272,418	\$1,390
Investments	779,010	46,022	227,455	597,577
Taxes receivable	-	-	-	-
Deposits	-	-	-	-
<b>TOTAL ASSETS</b>	<b>779,340</b>	<b>319,500</b>	<b>499,873</b>	<b>598,967</b>
<b>LIABILITIES</b>				
Warrants payable	330	227,455	226,396	1,389
Due to other funds	-	-	-	-
Custodial accounts	779,011	92,045	273,477	597,578
<b>TOTAL LIABILITIES</b>	<b>779,340</b>	<b>\$319,500</b>	<b>\$499,873</b>	<b>\$598,967</b>

**SKAGIT COUNTY, WASHINGTON**  
**AGENCY FUNDS**  
**COMBINING STATEMENT OF CHANGES IN ASSETS AND LIABILITIES**  
**Fiscal Year Ended December 31, 2010**

<b>HOSPITAL DISTRICT 1 FUNDS</b>	<b>Balance January 1,2010</b>	<b>Additions</b>	<b>Deductions</b>	<b>Balance December 31,2010</b>
<b>ASSETS</b>				
Cash	\$7,027,581	\$599,705,843	\$600,369,368	\$6,364,056
Investments	68,639,067	336,670,611	313,037,815	92,271,863
Taxes receivable	150,119	3,939,695	3,880,258	209,555
Deposits	-	-	-	-
<b>TOTAL ASSETS</b>	<b>75,816,767</b>	<b>940,316,149</b>	<b>917,287,441</b>	<b>98,845,474</b>
<b>LIABILITIES</b>				
Warrants payable	6,915,761	141,498,825	141,533,180	6,881,406
Due to Other Funds	-	-	-	-
Custodial accounts	68,901,006	798,817,324	775,754,261	91,964,068
<b>TOTAL LIABILITIES</b>	<b>\$75,816,767</b>	<b>\$940,316,149</b>	<b>\$917,287,441</b>	<b>\$98,845,474</b>

<b>HOSPITAL DISTRICT 2 FUNDS</b>	<b>Balance January 1,2010</b>	<b>Additions</b>	<b>Deductions</b>	<b>Balance December 31,2010</b>
<b>ASSETS</b>				
Cash	\$670,888	\$99,244,671	\$97,965,771	\$1,949,788
Investments	13,761,707	22,530,491	22,424,229	13,867,969
Taxes receivable	83,158	2,996,797	2,975,538	104,417
Deposits	-	-	-	-
<b>TOTAL ASSETS</b>	<b>14,515,754</b>	<b>124,771,959</b>	<b>123,365,538</b>	<b>15,922,174</b>
<b>LIABILITIES</b>				
Warrants payable	185,784	36,580,528	35,996,158	770,153
Due to other funds	-	-	-	-
Custodial accounts	14,329,970	88,191,431	87,369,380	15,152,021
<b>TOTAL LIABILITIES</b>	<b>\$14,515,754</b>	<b>\$124,771,959</b>	<b>\$123,365,538</b>	<b>\$15,922,174</b>

<b>HOSPITAL DISTRICT 304 FUNDS</b>	<b>Balance January 1,2010</b>	<b>Additions</b>	<b>Deductions</b>	<b>Balance December 31,2010</b>
<b>ASSETS</b>				
Cash	\$894,651	\$116,423,899	\$116,502,175	\$816,375
Investments	8,037,927	55,700,996	54,910,471	8,828,452
Taxes receivable	39,884	851,528	841,778	49,634
Deposits	-	-	-	-
<b>TOTAL ASSETS</b>	<b>8,972,461</b>	<b>172,976,423</b>	<b>172,254,424</b>	<b>9,694,461</b>
<b>LIABILITIES</b>				
Warrants payable	669,692	35,555,490	35,562,389	662,794
Due to other funds	-	-	-	-
Custodial accounts	8,302,769	137,420,933	136,692,035	9,031,667
<b>TOTAL LIABILITIES</b>	<b>\$8,972,461</b>	<b>\$172,976,423</b>	<b>\$172,254,424</b>	<b>\$9,694,461</b>

**SKAGIT COUNTY, WASHINGTON**  
**AGENCY FUNDS**  
**COMBINING STATEMENT OF CHANGES IN ASSETS AND LIABILITIES**  
**Fiscal Year Ended December 31, 2010**

<b>DIKE FUNDS</b>	<b>Balance January 1,2010</b>	<b>Additions</b>	<b>Deductions</b>	<b>Balance December 31,2010</b>
<b>ASSETS</b>				
Cash	\$1,912,493	\$8,402,635	\$8,138,238	\$2,176,890
Investments	2,768,641	2,382,502	1,565,118	3,586,026
Taxes receivable	237,985	5,624,392	5,544,162	318,216
Deposits	-	-	-	-
<b>TOTAL ASSETS</b>	<b>4,919,119</b>	<b>16,409,529</b>	<b>15,247,518</b>	<b>6,081,132</b>
<b>LIABILITIES</b>				
Warrants payable	108,384	3,968,089	3,928,716	147,755
Due to Other Funds	-	-	-	-
Custodial accounts	4,810,735	12,441,440	11,318,802	5,933,377
<b>TOTAL LIABILITIES</b>	<b>\$4,919,119</b>	<b>\$16,409,529</b>	<b>\$15,247,518</b>	<b>\$6,081,132</b>

<b>SKAGIT TRANSIT</b>	<b>Balance January 1,2010</b>	<b>Additions</b>	<b>Deductions</b>	<b>Balance December 31,2010</b>
<b>ASSETS</b>				
Cash	\$0	\$817,330	\$817,330	\$0
Investments	6,619,814	17,330	800,000	5,837,144
Taxes receivable	-	-	-	-
Deposits	-	-	-	-
<b>TOTAL ASSETS</b>	<b>6,619,814</b>	<b>834,660</b>	<b>1,617,330</b>	<b>5,837,144</b>
<b>LIABILITIES</b>				
Warrants payable	-	-	-	-
Due to other funds	-	-	-	-
Custodial accounts	6,619,814	834,660	1,617,330	5,837,144
<b>TOTAL LIABILITIES</b>	<b>\$6,619,814</b>	<b>\$834,660</b>	<b>\$1,617,330</b>	<b>\$5,837,144</b>

<b>DRAINAGE DISTRICT FUNDS</b>	<b>Balance January 1,2010</b>	<b>Additions</b>	<b>Deductions</b>	<b>Balance December 31,2010</b>
<b>ASSETS</b>				
Cash	\$123,014	\$1,063,353	\$949,412	\$236,954
Investments	1,294,644	202,964	269,999	1,227,609
Taxes receivable	18,640	636,681	634,254	21,067
Deposits	-	-	-	-
<b>TOTAL ASSETS</b>	<b>1,436,299</b>	<b>1,902,998</b>	<b>1,853,665</b>	<b>1,485,630</b>
<b>LIABILITIES</b>				
Warrants payable	17,234	652,409	585,337	84,305
Due to other funds	-	-	-	-
Custodial accounts	1,419,065	1,250,589	1,268,328	1,401,325
<b>TOTAL LIABILITIES</b>	<b>\$1,436,299</b>	<b>\$1,902,998</b>	<b>\$1,853,665</b>	<b>\$1,485,630</b>

**SKAGIT COUNTY, WASHINGTON**  
**AGENCY FUNDS**  
**COMBINING STATEMENT OF CHANGES IN ASSETS AND LIABILITIES**  
**Fiscal Year Ended December 31, 2010**

<b>SCHOOL DISTRICTS FUNDS</b>	<b>Balance January 1,2010</b>	<b>Additions</b>	<b>Deductions</b>	<b>Balance December 31,2010</b>
<b>ASSETS</b>				
Cash	\$7,226,905	\$460,292,764	\$458,245,807	\$9,273,860
Investments	47,634,693	224,073,467	219,201,946	52,506,213
Taxes receivable	2,080,788	53,368,736	52,804,186	2,645,338
Deposits	-	-	-	-
<b>TOTAL ASSETS</b>	<b>56,942,386</b>	<b>737,734,967</b>	<b>730,251,939</b>	<b>64,425,411</b>
<b>LIABILITIES</b>				
Warrants payable	7,250,158	171,125,605	170,812,544	7,563,213
Due to Other Funds	-	-	-	-
Custodial accounts	49,692,226	566,609,362	559,439,395	56,862,198
<b>TOTAL LIABILITIES</b>	<b>56,942,386</b>	<b>\$737,734,967</b>	<b>\$730,251,939</b>	<b>\$64,425,411</b>

<b>CEMETERY DISTRICT FUNDS</b>	<b>Balance January 1,2010</b>	<b>Additions</b>	<b>Deductions</b>	<b>Balance December 31,2010</b>
<b>ASSETS</b>				
Cash	\$397,649	\$905,247	\$1,044,178	\$258,718
Investments	442,697	776,591	564,456	654,833
Taxes receivable	9,705	277,615	277,375	9,945
Deposits	-	-	-	-
<b>TOTAL ASSETS</b>	<b>850,051</b>	<b>1,959,453</b>	<b>1,886,009</b>	<b>923,496</b>
<b>LIABILITIES</b>				
Warrants payable	6,224	160,600	161,150	5,674
Due to other funds	-	-	-	-
Custodial accounts	843,827	1,798,853	1,724,859	917,822
<b>TOTAL LIABILITIES</b>	<b>\$850,051</b>	<b>\$1,959,453</b>	<b>\$1,886,009</b>	<b>\$923,496</b>

<b>WATER DISTRICT FUNDS</b>	<b>Balance January 1,2010</b>	<b>Additions</b>	<b>Deductions</b>	<b>Balance December 31,2010</b>
<b>ASSETS</b>				
Cash	\$27,301	\$46,909	\$34,126	\$40,084
Investments	170,681	488	-	171,169
Taxes receivable	-	-	-	-
Deposits	-	-	-	-
<b>TOTAL ASSETS</b>	<b>197,982</b>	<b>47,397</b>	<b>34,126</b>	<b>211,253</b>
<b>LIABILITIES</b>				
Warrants payable	6,066	31,643	36,269	1,440
Due to other funds	-	-	-	-
Custodial accounts	191,916	15,754	(2,143)	209,813
<b>TOTAL LIABILITIES</b>	<b>\$197,982</b>	<b>\$47,397</b>	<b>\$34,126</b>	<b>\$211,253</b>

**SKAGIT COUNTY, WASHINGTON**  
**AGENCY FUNDS**  
**COMBINING STATEMENT OF CHANGES IN ASSETS AND LIABILITIES**  
**Fiscal Year Ended December 31, 2010**

<b>SEWER DISTRICTS FUNDS</b>	<b>Balance January 1,2010</b>	<b>Additions</b>	<b>Deductions</b>	<b>Balance December 31,2010</b>
<b>ASSETS</b>				
Cash	\$16,118	\$2,273,284	\$2,282,556	\$6,846
Investments	5,345,811	473,713	1,308,250	4,511,274
Taxes receivable	80,207	-	32,224	47,983
Deposits	-	-	-	-
<b>TOTAL ASSETS</b>	<b>5,442,136</b>	<b>2,746,997</b>	<b>3,623,030</b>	<b>4,566,103</b>
<b>LIABILITIES</b>				
Warrants payable	90,695	1,362,700	1,442,507	10,888
Due to Other Funds	-	-	-	-
Custodial accounts	5,351,441	1,384,297	2,180,523	4,555,215
<b>TOTAL LIABILITIES</b>	<b>\$5,442,136</b>	<b>\$2,746,997</b>	<b>\$3,623,030</b>	<b>\$4,566,103</b>

<b>FIRE DISTRICTS FUNDS</b>	<b>Balance January 1,2010</b>	<b>Additions</b>	<b>Deductions</b>	<b>Balance December 31,2010</b>
<b>ASSETS</b>				
Cash	\$2,663,676	\$9,096,946	\$9,961,827	\$1,798,795
Investments	4,018,396	4,008,410	3,654,029	4,372,776
Taxes receivable	152,979	4,438,996	4,408,304	183,671
Deposits	-	-	-	-
<b>TOTAL ASSETS</b>	<b>6,835,051</b>	<b>17,544,352</b>	<b>18,024,160</b>	<b>6,355,240</b>
<b>LIABILITIES</b>				
Warrants payable	394,910	4,647,677	4,864,779	177,808
Due to other funds	-	-	-	-
Custodial accounts	6,440,138	12,896,675	13,159,381	6,177,432
<b>TOTAL LIABILITIES</b>	<b>6,835,050</b>	<b>\$17,544,352</b>	<b>\$18,024,160</b>	<b>\$6,355,240</b>

<b>NORTH SOUND RSN</b>	<b>Balance January 1,2010</b>	<b>Additions</b>	<b>Deductions</b>	<b>Balance December 31,2010</b>
<b>ASSETS</b>				
Cash	\$638,424	\$79,469,228	\$72,925,864	\$7,181,788
Investments	12,841,021	10,537,494	12,007,878	11,370,637
Taxes receivable	-	-	-	-
Deposits	-	-	-	-
<b>TOTAL ASSETS</b>	<b>13,479,446</b>	<b>90,006,722</b>	<b>84,933,742</b>	<b>18,552,425</b>
<b>LIABILITIES</b>				
Warrants payable	5,945,597	59,661,311	60,308,189	5,298,719
Due to other funds	-	-	-	-
Custodial accounts	7,533,849	30,345,411	24,625,553	13,253,706
<b>TOTAL LIABILITIES</b>	<b>\$13,479,446</b>	<b>\$90,006,722</b>	<b>\$84,933,742</b>	<b>\$18,552,425</b>

**SKAGIT COUNTY, WASHINGTON**  
**AGENCY FUNDS**  
**COMBINING STATEMENT OF CHANGES IN ASSETS AND LIABILITIES**  
**Fiscal Year Ended December 31, 2010**

<b>SKAGIT EMERGENCY COMM</b>	<b>Balance January 1,2010</b>	<b>Additions</b>	<b>Deductions</b>	<b>Balance December 31,2010</b>
<b>ASSETS</b>				
Cash	\$287,414	\$3,910,371	\$3,959,051	\$238,733
Investments	708,302	108,770	300,000	517,072
Taxes receivable	-	-	-	-
Deposits	-	-	-	-
<b>TOTAL ASSETS</b>	<b>995,716</b>	<b>4,019,141</b>	<b>4,259,051</b>	<b>755,805</b>
<b>LIABILITIES</b>				
Warrants payable	46,629	381,048	398,636	29,040
Due to Other Funds	-	-	-	-
Custodial accounts	949,087	3,638,093	3,860,415	726,765
<b>TOTAL LIABILITIES</b>	<b>\$995,716</b>	<b>\$4,019,141</b>	<b>\$4,259,051</b>	<b>\$755,805</b>

<b>SKAGIT COMMUNITY NETWORK</b>	<b>Balance January 1,2010</b>	<b>Additions</b>	<b>Deductions</b>	<b>Balance December 31,2010</b>
<b>ASSETS</b>				
Cash	\$1,801	\$0	\$0	\$1,801
Investments	-	-	-	-
Taxes receivable	-	-	-	-
Deposits	-	-	-	-
<b>TOTAL ASSETS</b>	<b>1,801</b>	<b>-</b>	<b>-</b>	<b>1,801</b>
<b>LIABILITIES</b>				
Warrants payable	-	-	-	-
Due to Other Funds	-	-	-	-
Custodial accounts	1,801	-	-	1,801
<b>TOTAL LIABILITIES</b>	<b>\$1,801</b>	<b>\$0</b>	<b>\$0</b>	<b>\$1,801</b>

<b>PUBLIC FACILITIES DISTRICT</b>	<b>Balance January 1,2010</b>	<b>Additions</b>	<b>Deductions</b>	<b>Balance December 31,2010</b>
<b>ASSETS</b>				
Cash	\$53,739	\$3,863,751	\$3,828,992	\$88,498
Investments	1,525,926	2,202,730	2,595,811	1,132,845
Taxes receivable	-	-	-	-
Deposits	-	-	-	-
<b>TOTAL ASSETS</b>	<b>1,579,664</b>	<b>6,066,481</b>	<b>6,424,803</b>	<b>1,221,343</b>
<b>LIABILITIES</b>				
Warrants payable	51,458	410,735	462,193	-
Due to other funds	-	-	-	-
Custodial accounts	1,528,206	5,655,746	5,962,610	1,221,343
<b>TOTAL LIABILITIES</b>	<b>\$1,579,664</b>	<b>\$6,066,481</b>	<b>\$6,424,803</b>	<b>\$1,221,343</b>

**SKAGIT COUNTY, WASHINGTON**  
**AGENCY FUNDS**  
**COMBINING STATEMENT OF CHANGES IN ASSETS AND LIABILITIES**  
**Fiscal Year Ended December 31, 2010**

<b>TOTALS</b>	<b>Balance January 1, 2010</b>	<b>Additions</b>	<b>Deductions</b>	<b>Balance December 31, 2010</b>
<b>ASSETS</b>				
Cash	\$27,112,361	\$1,822,775,911	\$1,809,480,203	\$40,408,069
Investments	193,868,002	706,192,079	675,141,006	224,919,075
Taxes receivable	5,080,032	124,034,075	122,844,564	6,269,543
Deposits	10,000	1,343,140	1,343,140	10,000
<b>TOTAL ASSETS</b>	<b>226,070,395</b>	<b>2,654,345,205</b>	<b>2,608,808,913</b>	<b>271,606,687</b>
<b>LIABILITIES</b>				
Warrants payable	23,901,555	688,148,195	685,232,285	26,817,465
Due to other funds	-	-	-	-
Custodial accounts	202,168,840	1,966,197,010	1,923,576,628	244,789,222
<b>TOTAL LIABILITIES</b>	<b>226,070,395</b>	<b>\$2,654,345,205</b>	<b>\$2,608,808,913</b>	<b>\$271,606,687</b>



Statistical Section



# SKAGIT COUNTY, WASHINGTON

## Statistical Section

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

<b><u>Contents</u></b>	<b><u>Page</u></b>
<b>Financial Trends</b> These schedules contain trend information to help the reader understand how the County's financial performance has changed over time.	<b>153</b>
<b>Revenue Capacity</b> These schedules contain information to help the reader assess the County's most significant local revenue source, property taxes.	<b>163</b>
<b>Debt Capacity</b> These schedules present information to help the reader assess the affordability of the County's current levels of outstanding debt and the County's ability to issue additional debt in the future.	<b>168</b>
<b>Demographic and Economic Information</b> These schedules offer demographic and economic indicators to help the reader understand the environment in which the County's financial activities take place.	<b>174</b>
<b>Operating Information</b> These schedules contain service and infrastructure data to help the reader understand how the information in the County's financial statements relate to the services the County provides and the activities it performs.	<b>179</b>

**SKAGIT COUNTY, WASHINGTON**  
**Net Assets by Component**  
**Last Eight Fiscal years**  
**(Accrual Basis of Accounting)**

	<b>2003</b>	<b>2004</b>	<b>2005</b>	<b>2006</b>
<b>Government Activities</b>				
Invested in Capital Assets, Net of Related Debt	\$ 404,523,601	\$ 395,086,287	\$ 381,055,873	\$ 366,147,997
Restricted	23,912,628	32,336,318	21,211,901	22,616,026
Unrestricted	13,445,849	1,174,685	10,587,650	19,952,312
<b>Total Governmental Activities Net Assets</b>	<b>441,882,078</b>	<b>428,597,290</b>	<b>412,855,424</b>	<b>408,716,335</b>
<b>Business-Type Activities</b>				
Invested in Capital Assets, Net of Related Debt	(3,948,367)	(2,957,718)	(1,849,849)	(488,175)
Restricted	-	-	-	-
Unrestricted	5,933,623	6,538,339	5,733,014	5,230,238
<b>Total Business-Type Activities Net Assets</b>	<b>1,985,256</b>	<b>3,580,621</b>	<b>3,883,165</b>	<b>4,742,063</b>
<b>Primary Government</b>				
Invested in Capital Assets, Net of Related Debt	400,575,234	392,128,569	379,206,024	365,659,822
Restricted	23,912,628	32,336,318	21,211,901	22,616,026
Unrestricted	19,379,472	7,713,024	16,320,664	25,182,550
<b>Total Primary Government Net Assets</b>	<b>\$ 443,867,334</b>	<b>\$ 432,177,911</b>	<b>\$ 416,738,589</b>	<b>\$ 413,458,398</b>

Source: Financial Statements for relevant years. For comparative purposes, data is presented back to 2003 when the County implemented GASB 34.

**SKAGIT COUNTY, WASHINGTON**  
**Net Assets by Component**  
**Last Eight Fiscal years**  
(Accrual Basis of Accounting)

	2007	2008	2009	2010
Government Activities				
Invested in Capital Assets, Net of Related Debt	\$ 357,149,388	\$ 348,749,188	\$ 369,397,842	\$ 359,956,151
Restricted	31,094,299	33,205,191	24,794,518	27,543,125
Unrestricted	19,336,537	14,966,923	14,514,433	16,234,084
Total Governmental Activities Net Assets	<u>407,580,224</u>	<u>396,921,302</u>	<u>408,706,793</u>	<u>403,733,360</u>
Business-Type Activities				
Invested in Capital Assets, Net of Related Debt	367,220	1,183,845	592,025	3,843,894
Restricted	-	-	-	-
Unrestricted	1,760,885	285,705	2,293,537	(2,267,094)
Total Business-Type Activities Net Assets	<u>2,128,105</u>	<u>1,469,550</u>	<u>2,885,562</u>	<u>1,576,800</u>
Primary Government				
Invested in Capital Assets, Net of Related Debt	357,516,608	349,933,033	369,989,867	363,800,045
Restricted	31,094,299	33,205,191	24,794,518	27,543,125
Unrestricted	21,097,422	15,252,628	16,807,970	13,966,990
Total Primary Government Net Assets	<u>\$ 409,708,329</u>	<u>\$ 398,390,852</u>	<u>\$ 411,592,355</u>	<u>\$ 405,310,160</u>

Source: Financial Statements for relevant years. For comparative purposes, data is presented back to 2003 when the County implemented GASB 34.

**SKAGIT COUNTY, WASHINGTON**  
**Changes in Net Assets by Function**  
**Last Eight Fiscal Years**  
(Accrual Basis of Accounting)

	2003	2004	2005	2006
<b>Expenses</b>				
Governmental Activities				
General Government	\$ 24,267,759	\$ 25,021,132	\$ 24,063,135	\$ 22,760,258
Judicial	-	-	-	-
Public Safety	17,143,366	21,411,406	21,022,495	22,496,619
Physical Environment	3,138,267	4,289,893	2,680,477	2,161,454
Transportation	15,574,415	28,630,892	35,666,953	32,499,589
Economic Environment	4,932,713	5,409,542	7,346,469	6,149,970
Health and Human Services	5,732,219	6,045,448	6,688,020	8,409,308
Culture and Recreation	4,991,191	2,611,408	2,721,796	2,809,835
Interest on Long-Term Debt	518,743	530,488	523,482	544,820
Total Government Activities	<u>76,298,673</u>	<u>93,950,209</u>	<u>100,712,827</u>	<u>97,831,853</u>
Business-Type Activities				
Solid Waste	7,132,390	7,523,230	8,744,612	8,548,400
Drainage Utility	374,143	351,798	769,880	644,188
Total Business-Type Activities	<u>7,506,533</u>	<u>7,875,028</u>	<u>9,514,492</u>	<u>9,192,588</u>
Total Primary Government	<u><u>83,805,206</u></u>	<u><u>101,825,237</u></u>	<u><u>110,227,319</u></u>	<u><u>107,024,441</u></u>
<b>Program Revenues</b>				
Government Activities				
Property Tax	26,274,851	28,043,642	29,189,439	30,847,043
Sales and Other Tax	12,223,084	15,168,724	17,340,242	20,435,624
Interest and Investments	1,330,705	1,229,215	1,878,787	3,183,945
Charges for Services				
General Government	6,600,790	4,868,606	5,453,668	5,589,012
Judicial	-	-	-	-
Public Safety	1,176,767	1,174,478	1,128,315	1,384,252
Physical Environment	347,186	346,421	383,437	351,242
Transportation	2,062,133	2,286,975	2,853,613	3,996,397
Economic Environment	2,188,125	2,143,732	2,427,374	2,768,354
Health and Human Services	718,319	768,609	854,792	838,835
Culture and Recreation	2,322,665	706,967	774,545	960,501
Operating Grants and Contributions	14,447,434	15,204,303	14,843,903	16,196,475
Capital Grants and Contributions	9,242,276	9,355,516	7,721,163	6,623,961
Gain (Loss) from Sale of Capital Assets	469,053	(563,436)		417,575
Total Governmental Activities Program Revenues	<u>79,403,388</u>	<u>80,733,752</u>	<u>84,849,278</u>	<u>93,593,216</u>
Business-Type Activities				
Interest and Investments	60,784	78,106	154,382	192,586
Charges for Services				
Solid Waste	11,552,468	8,230,434	8,564,058	8,806,633
Drainage Utility	965,973	972,069	987,945	986,778
Operating Grants and Contributions	154,314	178,300	232,330	246,250
Capital Grants and Contributions	-	24,399		
Total Business-Type Activities Program Revenues	<u>12,733,539</u>	<u>9,483,308</u>	<u>9,938,715</u>	<u>10,232,247</u>
Total Primary Government Program Revenues	<u><u>92,136,927</u></u>	<u><u>90,217,060</u></u>	<u><u>94,787,993</u></u>	<u><u>103,825,463</u></u>
Net (Expense) Revenue				
Governmental Activities	3,104,715	(13,216,457)	(15,863,549)	(4,238,637)
Business-Type Activities	5,227,006	1,608,280	424,223	1,039,659
Total Primary Government Net Expense	<u><u>\$ 8,331,721</u></u>	<u><u>\$ (11,608,177)</u></u>	<u><u>\$ (15,439,326)</u></u>	<u><u>\$ (3,198,978)</u></u>

Note: The County began separating out Judicial in 2008

**SKAGIT COUNTY, WASHINGTON**  
**Changes in Net Assets by Function**  
**Last Eight Fiscal Years**  
(Accrual Basis of Accounting)

	2007	2008	2009	2010
<b>Expenses</b>				
Governmental Activities				
General Government	\$ 23,993,651	\$ 34,187,307	\$ 32,293,073	\$ 30,411,707
Judicial	-	6,385,303	6,786,074	6,281,910
Public Safety	24,872,632	22,665,563	24,713,361	20,035,584
Physical Environment	3,509,248	3,008,208	2,185,797	3,560,748
Transportation	32,079,278	28,136,224	27,080,176	27,144,427
Economic Environment	5,763,176	5,947,702	5,348,995	3,467,987
Health and Human Services	9,293,864	12,606,481	11,340,490	10,134,616
Culture and Recreation	3,020,552	2,782,984	2,573,312	2,566,016
Interest on Long-Term Debt	708,941	687,761	660,210	559,293
Total Governmental Activities	103,241,342	116,407,533	112,981,488	104,162,288
Business-Type Activities				
Solid Waste	8,775,500	8,216,764	7,723,823	8,705,787
Drainage Utility	787,587	905,641	1,626,049	1,240,898
Total Business-Type Activities	9,563,087	9,122,405	9,349,872	9,946,685
Total Primary Government	112,804,429	125,529,938	122,331,360	114,108,973
<b>Program Revenues</b>				
Governmental Activities				
Property Tax	34,519,624	37,192,117	38,020,570	40,839,173
Sales and Other Tax	22,179,773	20,586,592	17,367,314	15,939,206
Interest and Investments	4,578,687	3,040,686	1,432,797	1,104,621
Charges for Services				
General Government	6,116,977	10,110,482	7,888,910	8,468,108
Judicial	-	2,515,475	3,931,874	3,922,658
Public Safety	1,449,743	3,408,760	3,577,904	3,268,388
Physical Environment	440,067	521,983	89,253	113,852
Transportation	3,918,644	7,693,881	6,188,799	6,227,702
Economic Environment	2,576,391	1,788,532	1,424,780	1,195,078
Health and Human Services	1,691,416	3,999,141	3,555,103	3,057,962
Culture and Recreation	931,713	935,070	719,082	884,659
Operating Grants and Contributions	22,093,519	9,659,021	11,271,785	10,629,957
Capital Grants and Contributions	2,667,303	1,496,744	3,384,760	3,471,716
Gain (Loss) from Sale of Capital Assets		(82,021)	(59,262)	14,837
Total Governmental Activities Program Revenues	103,163,857	102,866,463	98,793,669	99,137,917
Business-Type Activities				
Interest and Investments	266,841	138,581	44,502	21,111
Charges for Services				
Solid Waste	9,231,853	8,531,366	7,809,298	8,253,739
Drainage Utility	1,028,099	1,353,038	1,752,753	1,670,508
Operating Grants and Contributions	203,909	266,239	485,717	303,245
Capital Grants and Contributions				
Total Business-Type Activities Program Revenues	10,730,702	10,289,224	10,092,270	10,248,603
Total Primary Government Program Revenues	113,894,559	113,155,687	108,885,939	109,386,520
Net (Expense) Revenue				
Governmental Activities	(77,485)	(13,541,070)	(14,187,819)	(5,024,371)
Business-Type Activities	1,167,615	1,166,819	742,398	301,918
Total Primary Government Net Expense	\$ 1,090,131	\$ (12,374,251)	\$ (13,445,421)	\$ (4,722,453)

Note: The County began separating out Judicial in 2008

# SKAGIT COUNTY, WASHINGTON

## Changes in Net Assets

### Last Eight Fiscal Years

(Accrual Basis of Accounting)

	2003	2004	2005	2006
<b>General Revenues and Other Changes in Net Assets</b>				
<b>Governmental Activities</b>				
Property Taxes	\$ 26,274,851	\$ 28,043,642	\$ 29,189,439	\$ 30,847,043
Sales/Use Tax	8,972,722	10,725,952	12,028,184	14,454,242
Other Tax	3,250,312	4,442,772	5,312,058	5,981,382
Interest and Investment Earnings	1,330,705	1,229,215	1,878,787	3,183,945
Gain (Loss) From Sale of Assets	469,053	(563,436)	-	417,575
Special Item	3,667,067	-	-	-
Transfers	1,184	12,915	121,677	180,761
Total Governmental Activities	43,965,894	43,891,060	43,965,894	43,891,060
Interest on Long-Term Debt	60,784	78,106	154,382	192,586
Gain (Loss) From Sale of Assets			-	
Transfers	(1,184)	(12,915)	(121,677)	(180,761)
Total Business-Type Activities	59,600	65,191	32,705	11,825
Total Primary Government	44,025,494	43,956,251	48,562,850	55,076,773
<b>Changes in Net Assets</b>				
Government Activities	6,772,916	(13,203,542)	(15,741,868)	(4,057,876)
Busine Charges for Services	1,558,755	1,595,365	302,546	858,898
Total Primary Government	\$ 8,331,671	\$ (11,608,177)	\$ (15,439,322)	\$ (3,198,978)

\* Special Item in 2003 consisted of the Equipment Rental and Revolving Fund, an enterprise fund, owns a gravel quarry which has been worked over the years creating , as a byproduct, unearthed rock. The value of the rock was added to inventory resulting in an increased valuation of \$3,667,067.

# SKAGIT COUNTY, WASHINGTON

## Changes in Net Assets

### Last Eight Fiscal Years

(Accrual Basis of Accounting)

	2007	2008	2009	2010
<b>General Revenues and Other Changes in Net Assets</b>				
<b>Governmental Activities</b>				
Property Taxes	\$ 34,519,624	\$ 37,192,117	\$ 38,020,570	\$ 40,839,173
Sales/Use Tax	16,628,142	15,301,986	13,850,662	13,065,954
Other Tax	5,551,631	5,284,606	3,516,652	2,873,252
Interest and Investment Earnings	4,578,687	3,040,686	1,432,797	1,104,462
Gain (Loss) From Sale of Assets	-	(82,021)	(59,262)	14,837
Special Item	-	-	-	-
Transfers	131,923	154,075	(83,945)	(84,008)
Total Governmental Activities	48,530,145	55,064,948	61,410,007	60,891,449
Interest on Long-Term Debt	266,841	138,581	44,502	21,111
Gain (Loss) From Sale of Assets	-	-	-	-
Transfers	(131,923)	(154,075)	83,945	84,008
Total Business-Type Activities	134,918	(15,494)	128,447	105,119
Total Primary Government	61,544,925	60,875,955	56,805,921	60,996,568
<b>Changes in Net Assets</b>				
Government Activities	54,439	(13,386,995)	(14,271,764)	(5,108,379)
Business Charges for Services	1,035,692	1,012,744	826,343	385,926
Total Primary Government	\$ 1,090,131	\$ (12,374,251)	\$ (13,445,421)	\$ (4,722,453)

\* Special Item in 2003 consisted of the Equipment Rental and Revolving Fund, an enterprise fund, owns a gravel quarry which has been worked over the years creating, as a byproduct, unearthed rock. The value of the rock was added to inventory resulting in an increased valuation of \$3,667,067.



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

	2003	2004	2005	2006
General Fund				
Reserved	405,591	284,052	292,959	553,183
Unreserved	8,487,764	6,778,484	3,761,632	4,461,601
Total General Fund	<u>8,893,355</u>	<u>7,062,536</u>	<u>4,054,591</u>	<u>5,014,784</u>
All Other Governmental Funds				
Reserved, Reported in:				
Prepaid Items	52,701	52,810	66,441	53,253
Loans Receivables	-	400,000	717,013	-
Debt Service	663,868	699,145	925,618	1,214,492
Petty Cash and Inventory	48,600	50,850	41,000	57,441
Unreserved, Reported in:				
Special Revenue Funds	17,551,680	16,145,850	17,872,928	18,626,312
Capital Projects Funds	9,815,681	9,469,935	6,159,606	14,938,555
Total All Other Governmental Funds	<u>\$ 28,132,530</u>	<u>\$ 26,818,590</u>	<u>\$ 25,782,606</u>	<u>\$ 34,890,053</u>

**SKAGIT COUNTY, WASHINGTON****Fund Balances of Government Funds****Last Eight Fiscal Years**

(Modified Accrual Basis of Accounting)

	<u>2007</u>	<u>2008</u>	<u>2009</u>	<u>2010</u>
General Fund				
Reserved	605,636	343,754	2,210,372	146,500
Unreserved	6,441,097	7,683,278	4,397,640	7,752,934
Total General Fund	<u>7,046,733</u>	<u>8,027,032</u>	<u>6,608,012</u>	<u>7,899,434</u>
All Other Governmental Funds				
Reserved, Reported in:				
Prepaid Items	73,808	101,101	286,266	76,143
Loans Receivables	-	434,000	3,003,000	2,374,000
Debt Service	1,658,600	775,311	1,149,878	1,507,334
Petty Cash and Inventory	-	51,877	40,614	-
Unreserved, Reported in:				
Special Revenue Funds	26,123,516	29,212,957	24,966,994	23,992,632
Capital Projects Funds	14,115,766	6,399,111	(115,505)	2,870,512
Total All Other Governmental Funds	<u>\$ 41,971,690</u>	<u>\$ 36,974,357</u>	<u>\$ 31,383,747</u>	<u>\$ 30,820,621</u>

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

	<b>2003</b>	<b>2004</b>	<b>2005</b>	<b>2006</b>
<b>Revenues</b>				
Property Tax	\$ 26,225,890	\$ 28,117,433	\$ 29,415,134	\$ 30,751,030
Sales/Use Tax	8,972,722	10,725,952	12,028,184	14,454,242
Other Tax	3,250,312	4,442,772	5,312,058	5,981,382
License and Permits	1,305,497	1,422,214	1,563,872	1,729,005
Intergovernmental	23,206,807	23,652,318	22,224,030	22,413,705
Charges for Services	10,989,359	8,207,694	9,706,578	11,355,353
Fines and Forfeits	1,912,572	1,804,401	1,674,965	1,976,925
Interest Earnings	1,237,217	1,180,504	1,773,465	3,028,179
Donations	482,903	907,501	341,036	406,731
Other Revenues	1,002,601	829,557	1,055,608	904,179
<b>Total Revenues</b>	<b>78,585,880</b>	<b>81,290,346</b>	<b>85,094,930</b>	<b>93,000,731</b>
<b>Expenditures</b>				
General Government	22,002,351	23,489,142	25,170,204	22,490,341
Judicial	-	-	-	-
Public Safety	17,042,628	21,057,717	20,845,177	22,754,680
Physical Environment	3,148,041	4,275,730	2,728,097	2,216,002
Transportation	13,329,240	13,430,770	16,976,293	21,691,759
Economic Environment	4,927,019	5,330,530	7,259,979	6,156,994
Health and Human Services	5,724,294	5,929,076	6,691,986	8,400,558
Culture and Recreation	4,978,894	2,573,625	2,659,565	2,776,941
Debt Service				
Principal	795,158	759,276	556,609	574,151
Interest	518,743	527,654	520,792	503,345
Capital Outlay	6,040,114	7,413,216	6,621,028	3,600,769
<b>Total Expenditures</b>	<b>78,506,482</b>	<b>84,786,736</b>	<b>90,029,730</b>	<b>91,165,540</b>
Excess (deficiency) of Revenues over (under) Expenditures	79,398	(3,496,390)	(4,934,800)	1,835,191
<b>Other Financial Sources (Uses)</b>				
Proceeds of Long Term Debt	2,824,347	486,036	500,757	8,132,222
Proceeds from Sale of Capital Assets	1,350,842	8,928	268,433	674
Transfers In	8,071,289	8,029,495	8,665,200	7,299,234
Transfers Out	(8,695,106)	(8,091,580)	(8,543,522)	(7,118,473)
<b>Total Other Financing Sources (Uses)</b>	<b>3,551,372</b>	<b>432,879</b>	<b>890,868</b>	<b>8,313,657</b>
<b>Net Change in Fund Balance</b>	<b>\$ 3,630,770</b>	<b>\$ (3,063,511)</b>	<b>\$ (4,043,932)</b>	<b>\$ 10,148,848</b>
<b>Debt Service as a percentage of noncapital Expenditures</b>	1.8%	1.7%	1.3%	1.2%

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

	2007	2008	2009	2010
<b>Revenues</b>				
Property Tax	\$ 34,665,358	\$ 37,029,198	\$ 37,752,796	\$ 39,891,962
Sales/Use Tax	16,628,142	15,301,986	13,850,662	13,065,954
Other Tax	5,551,631	5,284,606	3,516,652	2,873,252
License and Permits	1,754,547	1,390,282	1,173,469	1,104,621
Intergovernmental	24,423,925	24,288,227	24,406,041	25,397,870
Charges for Services	12,391,649	11,052,341	10,705,767	9,757,448
Fines and Forfeits	2,205,135	2,101,195	1,992,299	1,957,965
Interest Earnings	4,340,981	3,140,914	1,405,561	919,121
Donations	454,780	431,841	490,959	524,932
Other Revenues	1,031,830	1,548,852	1,399,883	1,707,960
<b>Total Revenues</b>	<b>103,447,978</b>	<b>101,569,442</b>	<b>96,694,089</b>	<b>97,201,085</b>
<b>Expenditures</b>				
General Government	23,366,301	18,227,332	17,571,572	16,556,020
Judicial	-	7,321,077	7,841,920	7,479,340
Public Safety	25,096,699	26,163,388	28,240,870	24,420,953
Physical Environment	3,304,072	3,928,950	3,317,183	4,394,408
Transportation	18,143,040	17,147,101	18,775,959	17,027,304
Economic Environment	5,856,721	6,657,659	6,044,992	3,949,022
Health and Human Services	9,351,952	13,428,834	12,124,090	11,261,219
Culture and Recreation	2,954,850	3,040,439	2,707,825	3,209,727
Debt Service				
Principal	960,427	2,308,099	1,017,081	1,058,134
Interest	685,115	679,353	627,364	589,480
Capital Outlay	4,961,542	10,469,357	7,673,632	4,704,095
<b>Total Expenditures</b>	<b>94,680,719</b>	<b>109,371,589</b>	<b>105,942,488</b>	<b>94,649,702</b>
Excess (deficiency) of Revenues over (under) Expenditures	8,767,259	(7,802,147)	(9,248,399)	2,551,383
<b>Other Financial Sources (Uses)</b>				
Proceeds of Long Term Debt	430,284	990,768	389,607	415,042
Proceeds from Sale of Capital Assets	-	3,226	43,988	
Transfers In	8,604,266	8,597,666	8,967,747	8,622,743
Transfers Out	(8,472,343)	(8,656,869)	(9,242,081)	(8,706,751)
<b>Total Other Financing Sources (Uses)</b>	<b>562,207</b>	<b>934,791</b>	<b>159,261</b>	<b>331,034</b>
<b>Net Change in Fund Balance</b>	<b>\$ 9,329,466</b>	<b>\$ (6,867,356)</b>	<b>\$ (9,089,138)</b>	<b>\$ 2,882,417</b>
<b>Debt Service as a percentage of noncapital Expenditures</b>	1.8%	3.0%	1.7%	1.9%

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

Year	Real Property Assessed Value	Personal Property Assessed Value	Total Assessed Value
1996	\$ 2,319,741,904	\$ 342,280,438	\$ 2,662,022,342
1997	5,572,427,655	409,154,225	5,981,581,880
1998	5,966,200,352	676,267,960	6,642,468,312
1999	6,382,066,068	661,720,714	7,043,786,782
2000	6,716,745,926	744,570,716	7,461,316,642
2001	7,103,186,348	780,836,645	7,884,022,993
2002	7,805,819,286	794,696,921	8,600,516,207
2003	8,271,017,360	838,169,892	9,109,187,252
2004	8,735,243,216	900,051,468	9,635,294,684
2005	9,255,714,763	965,923,623	10,221,638,386
2006	10,622,301,046	972,398,736	11,594,699,782
2007	12,954,570,410	1,049,853,451	14,004,423,861
2008	15,019,067,448	1,147,615,059	16,166,682,507
2009	15,696,268,675	1,171,931,494	16,868,200,169
2010	14,123,251,945	1,087,219,836	15,210,471,781

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

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

	<b>2000</b>	<b>2001</b>	<b>2002</b>	<b>2003</b>	<b>2004</b>
General Fund	1.65	1.64	1.60	1.58	1.57
Special Revenue Fund	2.37	2.40	2.28	2.25	2.27
<b>Total</b>	<b>4.02</b>	<b>4.04</b>	<b>3.88</b>	<b>3.83</b>	<b>3.84</b>
School Districts	33.39	34.08	35.60	35.89	36.29
Fire Districts	15.36	15.42	15.18	16.14	15.26
Cemetary Districts	0.49	0.43	0.41	0.39	0.39
Port Districts	0.37	0.35	0.31	0.28	0.25
Cities and Towns	21.29	22.40	21.78	21.36	21.39
State of Washington	3.24	3.09	2.85	2.82	2.78
Special Assessment Districts	-	-	-	-	-
Hospitals	0.92	0.91	0.84	0.81	0.73
Parks and Recreation	0.14	0.13	0.12	0.11	0.10
Dike and Drainage Districts	119.18	115.60	109.94	120.74	124.05
Library Districts	0.81	0.84	0.83	1.30	1.46
<b>Total</b>	<b>199.21</b>	<b>197.29</b>	<b>191.74</b>	<b>203.67</b>	<b>206.54</b>

Source: Skagit County Auditor

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

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

	<b>2005</b>	<b>2006</b>	<b>2007</b>	<b>2008</b>	<b>2009</b>	<b>2010</b>
General Fund	1.55	1.52	1.32	1.21	1.24	1.45
Special Revenue Fund	2.23	1.99	1.92	1.77	1.66	1.87
<b>Total</b>	<b>3.78</b>	<b>3.51</b>	<b>3.24</b>	<b>2.98</b>	<b>2.90</b>	<b>3.32</b>
School Districts	35.34	32.05	27.64	24.83	27.91	31.39
Fire Districts	14.42	14.25	12.48	11.04	8.51	13.01
Cemetery Districts	0.37	0.35	0.21	0.29	0.29	0.34
Port Districts	0.22	0.24	0.20	0.20	0.20	0.20
Cities and Towns	20.02	18.89	17.00	16.72	15.12	17.26
State of Washington	2.71	2.51	2.17	2.01	1.96	2.21
Special Assessment Districts	-	-	-	-	-	-
Hospitals	2.07	2.08	2.17	2.01	2.06	1.80
Parks and Recreation	0.10	0.09	0.08	0.07	0.07	0.11
Dike and Drainage Districts	103.67	109.42	115.50	115.53	106.39	110.89
Library Districts	1.37	1.35	1.30	-	1.05	1.25
<b>Total</b>	<b>184.07</b>	<b>184.74</b>	<b>181.99</b>	<b>175.68</b>	<b>166.46</b>	<b>181.78</b>

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

<b>Fiscal Year</b>	<b>Total Tax Levy</b>	<b>Current Tax Collections</b>	<b>(2) Percent of Levy Collected</b>	<b>(1) Delinquent Tax Collections</b>	<b>Total Tax Collections</b>	<b>Percent of Total Tax Collection To Tax Levy</b>	<b>(3) Outstanding Delinquent Taxes</b>	<b>Percent of Delinquent Taxes to Tax Levy</b>
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%
2005	\$128,295,473	\$126,114,741	98.30%	\$2,837,863	\$128,952,604	100.51%	\$3,539,485	2.76%
2006	135,462,007	133,783,316	98.76%	2,143,734	135,297,050	99.88%	3,255,603	2.40%
2007	145,773,155	144,360,528	99.03%	1,654,424	146,284,952	100.35%	3,952,926	2.71%
2008	154,061,268	150,977,621	98.00%	2,196,014	153,173,635	99.42%	4,475,235	2.90%
2009	161,166,776	156,767,949	97.27%	2,317,327	159,085,276	98.71%	6,518,704	4.04%
2010	164,971,138	159,652,294	96.78%	3,093,710	162,746,004	98.65%	8,118,042	4.92%

- (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**

<b>Year</b>	<b>Assessment Receivable January 1</b>	<b>Additions</b>	<b>Collections</b>	<b>Assessment Receivable December 31</b>
1988	6,734	53,153	55,187	4,700
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
2005	14,469	202,605	211,243	5,831
2006	5,831	205,152	205,576	5,407
2007	5,407	214,877	210,808	9,476
2008	9,476	1,292,246	1,270,652	31,070
2009	31,070	1,238,778	1,224,388	45,460
2010	\$45,460	\$1,492,343	\$1,463,845	\$73,958

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 Fifteen Year Period**

<u>Year</u>	<u>Population</u>	<u>Assessed Value</u>	<u>G.O. Bonded Debt *</u>	<u>Less Debt Service Fund (restated)</u>	<u>Net Bonded Debt (restated)</u>	<u>Ratio of Net Bonded Debt to Assessed Value</u>	<u>Debt Per Capita (restated)</u>
1996	95,500	\$2,662,022,342	\$150,000	\$ -	\$150,000	0.0025%	\$2
1997	97,705	5,981,581,880	996,195	1,619	994,576	0.0150%	10
1998	98,700	6,642,468,312	966,348	14,521	951,827	0.0137%	10
1999	100,600	7,043,786,782	896,202	17,964	878,238	0.0120%	9
2000	103,478	7,461,316,642	8,820,754	21,062	8,799,692	0.1119%	85
2001	106,000	7,884,022,993	8,540,000	-	8,540,000	0.0993%	81
2002	105,100	8,600,516,207	8,280,000	-	8,280,000	0.0909%	79
2003	106,700	9,109,187,252	10,395,000	-	10,395,000	0.1079%	97
2004	108,800	9,635,294,684	9,960,000	-	9,960,000	0.0974%	92
2005	110,900	10,221,638,386	9,655,000	-	9,655,000	0.0833%	87
2006	113,100	11,594,699,782	16,785,000		16,785,000	0.1448%	148
2007	115,300	14,004,423,861	16,355,000		16,355,000	0.1168%	142
2008	117,500	16,166,682,507	15,525,000		15,525,000	0.0960%	132
2009	118,900	16,868,200,169	14,655,000		14,655,000	0.0869%	123
2010	119,300	\$ 15,210,471,781	\$ 13,745,000		\$ 13,745,000	0.0904%	\$ 115

\* Excludes Proprietary Bonds Payable

**SKAGIT COUNTY, WASHINGTON**  
**Limitation of Indebtedness**  
**Last Eight Fiscal Years**

	2002	2003	2004	2005	2006
<b>Total Taxable Property Value</b>	<u>\$ 8,600,516,207</u>	<u>\$ 9,109,187,252</u>	<u>\$ 9,635,294,684</u>	<u>\$ 10,221,638,386</u>	<u>\$ 11,594,699,782</u>
<b>Indebtedness for General Purpose Without a Vote</b>					
Debt Limit - 1.5% of Total Assessed Value	129,007,743	136,637,809	144,529,420	153,324,576	173,920,497
Debt Applicable to Limit:					
Outstanding Debt	17,916,562	19,832,680	18,801,931	17,800,275	22,265,000
Add Assets Available	<u>8,793,995</u>	<u>12,592,445</u>	<u>11,868,644</u>	<u>7,744,883</u>	<u>9,163,481</u>
Total Debt Applicable to Limit	<u>9,122,567</u>	<u>7,240,235</u>	<u>6,933,287</u>	<u>10,055,392</u>	<u>13,101,519</u>
<b>Remaining Debt Capacity Without a Vote</b>	<u>119,885,176</u>	<u>129,397,574</u>	<u>137,596,133</u>	<u>143,269,184</u>	<u>160,818,978</u>
<b>Indebtedness for General Purpose With a Vote</b>					
Debt Limit - 2.5% of Total Assessed Value	227,729,681	240,882,367	255,540,960	289,867,495	350,110,597
<b>Remaining Debt Capacity Including Voted Debt</b>	<u>\$ 98,721,938</u>	<u>\$ 104,244,558</u>	<u>\$ 111,011,539</u>	<u>\$ 136,542,919</u>	<u>\$ 176,190,100</u>
Total net debt applicable to the limit as a percentage of debt limit	7.07%	5.30%	4.80%	6.56%	7.53%

**SKAGIT COUNTY, WASHINGTON**  
**Limitation of Indebtedness**  
**Last Eight Fiscal Years**

	2007	2008	2009	2010
<b>Total Taxable Property Value</b>	\$ 14,004,423,861	\$ 16,166,682,507	\$ 16,868,200,169	\$ 15,210,471,781
<b>Indebtedness for General Purpose Without a Vote</b>				
Debt Limit - 1.5% of Total Assessed Value	210,066,358	242,500,238	253,023,003	228,157,077
Debt Applicable to Limit:				
Outstanding Debt	21,025,000	19,485,000	17,880,000	25,945,000
Add Assets Available	9,145,795	9,636,104	6,735,282	11,324,248
Total Debt Applicable to Limit	11,879,205	9,848,896	11,144,718	14,620,752
<b>Remaining Debt Capacity Without a Vote</b>	198,187,153	232,651,342	241,878,285	213,536,325
<b>Indebtedness for General Purpose With a Vote</b>				
Debt Limit - 2.5% of Total Assessed Value	404,167,063	421,705,004	421,705,004	380,261,795
<b>Remaining Debt Capacity Including Voted Debt</b>	\$ 194,100,705	\$ 179,204,767	\$ 168,682,002	\$ 152,104,718
Total net debt applicable to the limit as a percentage of debt limit	5.65%	4.06%	4.40%	6.41%

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

Fiscal Year	Governmental Activities		Business-Type Activities		Total Primary Government	Percentage of Personal Income	Per Capita
	General Obligation Bonds	Other Debt	General Obligation Bonds	Other Debt			
2003	\$ 10,395,000	\$ 4,250,206	\$ 7,985,000	\$ 53,550	\$ 22,683,756	0.70%	\$ 209
2004	9,960,000	4,242,083	7,225,000	52,626	21,479,709	0.63%	195
2005	9,655,000	4,236,507	6,450,000	61,128	20,402,635	0.56%	172
2006	16,785,000	4,941,368	5,480,000	54,070	27,260,438	0.67%	238
2007	16,355,000	6,935,940	4,670,000	68,931	28,029,871	0.65%	248
2008	15,525,000	6,430,744	3,960,000	5,271,484	31,187,228	0.69%	265
2009	14,655,000	6,712,382	3,225,000	4,826,488	29,418,870	0.68%	247
2010	13,745,000	7,414,488	12,200,000	6,430,964	39,790,452	**	**

\* State and federal laws and regulations require Skagit County to perform landfill maintenance and monitoring activities after closure. Accordingly, a liability of \$3,534,229 was reported in the solid waste fund beginning in fiscal year 2008. See Note VII.

\*\* 2010 Data not yet available

**SKAGIT COUNTY, WASHINGTON**  
**STATISTICAL TABLES**  
**COMPUTATION OF DIRECT & OVERLAPPING DEBT**  
**FOR THE YEAR ENDED DECEMBER 31, 2010**

JURISDICTION	NET DEBT OUTSTANDING	PERCENTAGE APPLICABLE TO SKAGIT COUNTY	AMOUNT APPLICABLE TO SKAGIT COUNTY
Direct Debt			
Skagit County	\$25,945,000	100%	\$25,945,000
Total Direct Debt	<u>25,945,000</u>		<u>25,945,000</u>
Overlapping debt			
Port Districts	22,080,000	100%	22,080,000
Hospital Districts	98,880,000	100%	98,880,000
School Districts	108,632,498	100%	108,632,498
Library Districts	71,021	100%	71,021
Cities in Skagit County	16,639,811	100%	16,639,811
Dike Districts	2,463,712	100%	2,463,712
Fire Districts	2,918,195	100%	2,918,195
Public Facilities District	8,520,000	100%	8,520,000
Total Overlapping Debt	<u>260,205,237</u>		<u>260,205,237</u>
Total Direct & Overlapping Debt	<u><u>\$329,863,454</u></u>		<u><u>\$329,863,454</u></u>

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

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

<b>Year</b>	<b>Principal</b>	<b>Interest and Fiscal Charges</b>	<b>Total* Debt Service</b>	<b>Total** General Expenditures</b>	<b>Ratio of Net Bonded Debt to Assessed Value</b>
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%
2005	556,609	520,792	1,077,401	82,341,301	1.31%
2006	574,151	503,345	1,077,496	86,487,275	1.25%
2007	960,427	685,115	1,645,542	88,073,635	1.87%
2008	2,308,099	679,353	2,987,452	95,914,780	3.11%
2009	1,017,081	627,364	1,644,445	96,624,411	1.70%
2010	1,058,134	589,480	1,647,614	88,297,993	1.87%

\* Does not include Enterprise Funds

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

**SKAGIT COUNTY, WASHINGTON**  
**Demographic Statistics**  
**For a Ten Year Period as of April**

	2000	2001	2002	2003	2004
Unincorporated	48,635	49,820	45,205	45,830	46,455
Incorporated	54,843	56,180	59,895	60,870	62,345
<b>Totals</b>	<b>103,478</b>	<b>106,000</b>	<b>105,100</b>	<b>106,700</b>	<b>108,800</b>
Income Per Capita	\$ 27,782	\$ 29,269	\$ 29,716	\$ 30,126	\$ 30,947
Unemployment Rate	6.5%	7.4%	9.1%	8.6%	7.9%
School Enrollment	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  
\*\* Data for 2010 is not  
yet available.



**SKAGIT COUNTY, WASHINGTON**  
**Demographic Statistics**  
**For a Ten Year Period as of April**

	2005	2006	2007	2008	2009	2010
Unincorporated	47,250	47,886	48,640	49,720	49,915	50,130
Incorporated	63,650	65,214	66,660	67,780	68,985	69,170
<b>Totals</b>	<b>110,900</b>	<b>113,100</b>	<b>115,300</b>	<b>117,500</b>	<b>118,900</b>	<b>119,300</b>
Income Per Capita	\$ 32,288	\$ 35,422	\$ 37,289	\$ 37,989	\$ 37,076	**
Unemployment Rate	6.4%	5.5%	4.8%	5.6%	10.2%	11.7%
School Enrollment	19,332	19233	19249	19296	18723	**

SOURCE: Office of  
Financial  
Management, Forecast  
Division, State of  
Washington  
Employment Security  
Department, State of  
Washington, Education  
Service District #189,  
State of Washington  
\*\* Data for 2010 is not  
yet available.

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

Taxpayer	2010			2001		
	Taxable Assessed Value	Rank	Percentage of Total Taxable Assessed Value	Taxable Assessed Value	Rank	Percentage of Total Taxable Assessed Value
Equilon Enterprises LLC	\$425,847,400	1	2.80%	\$ 259,200,529	1	3.01%
Tesoro Corp	287,338,300	2	1.89%	181,502,277	2	2.11%
Puget Sound Energy/Electric	140,701,935	3	0.93%	129,518,534	3	1.51%
Sierra Pacific Industries	88,149,300	4	0.58%			
Pacific Woodtech Corp	60,242,300	5	0.40%	41,476,500	5	0.48%
Frontier Property Tax Dept	56,716,594	6	0.37%			
March Point Cogeneration	41,224,900	7	0.27%	71,262,713	4	0.83%
NW Pipeline Corp	40,817,255	8	0.27%			
PACCAR Truck Testing, Inc	38,042,400	9	0.25%	22,385,118	7	0.26%
PPR Cascade LLC	34,468,600	10	0.23%	29,309,700	6	0.34%
	1,213,548,984		7.98%			8.54%
<b>Total County Assessed Value</b>	<b>\$ 15,210,471,781.0</b>			<b>\$ 8,600,516,207</b>		

Source: Skagit County Assessor

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

Employer	2010			2001		
	Number of Employees	Rank	Percentage of Total Labor Force	Number of Employees	Rank	Percentage of Total Labor Force
Education Services	4,086	1	6.95%	3,086	1	6.02%
Skagit Valley Hospital	1,686	2	2.87%	1,039	3	2.03%
Skagit County Government	647	3	1.10%	1,125	2	2.19%
Island Hospital	661	4	1.12%			
Draper Valley Farms	550	5	0.93%	588	4	1.15%
Skagit Valley Medical Center	460	6	0.68%		5	
Puget Sound Refining - Shell Oil	451	7	0.77%	-	6	0.00%
Snelson Company	450	8	0.62%	350	8	
Regent Blue Shield	399	9	0.78%			0.00%
Tesoro Northwest	362	10	0.76%	250	7	0.49%
Total Top Ten Employees	<u>9,752</u>		<u>16.58%</u>	<u>6,438</u>		<u>11.87%</u>
<b>Total County Labor Force</b>	<u><b>58,830</b></u>			<u><b>51,280</b></u>		

Source: Employment Security Department  
Various Company Payroll Departments

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

<b>Function</b>	<b>Full-Time Equivalent Employees as of December 31</b>							
	<b>2003</b>	<b>2004</b>	<b>2005</b>	<b>2006</b>	<b>2007</b>	<b>2008</b>	<b>2009</b>	<b>2010</b>
General Government	154	158	165	163	174	182	175	202
Judicial	52	53	54	53	53	58	57	57
Public Safety	165	162	168	169	178	182	162	147
Physical Environment	36	37	36	34	39	39	37	40
Transportation	118	119	124	128	130	133	127	122
Economic Environment	122	57	59	58	57	55	44	25
Mental and Physical Health	52	53	60	62	71	74	45	45
Culture and Recreation	27	24	27	28	24	27	17	9
Total	726	663	693	695	726	750	664	647

Source: Skagit County Auditor

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

	<u>2000</u>	<u>2001</u>	<u>2002</u>	<u>2003</u>	<u>2004</u>	<u>2005</u>
(A) MILES OF ROAD						
Roads, paved	750	756	761	765	765	757
Roads, unpaved	48	43	39	38	38	39
(B) BUILDING PERMITS						
Permits issued	932	885	876	962	1,036	1,036
Value of buildings	\$62,770,782	\$64,543,917	\$65,656,977	\$78,917,211	\$91,786,911	\$93,228,793
(C) FIRE PROTECTION						
Number of districts	18	16	16	16	16	16
Number of paid firefighters	54	56	57	60	62	64
Number of volunteer firefighters	510	516	528	718	538	682
(D) POLICE PROTECTION						
Number of employees, commissioned	49	55	57	56	59	59
Number of employees, civilian and limited commission	48.5	50.1	49	51	54	55
Average daily jail population	158	161	175	227	223	224
Police patrol units, vehicle	61	60	69	70	72	70
Police patrol units, boats	2	2	2	3	3	3
(E) RECREATIONAL FACILITIES						
Number of parks	40	39	36	36	32	32
Park acreage	1,713	1,644	1,639	1,430	1,747	1,751
(F) GENERAL ELECTIONS						
Number of registered voters	65,105	63,261	64,279	54,318	63,185	67,968
Number of votes cast	45,847	26,362	33,681	26,118	52,577	38,599
Percentage voting	70%	42%	52%	48%	83%	57%
(G) PUBLIC EDUCATION						
Elementary	26	26	26	25	25	25
Middle/Junior High	8	6	6	6	6	6
High	8	8	8	8	8	8
Community College	1	1	1	1	1	1
Alternative	7	6	7	8	8	10
Special Education	1	2	2	2	2	3

**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*

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

	<u>2006</u>	<u>2007</u>	<u>2008</u>	<u>2009</u>	<u>2010</u>
(A) MILES OF ROAD					
Roads, paved	757	757	756	758	761
Roads, unpaved	39	38	41	41	41
(B) BUILDING PERMITS					
Permits issued	988	927	632	547	414
Value of buildings	\$ 110,000,000	\$ 106,903,097	\$ 48,838,303	\$ 41,441,249	\$ 42,538,000
(C) FIRE PROTECTION					
Number of districts	17	17	17	18	18
Number of paid firefighters	60	65	67	66	65
Number of volunteer firefighters	523	515	509	550	585
(D) POLICE PROTECTION					
Number of employees, commissioned	59	59	61	62	58
Number of employees, civilian and limited commission	56	56	57	58	53
Average daily jail population	233	240	241	275	243
Police patrol units, vehicle	60	60	61	62	54
Police patrol units, boats	3	3	3	4	4
(E) RECREATIONAL FACILITIES					
Number of parks	33	34	34	35	36
Park acreage	1,827	2,227	2,227	2,240	2,255
(F) GENERAL ELECTIONS					
Number of registered voters	67,167	63,604	69,335	68,119	68,936
Number of votes cast	41,641	33,455	56,632	36,160	48,960
Percentage voting	62%	53%	82%	53%	71%
(G) PUBLIC EDUCATION					
Elementary	25	25	25	25	25
Middle/Junior High	6	6	5	5	5
High	8	8	8	9	9
Community College	1	1	1	1	1
Alternative	7	7	6	4	4
Special Education	4	5	5	5	4

**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*

Compliance Section



SKAGIT COUNTY, WASHINGTON  
 SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS  
 For the Year Ended December 31, 2010

Federal Agency Name/Pass Through Agency Name	Federal Program Name	CFDA Number	Other I.D. Number	Expenditures			Foot Note Ref
				From Pass - Through Awards	From Direct Awards	Total	
Department of Agriculture/Farm Service Agency	Conservation Reserve Program/Etach Creek	10.069	CREP 2003 0054		\$395.62		1
Department of Agriculture/Farm Service Agency	Conservation Reserve Program/Day Creek	10.069	CREP 2003 0055		\$159.25		1
Department of Agriculture/Farm Service Agency	Conservation Reserve Program/Martin Slough - Rockport	10.069	CREP 2005 0072		\$3,799.94		1
<b>DEPT OF AGRICULTURE FARM SERVICE AGENCY</b>	<b>Conservation Reserve Program</b>	<b>10.069</b>				<b>\$4,354.81</b>	
Department of Agriculture/Natural Resources Conservation Service	Farm and Ranch Lands Protection Program	10.913	73-0546-9-005		\$909,750.00		1,2
<b>DEPARTMENT OF AGRICULTURE/NATURAL RESOURCES CONSERVATION SERVICE</b>	<b>Farm and Ranch Lands Protection Program</b>	<b>10.913</b>				<b>\$909,750.00</b>	
Department of Agriculture/Food Nutrition Service/Pass Through from OSPI	National School Lunch Program/Summer Food Service Program for Children	10.555	20100447	\$14,651.80			1,5
<b>DEPT OF AGRICULTURE/FOOD NUTRITION SERVICE</b>	<b>National School Lunch Program</b>	<b>10.555</b>				<b>\$14,651.80</b>	
Department of Agriculture/Food Nutrition Service/Pass Through from WA State DOH	Special Supplemental Nutrition Program for WIC (Breast Feeding)	10.557	C14962(27)	\$6,119.00			4(b)
Department of Agriculture/Food Nutrition Service/Pass Through from WA State DOH	Special Supplemental Nutrition Program for Local Support	10.557	C14962(27)	\$91,063.00			1
<b>DEPT OF AGRICULTURE/FOOD NUTRITION SERVICE</b>	<b>Special Supplemental Nutrition Program for Women, Infant, Children</b>	<b>10.557</b>				<b>\$97,182.00</b>	
Department of Agriculture/Food Nutrition Service/Pass Through from WA State DOH	WIC Farmers Market Nutrition Program	10.572	C14962(27)	\$167.00			1,4(d)



SKAGIT COUNTY, WASHINGTON  
 SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS  
 For the Year Ended December 31, 2010

Federal Agency Name/Pass Through Agency Name	Federal Program Name	CFDA Number	Other I.D. Number	Expenditures			Foot Note Ref
				From Pass - Through Awards	From Direct Awards	Total	
<b>DEPT OF AGRICULTURE/FOOD NUTRITION SERVICE</b>	<b>WIC Farmers Market Nutrition Program</b>	<b>10.572</b>				<b>\$167.00</b>	
Department of Agriculture/Food Nutrition Service/Pass Through from Northwest Regional Council	Skagit County Senior Nutrition Program - SNFMP	10.576	122009-NUTR(01)	\$6,920.00			1,7
<b>DEPT OF AGRICULTURE/FOOD NUTRITION SERVICE</b>	<b>Senior Farmers Market Nutrition Program</b>	<b>10.576</b>				<b>\$6,920.00</b>	
Department of Agriculture Forest Service	School and Roads - Grants to State Title III Forest Yield	10.665	USC Title 16 Sec 500		\$421,076.12		1
Department of Agriculture Forest Service	School and Roads - Grants to State Title III Forest Yield	10.665	USC Title 16 Sec 500		\$69,353.72		1
<b>DEPT OF AGRICULTURE FOREST SERVICES</b>	<b>School and Roads - Grants to State</b>	<b>10.665</b>				<b>\$490,429.84</b>	
Department of Commerce/National Oceanic and Atmospheric Admin (NOAA)/Pass Through from WA State DOE	Coastal Zone Management Admin Award/Marine Resources Committee Action & Administration	11.419	G1000022	\$74,286.30			1,5
<b>DEPT OF COMMERCE/NATIONAL OCEANIC AND ATMOSPHERIC ADMIN (NOAA)</b>	<b>Coastal Zone Management Admin Award</b>	<b>11.419</b>				<b>\$74,286.30</b>	
Department of Commerce/National Oceanic and Atmospheric Admin (NOAA)	ARRA-Habitat Conservation	11.463	NA10NMF463 0003		\$1,013,915.00		1,2,6
<b>DEPT OF COMMERCE/NATIONAL OCEANIC AND ATMOSPHERIC ADMIN (NOAA)</b>	<b>ARRA-Habitat Conservation</b>	<b>11.463</b>				<b>\$1,013,915.00</b>	
Department of Interior/Fish and Wildlife Service	Fish and Wildlife Mangement Assistance	15.608	2008-0053-018		\$43,801.65		1,2,5
<b>DEPT OF INTERIOR/FISH AND WILDLIFE SERVICE</b>	<b>Fish and Wildlife Mangement Assistance</b>	<b>15.608</b>				<b>\$43,801.65</b>	

SKAGIT COUNTY, WASHINGTON  
 SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS  
 For the Year Ended December 31, 2010

Federal Agency Name/Pass Through Agency Name	Federal Program Name	CFDA Number	Other I.D. Number	Expenditures			Foot Note Ref
				From Pass - Through Awards	From Direct Awards	Total	
Department of Justice/Drug Enforcement Admin/Pass Through from WA State Patrol	Law Enforcement Assistance-Narcotics and Dangerous Drugs-Laboratory Analysis/Domestic Cannabis Eradication / Suppression	16.001	C100895FED	\$36,858.17			1
<b>DEPT OF JUSTICE/DRUG ENFORCEMENT ADMINISTRATION</b>	<b>Law Enforcement Assistance-Narcotics and Dangerous Drugs-Laboratory Analysis/Domestic Cannabis Eradication / Suppression</b>	<b>16.001</b>				<b>\$36,858.17</b>	
Department of Justice Office of Juvenile Justice and Delinquency Prevention	Juvenile Accountability Block Grant (JAIBG)	16.523	0663-98417		\$6,139.65		2
<b>DEPT OF JUSTICE OFFICE OF JUVENILE JUSTICE AND DELINQUENCY PREVENTION</b>	<b>Juvenile Accountability Block Grant (JAIBG)</b>	<b>16.523</b>				<b>\$6,139.65</b>	
Department of Justice Office of Juvenile Justice and Delinquency Prevention	Juvenile Justice and Delinquency Prevention Allocation to States/Community Juvenile Justice Coordination	16.540	I-100-00209		\$4,654.00		4(a)
Department of Justice Office of Juvenile Justice and Delinquency Prevention	Juvenile Justice and Delinquency Prevention Allocation to States/Community Juvenile Justice Coordination	16.540	I-600-00110		\$1,000.00		1
Department of Justice Office of Juvenile Justice and Delinquency Prevention	Juvenile Justice and Delinquency Prevention Allocation to States/Community Juvenile Justice Coordination	16.540	I-100-00110		\$4,968.56		1

SKAGIT COUNTY, WASHINGTON  
 SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS  
 For the Year Ended December 31, 2010

Federal Agency Name/Pass Through Agency Name	Federal Program Name	CFDA Number	Other I.D. Number	Expenditures			Foot Note Ref
				From Pass - Through Awards	From Direct Awards	Total	
<b>DEPT OF JUSTICE OFFICE OF JUVENILE JUSTICE AND DELINQUENCY PREVENTION</b>	<b>Juvenile Justice and Delinquency Prevention Allocation to States/Community Juvenile Justice Coordination</b>	<b>16.540</b>				<b>\$10,622.56</b>	
Department of Justice-Office of Juvenile Justice and Delinquency Prevention	Title V_Delinquency Prevention Program	16.548	1-200-00110 FJ4		\$30,917.12		1,2,4(a)
<b>DEPT OF JUSTICE OFFICE OF JUVENILE JUSTICE AND DELINQUENCY PREVENTION</b>	<b>Title V_Delinquency Prevention Program</b>	<b>16.548</b>				<b>\$30,917.12</b>	
Department of Justice-Office of Victims of Crime	Victims of Crime Act (VOCA)	16.575	S1131102-526		\$20,927.27		1
<b>DEPT OF JUSTICE- OFFICE OF VICTIMS OF CRIME</b>	<b>Victims of Crime Act (VOCA)</b>	<b>16.575</b>				<b>\$20,927.27</b>	
Department of Justice-Violence Against Women Office/Pass Through from WA State Department of Community, Trade and Economic Development	ARRA-Violence Against Women Formula Grant	16.588	2009-WF-AX-0004	\$11,437.00			1,2,6
Department of Justice-Violence Against Women Office/Pass Through from WA State Department of Community, Trade and Economic Development	ARRA-Violence Against Women Formula Grant	16.588	2010-WF-AX-0021	\$4,641.28			1,2,6
<b>DEPT OF JUSTICE- VIOLENCE AGAINST WOMEN OFFICE</b>	<b>ARRA-Violence Against Women Formula Grant</b>	<b>16.588</b>				<b>\$16,078.28</b>	
Department of Justice-Violence Against Women Office	Grants to Encourage Arrest Policies and Enforcement of Protection Orders Program	16.590	2004-WE-AX-0079		\$63,645.83		1
Department of Justice-Violence Against Women Office	Grants to Encourage Arrest Policies and Enforcement of Protection Orders Program	16.590	2004-WE-AX-0079		\$113,128.39		1

SKAGIT COUNTY, WASHINGTON  
 SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS  
 For the Year Ended December 31, 2010

Federal Agency Name/Pass Through Agency Name	Federal Program Name	CFDA Number	Other I.D. Number	Expenditures			Foot Note Ref
				From Pass - Through Awards	From Direct Awards	Total	
<b>DEPT OF JUSTICE-VIOLENCE AGAINST WOMEN OFFICE</b>	<b>Grants to Encourage Arrest Policies and Enforcement of Protection Orders Program</b>	<b>16.590</b>				<b>\$176,774.22</b>	
Department of Justice-Bureau of Justice Assistance	Residential Substance Abuse Treatment for State Prisoners	16.593	106-10827		\$12,284.31		1,2
<b>DEPT OF JUSTICE-BUREAU OF JUSTICE ASSISTANCE</b>	<b>Residential Substance Abuse Treatment for State Prisoners</b>	<b>16.593</b>				<b>\$12,284.31</b>	
Department of Justice-Bureau of Justice Assistance	State Criminal Alien Assistance Program	16.606	2010-H4705-WA-AP		\$19,938.00		1
<b>DEPT OF JUSTICE-BUREAU OF JUSTICE ASSISTANCE</b>	<b>State Criminal Alien Assistance Program</b>	<b>16.606</b>				<b>\$19,938.00</b>	
Department of Justice-Bureau of Justice Assistance	Bullet Proof Vest Partnership Program	16.607			\$3,716.10		1,2
<b>DEPT OF JUSTICE-BUREAU OF JUSTICE ASSISTANCE</b>	<b>Bullet Proof Vest Partnership Program</b>	<b>16.607</b>				<b>\$3,716.10</b>	
Department of Justice Office of Community Oriented Policing Services	Public Safety Partnership and Community Policing Grants	16.710	2009CKWX0394		\$22,245.38		1
Department of Justice Office of Community Oriented Policing Services	Public Safety Partnership and Community Policing Grants	16.710	2008CKWX0831		\$21,345.87		1
Department of Justice Office of Community Oriented Policing Services/Pass Through from WA Sheriffs and Police Chiefs	Washington State Methamphetamine Initiative	16.710	WSMI09104	\$20,136.00			1
<b>DEPT OF JUSTICE OFFICE OF COMMUNITY ORIENTED POLICING SERVICES</b>	<b>Public Safety Partnership and Community Policing Grants</b>	<b>16.710</b>				<b>\$63,727.25</b>	
Department of Justice-Bureau of Justice Assistance/Pass Through from WA State Dept of CTED	Edward Byrne Memorial Justice Assistance Grant Program	16.738	2009-DJ-BX-1035	\$8,502.98			1
Department of Justice-Bureau of Justice Assistance/Pass Through from WA State Dept of CTED	Edward Byrne Memorial Justice Assistance Grant Program	16.738	M09-34021-014	\$165,864.88			1

SKAGIT COUNTY, WASHINGTON  
 SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS  
 For the Year Ended December 31, 2010

Federal Agency Name/Pass Through Agency Name	Federal Program Name	CFDA Number	Other I.D. Number	Expenditures			Foot Note Ref
				From Pass - Through Awards	From Direct Awards	Total	
Department of Justice-Bureau of Justice Assistance/Pass Through from WA State Dept of CTED	Edward Byrne Memorial Justice Assistance Grant Program	16.738	M10-34021-014	\$175,984.39			1
<b>DEPT OF JUSTICE-BUREAU OF JUSTICE ASSISTANCE</b>	<b>Edward Byrne Memorial Justice Assistance Grant Program</b>	<b>16.738</b>				<b>\$350,352.25</b>	
Department of Justice-Bureau of Justice Assistance	Criminal and Juvenile Justice and Mental Health Collaboration Program	16.745	2009-MO-BX-0034		\$28,671.65		1,4(c)
<b>DEPT OF JUSTICE-BUREAU OF JUSTICE ASSISTANCE</b>	<b>Criminal and Juvenile Justice and Mental Health Collaboration Program</b>	<b>16.745</b>				<b>\$28,671.65</b>	
Department of Justice/Pass Through from WA State Department of CTED	ARRA - Edward Bryne Memorial Justice Grant (JAG) Program-Grants to States and Territories/Special Emphasis Targeting Gang Crime Program	16.803	F09-34721-412		\$49,272.38		6
Department of Justice/Pass Through from WA State Department of CTED	ARRA - Edward Bryne Memorial Justice Grant (JAG) Program-Grants to States and Territories/Prosecutor's Restoration Funding	16.803	F09-34721-050		\$63,939.08		1,6
<b>DEPT OF JUSTICE</b>	<b>ARRA - Edward Bryne Memorial Justice Grant (JAG) Program-Grants to States and Territories</b>	<b>16.803</b>				<b>\$113,211.46</b>	
Department of Justice	ARRA - Edward Byrne Memorial Justice Grant (JAG) Program/Grants to Units of Local Government-Vic/Offender Recon	16.804	2009-SB-B9-0530		\$33,755.23		1,2,6

SKAGIT COUNTY, WASHINGTON  
 SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS  
 For the Year Ended December 31, 2010

Federal Agency Name/Pass Through Agency Name	Federal Program Name	CFDA Number	Other I.D. Number	Expenditures			Foot Note Ref
				From Pass - Through Awards	From Direct Awards	Total	
<b>DEPT OF JUSTICE</b>	<b>ARRA - Edward Byrne Memorial Justice Grant (JAG) Program/Grants to Units of Local Government</b>	<b>16.804</b>				<b>\$33,755.23</b>	
Department of Transportation-Federal Highway Administration(FHWA)/Pass Through from WA State DOT	Highway Planning and Construction-Skagit River Bridge Mod & Interstate Hwy	20.205	LA6452	\$47,707.42			1
Department of Transportation-Federal Highway Administration(FHWA)/Pass Through from WA State DOT	Highway Planning and Construction-Anacortes Ferry Dock Rehabilitation	20.205	LA6843	\$112,187.28			1,2
Department of Transportation-Federal Highway Administration(FHWA)/Pass Through from WA State DOT	Highway Planning and Construction-Guemes Island Ferry Dock Repair	20.205	LA6651	\$151,466.62			1
Department of Transportation-Federal Highway Administration(FHWA)/Pass Through from WA State DOT	Highway Planning and Construction-Anderson Road/LaVenture Road Extension	20.205	LA6690	\$87,004.27			1,2
Department of Transportation-Federal Highway Administration(FHWA)/Pass Through from WA State DOT	Highway Planning and Construction-Anderson/LaVenture Road Extension	20.205	LA6689	\$231,570.52			1,2
Department of Transportation-Federal Highway Administration(FHWA)/Pass Through from WA State DOT	Highway Planning and Construction-Francis Rd. Curve Realign	20.205	LA6955	\$24,023.73			1
Department of Transportation-Federal Highway Administration(FHWA)/Pass Through from WA State DOT	Highway Planning and Construction-9 to 5 Corridor Safety Project	20.205	LA7086	\$12,015.46			1
Department of Transportation-Federal Highway Administration(FHWA)/Pass Through from WA State DOT	ARRA-Highway Planning and Construction	20.205	LA7060	\$745,000.00			1,6
<b>DEPT OF TRANSPORTATION-FEDERAL HIGHWAY ADMINISTRATION</b>	<b>Highway Planning and Construction</b>	<b>20.205</b>				<b>\$1,410,975.30</b>	

SKAGIT COUNTY, WASHINGTON  
 SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS  
 For the Year Ended December 31, 2010

Federal Agency Name/Pass Through Agency Name	Federal Program Name	CFDA Number	Other I.D. Number	Expenditures			Foot Note Ref
				From Pass - Through Awards	From Direct Awards	Total	
Department of Transportation-National Highway Traffic Safety Administration(NHTSA)/Pass Through from WA State TSA	State and Community Highway Safety-Drive Hammered Get Nailed	20.600	011OST11	\$576.77			2
Department of Transportation-National Highway Traffic Safety Administration(NHTSA)/Pass Through from WA State TSA	State and Community Highway Safety-Slow Down Pay Up	20.600	011OST11	\$3,146.10			2
Department of Transportation-National Highway Traffic Safety Administration(NHTSA)/Pass Through from WA State TSA	State and Community Highway Safety-9-5 Traffic Safety Corridor Project	20.600	011OST11	\$14,937.29			2
<b>DEPT OF TRANSPORTATION-NATIONAL HIGHWAY TRAFFIC ADMINSTRATION</b>	<b>State and Community Highway Safety</b>	<b>20.600</b>				<b>\$18,660.16</b>	
Department of Transportation-National Highway Traffic Safety Administration(NHTSA)/Pass Through from WA State TSA	Alcohol Impaired Driving Countermeasures Incentive Grants-Target Zero Corridor Project-DUI	20.601	011OST11	\$1,315.99			2
<b>DEPT OF TRANSPORTATION-NATIONAL HIGHWAY TRAFFIC ADMINSTRATION</b>	<b>Alcohol Impaired Driving Countermeasures Incentive Grants</b>	<b>20.601</b>				<b>\$1,315.99</b>	
Environmental Protection Agency Region 10	Puget Sound Watershed Management	66.120	PO00J09601		\$67,951.84		1
Environmental Protection Agency Region 10	Puget Sound Watershed Management	66.120	PO00J08201		\$327,205.11		1,2
<b>ENVIRONMENTAL PROTECTION AGENCY REGION 10</b>	<b>Puget Sound Watershed Management Assistance</b>	<b>66.120</b>				<b>\$395,156.95</b>	
Environmental Protection Agency Office of Water	Targeted Watersheds Grant	66.439	WS - 96082901-0		\$286,608.54		1,2, 4(e)(f)
<b>ENVIRONMENTAL PROTECTION AGENCY OFFICE OF WATER</b>	<b>Targeted Watersheds Grant</b>	<b>66.439</b>				<b>\$286,608.54</b>	
Environmental Protection Agency Office of Water	Nonpoint Source Implemenation Grants-Samish Water Quality	66.460	C1000115		\$23,485.53		1,2

SKAGIT COUNTY, WASHINGTON  
 SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS  
 For the Year Ended December 31, 2010

Federal Agency Name/Pass Through Agency Name	Federal Program Name	CFDA Number	Other I.D. Number	Expenditures			Foot Note Ref
				From Pass - Through Awards	From Direct Awards	Total	
<b>ENVIRONMENTAL PROTECTION AGENCY OFFICE OF WATER</b>	<b>Nonpoint Source Implementation Grants</b>	<b>66.460</b>				<b>\$23,485.53</b>	
Environmental Protection Agency Office of Water/Pass Through from WA State DOH	Capitalization Grants for Drinking Water-State Revolving Fund-Group A -TA	66.468	C14962 (20)	\$2,000.00			4(b)
Environmental Protection Agency Office of Water/Pass Through from WA State DOH	Capitalization Grants for Drinking Water-State Revolving Fund-Group A - Spatial Dataset	66.468	C14962 (23)	\$17,500.00			1
<b>ENVIRONMENTAL PROTECTION AGENCY OFFICE OF WATER</b>	<b>Capitalization Grants for Drinking Water-State Revolving Fund</b>	<b>66.468</b>				<b>\$19,500.00</b>	
Department of Energy	ARRA -Energy Efficiency & Conservation Block Grant Program (EECBG)	81.128	DE-SC0003098		\$159,848.36		1,2,6
Department of Energy	ARRA -Energy Efficiency & Conservation Block Grant Program (EECBG)	81.128	F10-52110-065		\$8,575.38		1,5,6
<b>DEPT OF ENERGERY</b>	<b>ARRA -Energy Efficiency &amp; Conservation Block Grant Program (EECBG)</b>	<b>81.128</b>				<b>\$168,423.74</b>	
U.S. Elections Assistance Commission/Pass Through from WA State Office Secretary of State Elections Division	Help America Vote Act Requirements Payments	90.401	OSOS No. G-2855	\$109,378.61			1
U.S. Elections Assistance Commission/Pass Through from WA State Office Secretary of State Elections Division	Help America Vote Act Requirements Payments	90.401	OSOS No. G-2855	\$19,335.26			1
<b>U.S. ELECTIONS ASSISTANCE COMMISSION</b>	<b>Help America Vote Act Requirements Payments</b>	<b>90.401</b>				<b>\$128,713.87</b>	
Department of Health and Human Services Office of the Secretary	Medical Reserve Corps Small Grant Program	93.008	MRC 10 1027		\$5,000.00		1



SKAGIT COUNTY, WASHINGTON  
 SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS  
 For the Year Ended December 31, 2010

Federal Agency Name/Pass Through Agency Name	Federal Program Name	CFDA Number	Other I.D. Number	Expenditures			Foot Note Ref
				From Pass - Through Awards	From Direct Awards	Total	
<b>DEPT OF HEALTH AND HUMAN SERVICES-OFFICE OF THE SECRETARY</b>	<b>Medical Reserve Corps Small Grant Program</b>	<b>93.008</b>				<b>\$5,000.00</b>	
Department of Health and Human Service-Administration on Aging/Pass Through from Northwest Regional Council	Special Program for Aging-Title III, Part C-Nutrition Services/Congregate & Home Delivered Meals	93.045	122009-NUTR(02)	\$177,283.00			1,2,7
<b>DEPT OF HEALTH AND HUMAN SERVICES-ADMINISTRATION ON AGING</b>	<b>Special Program for Aging</b>	<b>93.045</b>				<b>\$177,283.00</b>	
Department of Health and Human Service-Administration on Aging/Pass Through from Northwest Regional Council	Nutrition Service Incentive Program-Senior Nutrition Program	93.053	122009-NUTR(02)	\$50,995.00			1
<b>DEPT OF HEALTH AND HUMAN SERVICES-ADMINISTRATION ON AGING</b>	<b>Nutrition Service Incentive Program</b>	<b>93.053</b>				<b>\$50,995.00</b>	
Department of Health and Human Services -Centers for Disease Control and Prevention/Pass Through from WA State DOH	Public Health Emergency Preparedness PHEPR LHJ	93.069	C14962 (27)	\$76,411.00			1
Department of Health and Human Services -Centers for Disease Control and Prevention/Pass Through from WA State DOH	Public Health Emergency Preparedness H1N1	93.069	C14962 (27)	\$53,130.52			1
<b>DEPT OF HEALTH AND HUMAN SERVICES-CENTERS FOR DISEASE CONTROL AND PREVENTION</b>	<b>Public Health Emergency Preparedness</b>	<b>93.069</b>				<b>\$129,541.52</b>	
Department of Health and Human Services -Centers for Disease Control and Prevention/Pass Through from WA State DOH	Immunization Grants-Childhood Immunizations	93.268	C14962 (27)	\$33,449.00			1,3

SKAGIT COUNTY, WASHINGTON  
 SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS  
 For the Year Ended December 31, 2010

Federal Agency Name/Pass Through Agency Name	Federal Program Name	CFDA Number	Other I.D. Number	Expenditures			Foot Note Ref
				From Pass - Through Awards	From Direct Awards	Total	
Department of Health and Human Services -Centers for Disease Control and Prevention/Pass Through from WA State DOH	Immunization Grants-FA317 Immunization	93.268	C14962 (27)	\$4,609.00			1,3
Department of Health and Human Services -Centers for Disease Control and Prevention/Pass Through from WA State DOH	Immunization Grants-Childhood Immunizations	93.268	C14962 (27)	\$29,322.25			1,3
Department of Health and Human Services -Centers for Disease Control and Prevention/Pass Through from WA State DOH	Immunization Grants-Vaccine in Lieu of Cash	93.268	C14962(27)	\$187,787.98			1,3
<b>DEPT OF HEALTH AND HUMAN SERVICES-CENTERS FOR DISEASE CONTROL AND PREVENTION</b>	<b>Immunization Grants</b>	<b>93.268</b>				<b>\$255,168.23</b>	
Department of Health and Human Services-Substance Abuse and Mental Health Services Administration/Pass Through from Educational Service District 105	Drug-Free Communities Support Program Grants	93.276	9008000097		\$21,178.33		1
<b>DEPT OF HEALTH AND HUMAN SERVICES-SUBSTANCE ABUSE AND MENTAL HEALTH SERVICE ADMIN</b>	<b>Drug-Free Communities Support Program Grants</b>	<b>93.276</b>				<b>\$21,178.33</b>	
Department of Social & Health Services-Administration for Children and Families	Child Support Enforcement	93.563	75-1501-0-1-609/2110-80608		\$95,725.00		2, 4(c)
Department of Social & Health Services-Administration for Children and Families	Child Support Enforcement	93.563	75-1501-0-1-609/2110-80608		\$438,234.00		1, 2, 6
Department of Social & Health Services-Administration for Children and Families	Child Support Enforcement	93.563	75-1501-0-1-609/2110-80608		\$31,814.00		1,2

SKAGIT COUNTY, WASHINGTON  
 SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS  
 For the Year Ended December 31, 2010

Federal Agency Name/Pass Through Agency Name	Federal Program Name	CFDA Number	Other I.D. Number	Expenditures			Foot Note Ref
				From Pass - Through Awards	From Direct Awards	Total	
<b>DEPT OF SOCIAL &amp; HEALTH SERVICES-ADMINISTRATION FOR CHILDREN AND FAMILIES</b>	<b>Child Support Enforcement</b>	<b>93.563</b>				<b>\$565,773.00</b>	
Department of Social & Health Services-Administration for Children and Families/Pass Through from WA State DOH	Child Care and Development Block Grant-HCCW Infant Toddler IAR	93.575	C14962 (27)	\$28,794.00			1
<b>DEPT OF SOCIAL &amp; HEALTH SERVICES-ADMINISTRATION FOR CHILDREN AND FAMILIES</b>	<b>Child Care and Development Block Grant</b>	<b>93.575</b>				<b>\$28,794.00</b>	
Department of Health and Human Services Administration for Children and Families	Voting Access for Individuals and Disabilities-Grants to States	93.617	OSOS No. G-10/87		\$5,746.00		1
<b>DEPT OF SOCIAL &amp; HEALTH SERVICES-ADMINISTRATION FOR CHILDREN AND FAMILIES</b>	<b>Voting Access for Individuals and Disabilities-Grants to States</b>	<b>93.617</b>				<b>\$5,746.00</b>	
Department of Health and Human Services Centers for Disease Control and Prevention	ARRA-Immunization-Reaching More Children	93.712	C14962(27)		\$3,592.00		1
<b>DEPT OF HEALTH AND HUMAN SERVICES-CENTERS FOR DISEASE CONTROL AND PREVENTION</b>	<b>ARRA-Immunization-Reaching More Children</b>	<b>93.712</b>				<b>\$3,592.00</b>	
Department of Health and Human Services Centers for Disease Control and Prevention	ARRA-Prevention and Wellness-State,Territories and Pacific Islands	93.723	C14962(23)		\$4,992.74		1
<b>DEPT OF HEALTH AND HUMAN SERVICES-CENTERS FOR DISEASE CONTROL AND PREVENTION</b>	<b>ARRA-Prevention and Wellness-State,Territories and Pacific Islands</b>	<b>93.723</b>				<b>\$4,992.74</b>	
Department of Health and Human Services-Center for Medicare and Medicaid Services	Medical Assistance Program-Medical Administration Match	93.778	0963-53356		\$111,075.08		1,4(b)
<b>DEPT OF HEALTH AND HUMAN SERVICES-CENTER FOR MEDICARE AND MEDICAID SERVICES</b>	<b>Medical Assistance Program</b>	<b>93.778</b>				<b>\$111,075.08</b>	
Department of Health and Human Services-Office of the Secretary	National Bioterrorism Hospital Preparedness Program-PHEPR Hospital Prep	93.889	C14962 (27)		\$6,123.00		4(b)

SKAGIT COUNTY, WASHINGTON  
 SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS  
 For the Year Ended December 31, 2010

Federal Agency Name/Pass Through Agency Name	Federal Program Name	CFDA Number	Other I.D. Number	Expenditures			Foot Note Ref
				From Pass - Through Awards	From Direct Awards	Total	
<b>DEPT OF HEALTH AND HUMAN SERVICES-OFFICE OF THE SECRETARY</b>	<b>National Bioterrorism Hospital Preparedness Program</b>	<b>93.889</b>				<b>\$6,123.00</b>	
Department of Health and Human Services-Substance Abuse and Mental Health Services Administration/Pass Through from NSMHA Skagit County	Block Grant for Community Mental Health Services	93.958	FBG-09-10	\$60,626.14			1
Department of Health and Human Services-Substance Abuse and Mental Health Services Administration/Pass Through from NSMHA Skagit County	Block Grant for Community Mental Health Services	93.958	FBG-10-11	\$30,882.09			1
<b>DEPT OF HEALTH AND HUMAN SERVICES-SUBSTANCE ABUSE AND MENTAL HEALTH SERVICE ADMIN</b>	<b>Block Grant for Community Mental Health Services</b>	<b>93.958</b>				<b>\$91,508.23</b>	
Department of Health and Human Services-Substance Abuse and Mental Health Services Administration.	Block Grants for Prevention and Treatment Substance Abuse-SA Tax	93.959	0963-68059-05		\$112,570.95		1,7
Department of Health and Human Services-Substance Abuse and Mental Health Services Administration	Block Grants for Prevention and Treatment Substance Abuse-DASA	93.959	0963-68059-05		\$52,406.57		1,7
<b>DEPT OF HEALTH AND HUMAN SERVICES-SUBSTANCE ABUSE AND MENTAL HEALTH SERVICE ADMIN</b>	<b>Block Grant for Community Mental Health Services</b>	<b>93.959</b>				<b>\$164,977.52</b>	
Department of Health and Human Services-Centers for Disease Control and Prevention/Pass Through from WA State DOH	Prevention Health and Health Services Block Grant-PHBG-LHD	93.991	C14962 (27)	\$50,000.00			1

SKAGIT COUNTY, WASHINGTON  
 SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS  
 For the Year Ended December 31, 2010

Federal Agency Name/Pass Through Agency Name	Federal Program Name	CFDA Number	Other I.D. Number	Expenditures			Foot Note Ref
				From Pass - Through Awards	From Direct Awards	Total	
<b>DEPT OF HEALTH AND HUMAN SERVICES-CENTERS FOR DISEASE CONTROL AND PREVENTION</b>	<b>Prevention Health and Health Services Block Grant</b>	<b>93.991</b>				<b>\$50,000.00</b>	
Department of Health and Human Services-Health Resources and Services Administration/Pass Through from WA State DOH	Maternal and Child Health Services Block Grant to States-MCHBG MCH Concon	93.994	C14962 (27)	\$121,558.00			4(b)
<b>DEPT OF HEALTH AND HUMAN SERVICES-HEALTH RESOURCES AND SERVICES ADMINISTRATION</b>	<b>Maternal and Child Health Services Block Grant to States</b>	<b>93.994</b>				<b>\$121,558.00</b>	
Corporation For National And Community Services	Retired and Senior Volunteer Program	94.002	08SRPWA008		\$65,601.00		1,2
<b>CORPORATION FOR NATIONAL AND COMMUNITY SERVICES</b>	<b>Retired and Senior Volunteer Program</b>	<b>94.002</b>				<b>\$65,601.00</b>	
Department of Homeland Security	Boating Safety Financial Assistance	97.012	LE911-231		\$12,183.61		1
Department of Homeland Security	Boating Safety Financial Assistance	97.012	2009-62		\$7,317.49		1
<b>DEPT OF HOMELAND SECURITY</b>	<b>Boating Safety Financial Assistance</b>	<b>97.012</b>				<b>\$19,501.10</b>	
Department of Homeland Security	Emergency Management Performance Grant	97.042	E10-286		\$45,587.00		1
<b>DEPT OF HOMELAND SECURITY</b>	<b>Emergency Management Performance Grant</b>	<b>97.042</b>				<b>\$45,587.00</b>	
Department of Homeland Security/Pass Through from WA State Military Department	Homeland Security Grant Program-DHS Region 1 HLS - Citizen Corp FY08 K-455 CCP	97.067	K-455 CCP	\$2,679.93			1
Department of Homeland Security/Pass Through from WA State Military Department	Homeland Security Grant Program/WA ST Military Dept/SnoCo	97.067	E10-206	\$55,934.22			1
Department of Homeland Security/Pass Through from WA State Military Department	Homeland Security Grant Program/WA ST Military Dept/SnoCo	97.067	K-691 CCP	\$56.24			1

SKAGIT COUNTY, WASHINGTON  
 SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS  
 For the Year Ended December 31, 2010

Federal Agency Name/Pass Through Agency Name	Federal Program Name	CFDA Number	Other I.D. Number	Expenditures			Foot Note Ref
				From Pass - Through Awards	From Direct Awards	Total	
Department of Homeland Security/Pass Through from WA State Military Department	Homeland Security Grant Program-Region 1 HLS / FFY08 SHSGP	97.067	E09-181	\$197,245.04			1
<b>DEPT OF HOMELAND SECURITY</b>	<b>Homeland Security Grant Program</b>	<b>97.067</b>				<b>\$255,915.43</b>	
				\$3,356,560.53	\$4,855,621.65	\$8,212,182.18	

SKAGIT COUNTY, WASHINGTON

NOTES TO THE SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS

For the year ended December 31, 2010

NOTE 1 – BASIS OF ACCOUNTING

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

NOTE 2 – PROGRAM COSTS

The amounts shown as current year expenditures represent only the federal grant portion of the program costs. Entire program costs, including Skagit County's portion, are more than shown.

NOTE 3 – NONCASH AWARDS - VACCINATIONS

The amount of vaccines reported on the schedule is the value of vaccine received by Skagit County during 2010 and priced as prescribed by the Department of Health.

NOTE 4 – INDIRECT COST RATE

The amount expended includes a percentage claimed as an indirect cost recovery using an approved indirect cost rate. These rates are as shown below:

(a) 10%, (b) 17.44%, (c) 19.07%, (d) 36.87%, (e) 20.96%, (f) 18.81%

NOTE 5 – AMOUNTS AWARDED TO SUBRECIPIENT

Included in the total amount expended for this program are dollars passed through to a subrecipient that administered its own project.

NOTE 6 – AMERICAN RECOVERY AND REINVESTMENT ACT (ARRA) OF 2009

Expenditures for this program were funded by ARRA

NOTE 7 – PROGRAM INCOME

The amount reported is net of \$342,260.52 received as program income.

SKAGIT COUNTY, WASHINGTON  
 SCHEDULE OF STATE AND LOCAL FINANCIAL ASSISTANCE  
 For the Year Ending December 31, 2010

Grantor/Program Title	Identification Number	Current Year Expenditures
Administrative Office of the Courts Becca Bill	C20090638	\$298,091.13
<b><u>Total Administrative Office of the Courts</u></b>		<b>\$298,091.13</b>
County Road Administration Board County Roads - Arterial Preservation	n/a	\$417,800.32
<b><u>Total County Road Administration Board</u></b>		<b>\$417,800.32</b>
Department of Agriculture Spartina Program	K213	\$19,755.78
<b><u>Total Department of Agriculture</u></b>		<b>\$19,755.78</b>
Department of Archaeology & Historic Preservation Court House Improvements	FY08-90002.007	\$23,192.55
<b><u>Total Department of Archaeology &amp; Historic Preservation</u></b>		<b>\$23,192.55</b>
Department of Community Trade and Economic Development Victims of Crime	n/a	\$14,286.74
Homeless Grant Assistance Program	07A-46108-012	\$255,864.51
Washington Association of Retired Senior Volunteers	12	\$20,918.00
Construction - Skagit Recreation & Event Center	08-96105-116	\$861,062.47
<b><u>Total Department of Community Trade and Economic Development</u></b>		<b>\$1,152,131.72</b>
Department of Ecology Waste Tire Disposal	C1100015	\$2,348.04
Coordinated Prevention Grant	G1000459	\$56,958.00
Site Hazard Assessment	G1000136	\$32,938.62
Site Hazard Assessment	G0800372	\$6,156.68
Local Source Control Partnership	C1000082	\$33,171.76
Well Delegation	CO900012	\$8,050.00
Skagit Flood Risk Management Project	G1000163	\$101,771.79
Big Lake Water Reclamation Project	G0800577	\$9,030.76
Hansen Creek/Rd Creek Restoration Project	G0700243	\$531.95
Natural Resources Stewardship Program	G09000062	\$42,396.58
Beaver Lake Egeria Eradication Project	G0700034	\$2,043.83
On Site Septic Grant with Loan	G0700153	\$33,204.83
Samish Bay Watershed	C1000240	\$31,886.92
Shoreline Master Program Update	G1100205	\$38,861.24
Community Litter Cleanup Program	C1000011	\$13,407.00
Coordinated Prevention Grant	G1000462	\$133,943.54
Turn in your Burn Barrel - Get a Compost Bin	C1100028	\$1,103.24
FY2010-2011 Phase II Stormwater	G1000204	\$50,000.00
Municipal Stormwater Capacity Grant Program	G1100097	\$104,972.25
<b><u>Total Department of Ecology</u></b>		<b>\$702,777.03</b>
Department of Health		



SKAGIT COUNTY, WASHINGTON  
 SCHEDULE OF STATE AND LOCAL FINANCIAL ASISTANCE  
 For the Year Ending December 31, 2010

Grantor/Program Title	Indentification Number	Current Year Expenditures
Local Capacity GFS & HAS	C14962 (27)	\$133,930.00
Oral Health - State	C14962 (27)	\$18,328.00
Adult Viral Hepatitis Strategic Plan	C14962(27)	\$2,985.74
Multi State Learn Co-op Chronic Disease QI	C14962 (27)	\$12,000.00
Small On-Site LHJ Contracts	C14962 (27)	\$52,930.30
Shellfish Consolidation Contract	C14962(27)	\$4,375.00
Blue Ribbon Local Health Funds	C14962 (27)	\$159,012.00
Vaccine in Lieu of Cash	C14962 (27)	\$80,393.39
Child Support Enforcement Reimbursement	2110-80608	\$15,226.00
Juvenile Rehabilitation Administration-CJS At-Risk	1063-94656	\$96,885.67
Juvenile Rehabilitation Administration-SSODA	1063-94656	\$625.59
Juvenile Rehabilitation Administration-Intensive Diversion	1063-94656	\$32,004.62
Juvenile Rehabilitation Administration-Diagnostics	1063-94656	\$15,000.00
Juvenile Rehabilitation Administration-CCDA	1063-94656	\$518.95
Juvenile Rehabilitation Administration-HB3900	1063-94656	\$57,312.76
Juvenile Rehabilitation Administration-CJAA	1063-94656	\$75,418.18
Juvenile Rehabilitation Administration-CJAA Exp	1063-94656	\$46,890.71
Juvenile Rehabilitation Administration-Commit//Parole	1063-94656	\$496.00
Juvenile Rehabilitation Administration-Suspended Disp. Alternative	1063-94656	\$1,480.00
Office of Juvenile Justice	I-501-00110	\$4,325.47
Office of Juvenile Justice	I-501-00509	\$28,594.09
Division of Child Support	75-1501-0-1-609/2110-80608	\$189,600.00
Division of Child Support	75-1501-0-1-609/2110-80608	\$5,061.00
Civil Commitment Costs	RCW.71.09.110	
Early Family Support Services	WAC388-885-010	\$98,626.20
Early Intervention Program (EIP)	1063-95477	\$11,845.24
Early Intervention Program (EIP)	1063-95478	\$9,908.18
Early Intervention Program (EIP)	0963-68580	\$9,184.05
Substance Abuse Service Treatment	0963-68059-03	\$1,050,793.41
NSMHA Administrative Services	NSMHA-SKAGIT-ADMIN-10	\$53,650.84
NSMHA Jail Services	n/a	\$62,808.50
Alternative Response Systems	0963-68546	\$5,188.14
<b><u>Total Department of Health</u></b>		<b>\$2,335,398.03</b>
Samish High School		
FASD Juvenile Court Proj Phase 2 - SAMHS Proj of Reg & Nat Signif		\$75.00
<b><u>Total Samish High School</u></b>		<b>\$75.00</b>
Northwest Clean Air Agency		
Greenhouse Gas Emissions Inventory	n/a	\$17,000.00
<b><u>Total Northwest Clean Air Agency</u></b>		<b>\$17,000.00</b>

SKAGIT COUNTY, WASHINGTON  
 SCHEDULE OF STATE AND LOCAL FINANCIAL ASSISTANCE  
 For the Year Ending December 31, 2010

Grantor/Program Title	Indentification Number	Current Year Expenditures
Office Of Public Defense Parent's Representation Program	n/a	\$110,907.51
<b><u>Total Office of Public Defense</u></b>		<b>\$110,907.51</b>
Office of Superintendent of Public Instruction Readiness to Learn	678011	\$153,627.33
<b><u>Total Office of Superintendent of Public Instruction</u></b>		<b>\$153,627.33</b>
Parks Conservaton Commission		\$12,172.71
<b><u>Total Parks Conservation Commission</u></b>		<b>\$12,172.71</b>
Recreation and Conservation Office PSAR Project Agreement Memorial Field Renovation	08-1747-A RCO #8-1299D	\$1,395.14 \$3,871.45
<b><u>Total Recreation and Conservation Office</u></b>		<b>\$5,266.59</b>
Snohomish Health District Region 3 AIDS Service Network	n/a	\$79,110.00
<b><u>Total Snohomish Health District</u></b>		<b>\$79,110.00</b>
State of Washington Elected Official Salary Match	RCW 36.17.020	\$74,415.96
<b><u>Total State of Washington</u></b>		<b>\$74,415.96</b>
State Treasurer 40% Autopsy Reimbursement	RCW 68.08.104	\$32,249.60
<b><u>Total State Treasurer</u></b>		<b>\$32,249.60</b>
State of Washington County Program Francis Road	2909-01	\$30,302.06
<b><u>Total State of Washington County Program</u></b>		<b>\$30,302.06</b>
Traffic Safety Commission Safety Belt Video SK CO DUI Safety Belt Task Force	11ST-11 11ST-11	\$910.00 \$42,900.00
<b><u>Total Traffic Safety Commission</u></b>		<b>\$43,810.00</b>
Upper Skagit Indian Tribe Knotweed Control	n/a	\$23,338.76
<b><u>Total Upper Skagit Indian Tribe</u></b>		<b>\$23,338.76</b>
Washington Association of Sheriffs & Police Chiefs		

SKAGIT COUNTY, WASHINGTON  
 SCHEDULE OF STATE AND LOCAL FINANCIAL ASSISTANCE  
 For the Year Ending December 31, 2010

Grantor/Program Title	Identification Number	Current Year Expenditures
Registered Sex Offender Address & Residency Verification Program	n/a	\$82,673.57
<b><u>Total Washington Association of Sheriffs &amp; Police Chiefs</u></b>		<b>\$82,673.57</b>
<b><u>TOTAL STATE AND LOCAL GRANTS</u></b>		\$5,614,095.65

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