

SKAGIT COUNTY WASHINGTON

COMPREHENSIVE ANNUAL FINANCIAL REPORT

FISCAL YEAR ENDED
DECEMBER 31, 2011



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FISCAL YEAR ENDED DECEMBER 31, 2011

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Cover Photo Courtesy of:
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SKAGIT COUNTY WASHINGTON
COMPREHENSIVE ANNUAL FINANCIAL REPORT

Year Ended December 31, 2011

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About Skagit County

(pronounced "skäjet")

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



Jeanne Youngquist
Auditor

Barbara Leander
Chief Deputy

June 29, 2012

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, 2011 in accordance with the provisions of Chapter 36.22 of the Revised Code of Washington. The financial statements are presented in conformity with generally accepted accounting principles (GAAP) and audited in accordance with generally accepted auditing standards by the Office of the Washington State Auditor.

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

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

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

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

The Office of the Washington State Auditor conducts an annual audit of the financial statements of Skagit County as required by state law. The goal of the independent audit is to provide reasonable assurance that the financial statements of the County for the financial year ended December 31, 2011, are free from material misstatement. The independent audit involved examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements and assessing the overall financial statement presentation. The auditor concluded, based upon the audit, that there was a reasonable basis for rendering an unqualified opinion that Skagit County's financial statements for the fiscal year ended December 31, 2011 are fairly presented in conformity with GAAP. The independent auditor's report is presented as the first component of the financial section of this report.

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

The County is required to undergo an annual single audit in conformity with the provisions of the Single Audit Act of 1984 and U.S. Office of Management and Budget (OMB) (Circular A-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/Risk Manager. Some of the services provided by the county include: Road construction and maintenance, solid waste management, planning and development services, parks and recreation, judicial administration, law enforcement, public health, social services, general administrative services, passport, vehicle and vessel licensing, historic recording and maintenance of all legal land documents, as well as election services.

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

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

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

a pristine, beautiful place to live and enjoy the outdoors. The beautiful natural water areas, lakes, streams, rivers and saltwater beaches, 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, drawing tourists from near and far. Other local rural and urban festivals and tours also enjoy the success of returning participants and tourists.

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

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 of 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.

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 targeted for the General Fund.
2. The Insurance Services Fund shall be managed to maintain the County's self-insured status. A minimum reserve balance of 25% shall be maintained for the Fund.
3. Growth in the General Fund, Road Fund and Conservation Futures Fund tax levies shall not exceed 101% of the prior year levy plus taxes collected on new construction.
4. Strategies to reduce and control expenditures and increase revenues and proposed efficiencies submitted by Elected Officials and Department Heads will be considered during the budget review process.
5. Departments shall provide budget monitoring reports as requested by the Board of County Commissioners to assist with projections for current and future years.
6. Internal Service Funds shall be funded at a level to maintain the financial stability of those funds and to meet required service levels for department programs.
7. Departments that provide services to other agencies shall analyze the costs for providing these services including direct and indirect overhead to ensure that reimbursement rates for these services cover all appropriate costs.
8. Opportunities to cooperate with other agencies to provide services should be evaluated and implemented, where possible, to gain efficiency, decrease expenses and avoid duplication of services.

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

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 December 2011, the County's unemployment rate was 10.2%, up from 10.1% in December 2010.

The County has demonstrated its commitment to maintaining a strong general fund balance. Unexpected revenue increases combined with financially responsible spending policies are evidenced in the \$2.8 million dollar increase in the 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. This continued in 2011. The County's overall financial position remains steady.

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

The census of 2010 resulted in Washington receiving one additional Congressional District. The Washington Redistricting Commission appointed by Governor Gregoire deliberated over congressional lines. The result brought to Skagit County a major representation change. Redistricting divided our County, previously represented by one Representative, Rick Larson into District One and Two. The Primary and General Election of 2012 will determine who will serve in these positions

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. The County has been diligently building the facility in 2011 with the anticipated completion date in 2012.

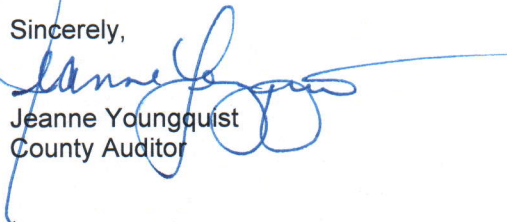
The recently completed Anacortes Ferry Dock Rehabilitation & Guemes Island Ferry Dock Repair project has been selected by the American Public Works Association (APWA) as one of their Public Works Projects of the Year for 2012. This was a national competition. The project was mainly funded with a grant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

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,

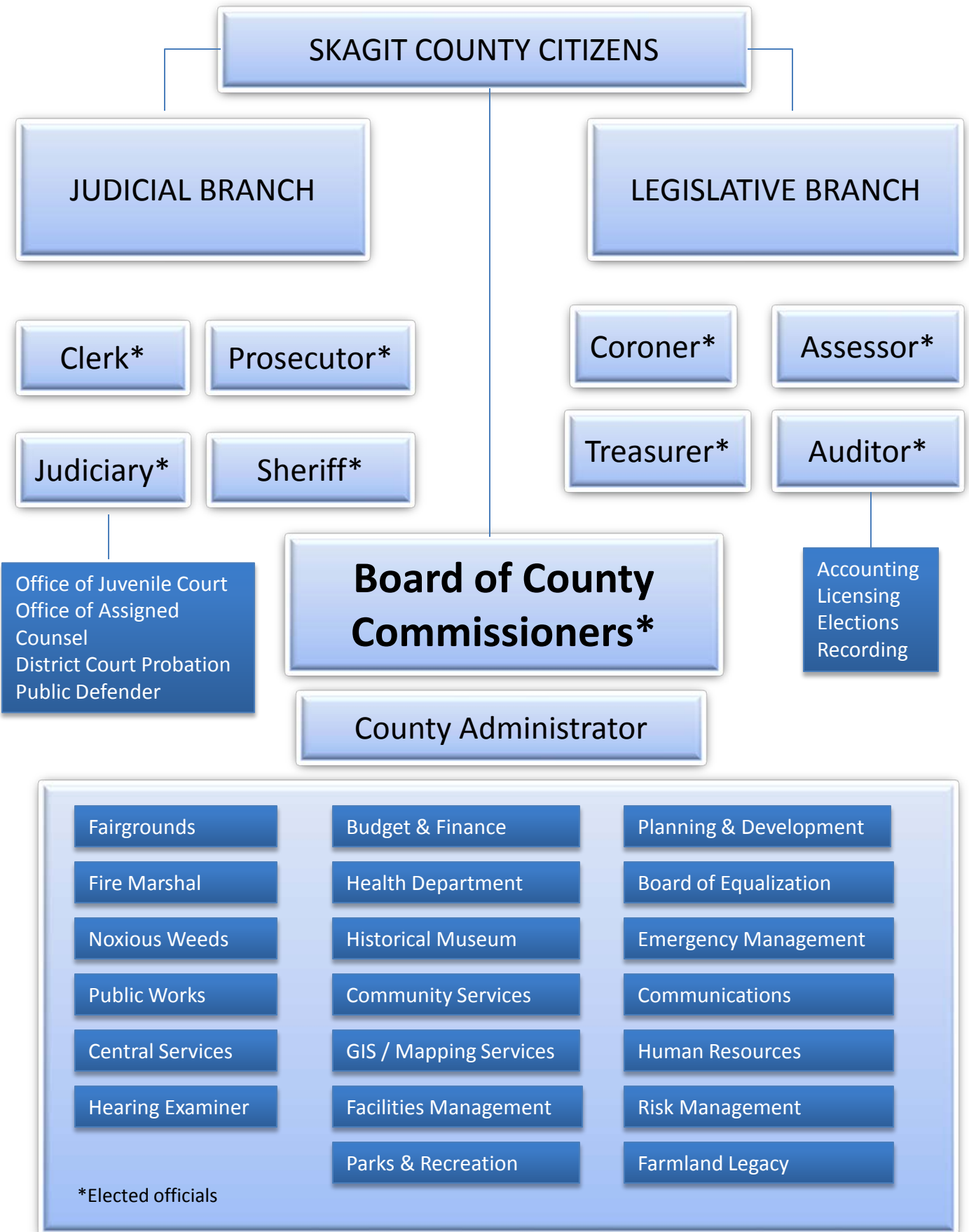


Jeanne Youngquist
County Auditor

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 officials

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Financial Section





Washington State Auditor Brian Sonntag

INDEPENDENT AUDITOR'S REPORT

June 29, 2012

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, 2011, 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, 2011, and the respective changes in financial position and, where applicable, cash flows thereof for the year then ended in conformity with accounting principles generally accepted in the United States of America.

As described in Note 1, during the year ended December 31, 2011, the County has implemented the Governmental Accounting Standards Board Statement No. 54 - Fund Balance Reporting and Governmental Fund Type Definitions.

In accordance with *Government Auditing Standards*, we will also issue our report dated June 29, 2012, 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.

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis on pages 3 through 14, budgetary comparison information on pages 66 through 75 and the information on postemployment benefits other than pensions on page 76 be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during the audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

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 for nonmajor governmental funds, nonmajor enterprise funds, internal service funds and agency funds on pages 77 through 155, and the Compliance Section on pages 196 through 209 is presented for purposes of additional analysis and is not a required part of the basic financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the financial statements. This information has been subjected to auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the information is fairly stated, in all material respects, in relation to the basic financial statements taken as a whole.

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 do not express an opinion or provide any assurance on it.

Sincerely,

A handwritten signature in black ink, appearing to read "Brian Sonntag". The signature is fluid and cursive, with the first name "Brian" and last name "Sonntag" clearly distinguishable.

BRIAN SONNTAG, CGFM
STATE AUDITOR

This discussion and analysis provides a narrative overview of Skagit County's financial activities for the fiscal year ended December 31, 2011. 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, 2011, total assets of the County exceeded total liabilities by \$384.4 million (net assets). Net assets invested in capital assets (net of depreciation and related debt) account for 87% of this amount, at \$332.7 million. Of the remaining net assets, \$29.1 million was restricted for specific purposes and \$22.6 million was unrestricted.
- Ending net assets for governmental activities was \$381.3 million. Of that amount, \$328 million was invested in capital assets, \$29.1 million was restricted, and \$24.2 million was unrestricted.
- Ending fund balance for the General Fund was \$10.7 million, an increase of \$2.8 million over the previous year. This was due to a conservative approach to spending practices and unanticipated increases in unstable revenue streams.
- Ending fund balance for the County Road fund was \$8.0 million, a decrease of \$.5 million over the previous year.
- Total long-term liabilities of the County were \$38.2 million at December 31, 2011.

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.

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, and the County Road 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

**Skagit County, Washington
Management's Discussion and Analysis
December 31, 2011**

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.

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				
	2011	2010	2011	2010	2011	2010	
ASSETS							
Current and Other Assets	\$76,307,640	\$67,706,347	\$9,081,818	\$15,318,829	\$85,389,458	\$83,025,176	2.85%
Capital Assets and							
Construction in Progress (Net of Depreciation)	336,314,212	368,923,833	12,867,395	6,118,601	349,181,607	375,042,434	-6.90%
Total Assets	<u>412,621,852</u>	<u>\$436,630,180</u>	<u>21,949,213</u>	<u>\$21,437,430</u>	<u>434,571,065</u>	<u>458,067,610</u>	-5.13%
LIABILITIES							
Long-Term Liabilities	20,233,275	21,186,679	18,001,940	18,930,964	38,235,215	40,117,643	-4.69%
Other Liabilities	11,117,862	11,711,453	867,357	929,666	11,985,219	12,641,119	-5.19%
Total Liabilities	<u>31,351,137</u>	<u>32,898,132</u>	<u>18,869,297</u>	<u>19,860,630</u>	<u>50,220,434</u>	<u>52,758,762</u>	-4.81%
NET ASSETS							
Invested in Capital Assets, Net of Related Debt	327,995,991	359,956,151	4,669,373	3,843,894	332,665,364	363,800,045	-8.56%
Restricted	29,091,499	27,541,813	-	-	29,091,499	27,541,813	5.63%
Unrestricted	24,183,225	16,234,084	(1,589,457)	(2,267,094)	22,593,768	13,966,990	61.77%
Total Net Assets	<u>\$381,270,715</u>	<u>403,732,048</u>	<u>\$3,079,916</u>	<u>1,576,800</u>	<u>\$384,350,631</u>	<u>\$405,308,848</u>	-5.17%

Of the \$85.4 million in current and other assets at December 31, 2011, \$66.7 million is cash, cash equivalents and investments. A very small portion of this amount, \$1.8 million, is restricted for specific purposes. Accounts receivable and amounts due from other governments total \$11 million. Inventories/prepayments total \$5.5 million. The remaining \$0.4 million is deferred charges. Cash, cash equivalents and investments represented 78% (compared to 79.4% in 2010), while accounts receivable and amounts due from other governments accounted for 12.9% (compared to 13.7% from 2010).

At December 31, 2011, the County had outstanding long-term liabilities of \$38.2 million. Of this total, \$2.3 million was due within one year. See Note V of the notes to the financial statements for more information regarding long term debt. Other liabilities amounted to \$12 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 (86.6%) 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.

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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, 7.6 % of the County's net assets are subject to legal restrictions for specific purposes. The remaining balance of net assets, \$22.6 million (5.9%), 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 \$21 million in 2011, primarily due to an analysis of capital assets, which resulted in a reversal of a prior period adjustment made in 2009. Governmental activities reflected a decrease of \$22.5 million while the net assets of business-type activities increased \$1.5 million. Key elements in these changes are shown in the following table:

	Governmental		Business-Type		Total	
	Activities		Activities		Primary Government	
	2011	2010	2011	2010	2011	2010
REVENUES						
Program Revenues						
Charges for Services	\$28,211,465	\$27,138,407	\$9,738,951	\$9,924,247	\$37,950,416	\$37,062,654
Operating Grants and Contributions	8,976,787	10,628,645	397,974	303,245	9,374,761	10,931,890
Capital Grants and Contributions	5,685,601	3,471,716	-	-	5,685,601	3,471,716
General Revenues						
Taxes	58,737,159	56,778,379	-	-	58,737,159	56,778,379
Interest Earnings on Investments	781,032	1,104,621	71,451	21,111	852,483	1,125,732
Gain/(Loss) on Sale of Assets	(118,394)	14,837	700	-	(117,694)	14,837
Total Revenues	<u>102,273,650</u>	<u>\$99,136,605</u>	<u>10,209,076</u>	<u>\$10,248,603</u>	<u>112,482,726</u>	<u>109,385,208</u>
PROGRAM EXPENSES						
General Government	29,694,591	30,411,707	-	-	29,694,591	30,411,707
Judicial	6,528,192	6,281,910	-	-	6,528,192	6,281,910
Public Safety	20,622,410	20,015,584	-	-	20,622,410	20,015,584
Physical Environment	2,672,643	3,560,748	-	-	2,672,643	3,560,748
Transportation	29,952,995	27,144,427	-	-	29,952,995	27,144,427
Economic Environment	3,162,607	3,467,987	-	-	3,162,607	3,467,987
Health and Human Services	10,387,711	10,134,616	-	-	10,387,711	10,134,616
Culture and Recreation	1,642,170	2,566,016	-	-	1,642,170	2,566,016
Solid Waste	-	-	7,252,470	8,705,787	7,252,470	8,705,787
Drainage Utility	-	-	1,412,499	1,240,898	1,412,499	1,240,898
Interest on Long Term Debt	516,260	559,293	545,115	-	1,061,375	559,293
Total Expenses	<u>105,179,579</u>	<u>104,142,288</u>	<u>9,210,084</u>	<u>9,946,685</u>	<u>114,389,663</u>	<u>114,088,973</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures before transfers	(2,905,929)	(5,005,683)	998,992	301,918	(1,906,937)	(4,703,765)
Transfers	9,142	(84,008)	(9,142)	84,008	-	-
Change in Net Assets	<u>(2,896,787)</u>	<u>(5,089,691)</u>	<u>989,850</u>	<u>385,926</u>	<u>(1,906,937)</u>	<u>(4,703,765)</u>
Net Assets, January 1	403,732,047	408,706,793	1,576,799	2,885,562	405,308,846	411,592,355
Prior Period Adjustment	<u>(19,564,545)</u>	<u>114,946</u>	<u>513,267</u>	<u>(1,694,688)</u>	<u>(19,051,278)</u>	<u>(1,579,742)</u>
Net Assets, January 1 - Restated	<u>384,167,502</u>	<u>408,821,739</u>	<u>2,090,066</u>	<u>1,190,874</u>	<u>386,257,568</u>	<u>410,012,613</u>
Net Assets, December 31	<u>381,270,715</u>	<u>403,732,048</u>	<u>\$3,079,916</u>	<u>1,576,800</u>	<u>\$384,350,631</u>	<u>\$405,308,848</u>

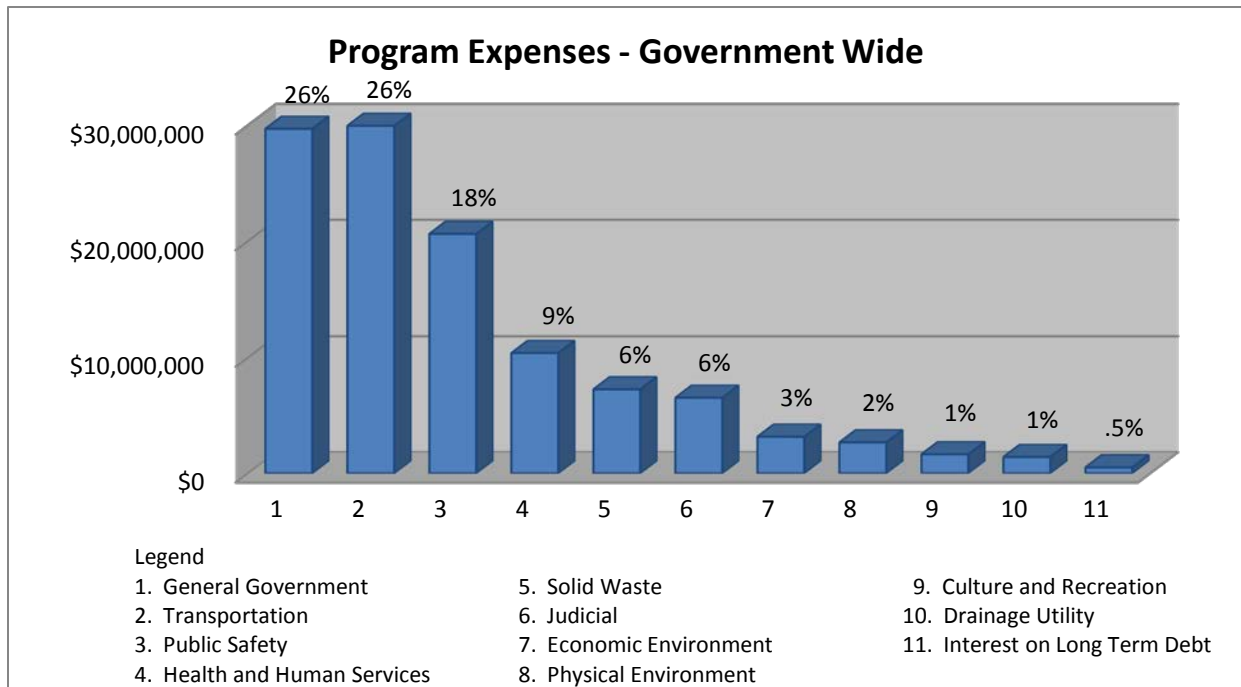
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Total revenues were \$112.5 million in 2011, an increase of \$3.1 million from 2010. Governmental activities provided \$102.3 million (91%), while business-type activities added \$10.2 million. Within governmental activities, tax revenue accounted for 57.4% of total revenue sources, with grants and contributions accounting for 14.3% (up from 14.2% in 2010).

Charges for services accounted for 95.4% of the revenues of business type activities, with the remaining provided by grants and interest income.

Total expenses for the year amounted to \$114.4 million, an increase of \$.3 million from 2010. Governmental activities accounted for \$105.2 million (92%), with the largest program expenses in the areas of general government, transportation, and public safety. These three programs accounted for 76.3% of total governmental expenses. Of the \$9.2 million in business-type expenses, 78.7% is associated with the solid waste program, a 8.8% decrease from 2010.

The following graph illustrates 2011 government wide program spending:



FINANCIAL ANALYSIS OF THE COUNTY'S FUNDS

Governmental Funds Balance Sheet Analysis

The General Fund, Mental Health Fund, and County Road Fund are the County's major funds in 2011. Together these funds account for 58.8% of total governmental fund assets and 53.4% of total governmental fund balances.

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As of December 31, 2011, the County's governmental funds reported combined fund balances of \$45.2 million, an increase from \$38.6 million in 2010. Of this amount, \$60,685 (.13%) is Nonspendable, \$31.3 million (69.2%) is Restricted, \$3.4 million (7.5%) is reported as Committed, and \$10.3 million (22.9%) is unassigned and available for spending within the designated funds. Nonspendable, Restricted, Committed, and Assigned fund balance of \$34.9 million is not available for new spending because it has already been committed for prepaid expenses, loans, debt service, and inventory, as well as other special revenue funds requirements.

The General Fund is the primary operating fund of Skagit County. The unassigned fund balance of this fund increased from \$7.8 million at December 31, 2010, to \$10.3 million at December 31, 2011. Total fund balance increased from \$7.9 million to \$10.7 million. Total assets of the General Fund were \$18.4 million at December 31, 2011, accounting for 30.9% of total governmental fund assets. This represents an increase of \$2.3 million from 2010. These increases are a result of a conservative approach to spending policies as well as an increase in unstable revenue streams.

Governmental Funds Revenue/Expenditure Analysis

Total revenues for governmental funds were \$101.4 million in 2011. This represents an increase of \$4.2 million from 2010. During the same period, total expenditures increased \$.1 million. This decrease is reflected primarily in the General Fund. The General Fund and the County Road fund account for 69% of all governmental fund revenue (up from 67.7% in 2010) and 65% of all expenditures (up from 63% in 2010).

The net change in fund balance for the General Fund in 2011 was a positive \$2.8 million. The decrease in fund balance for the County Road fund was \$.5 million. Fund balance for the Mental Health Fund increased \$.2 million. The non-major governmental funds had an overall positive change in fund balances of \$3.9 million for 2011.

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Enterprise Funds Net Assets Analysis

Both enterprise funds of Skagit County, the Solid Waste Fund and the Drainage Utility Fund, are considered non-major funds for 2011. 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	
	2011	2010	2011	2010	2011	2010
ASSETS						
Current Assets						
Cash and Cash Equivalents	\$5,500,155	\$11,314,459	\$2,955,436	\$2,978,426	\$8,455,591	\$14,292,885
Other Current Assets	821,292	776,804	111,323	185,220	932,615	962,024
Total Current Assets	6,321,447	\$12,091,263	3,066,759	\$3,163,646	9,388,206	15,254,909
Non-Current Assets						
Construction in Progress	6,528,022	-	671,931	197,681	7,199,953	197,681
Capital Assets	3,832,707	3,955,174	5,947,139	5,930,295	9,779,846	9,885,469
Less Accumulated Depreciation	(2,763,993)	(2,817,820)	(1,348,411)	(1,146,729)	(4,112,404)	(3,964,549)
Unamortized Debt Issue Costs	57,261	63,920	-	-	57,261	63,920
Total Non-Current Assets	7,653,997	1,201,274	5,270,659	4,981,247	12,924,656	6,182,521
Total Assets	13,975,444	\$13,292,537	8,337,418	\$8,144,893	22,312,862	21,437,430
LIABILITIES						
Current Liabilities						
Accounts/Vouchers Payable	667,001	431,275	69,909	83,878	736,910	515,153
Other Current Liabilities	1,448,847	1,392,581	120,249	111,932	1,569,096	1,504,513
Total Current Liabilities	2,115,848	1,823,856	190,158	195,810	2,306,006	2,019,666
Non-Current Liabilities						
Bonds Payable	10,507,186	11,305,327	-	-	10,507,186	11,305,327
Other Non-Current Liabilities	6,401,427	6,504,119	18,327	31,518	6,419,754	6,535,637
Total Non-Current Liabilities	16,908,613	17,809,446	18,327	31,518	16,926,940	17,840,964
Total Liabilities	19,024,461	19,633,302	208,485	227,328	19,232,946	19,860,630
NET ASSETS						
Invested in Capital Assets, Net of Related Debt	(601,286)	(1,137,353)	5,270,659	4,981,247	4,669,373	3,843,894
Unrestricted	(4,447,731)	(5,203,412)	2,858,274	2,936,318	(1,589,457)	(2,267,094)
Total Net Assets	(\$5,049,017)	(6,340,765)	\$8,128,933	7,917,565	\$3,079,916	\$1,576,800

As of December 31, 2011, the enterprise funds reported combined net assets of \$3.1 million (compared to \$1.6 million in 2010). This is the total of a \$5.1 million deficit in the Solid Waste Fund (down from \$6.3 million in 2010) and a positive \$8.1 million in the Drainage Utility Fund (up from \$7.9 million in 2010). The Solid Waste Fund reports an investment in capital assets, net of related debt, of a negative \$.6 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, as well as bonds issued for a new facility still in construction as of December 31, 2011.

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Enterprise Funds Revenue/Expenditure Analysis

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

	Business-Type Activities - Enterprise Funds					
	Changes in Net Assets					
	Solid Waste		Drainage Utility		Total	
	2011	2010	2011	2010	2011	2010
REVENUES						
Charges for Services	\$8,194,581	\$8,387,238	\$1,544,370	\$1,670,458	\$9,738,951	\$10,057,696
Intergovernmental	397,974	148,454	71,451	154,791	469,425	303,245
Interest Revenue	21,360	10,968	11,540	10,143	32,900	21,111
Miscellaneous Revenue		5,817		50	-	5,867
Total Revenues	<u>8,613,915</u>	<u>\$8,552,477</u>	<u>1,627,361</u>	<u>\$1,835,442</u>	<u>10,241,276</u>	<u>10,387,919</u>
EXPENSES						
Personal Services	1,623,038	1,632,418	579,949	528,286	2,202,987	2,160,704
Contractual Services	4,508,628	4,645,238		-	4,508,628	4,645,238
Other Supplies and Expenses	1,041,032	2,360,271	648,820	549,814	1,689,852	2,910,085
Depreciation	44,494	67,860	183,730	162,798	228,224	230,658
Loss on Disposition of Capital Assets	(700)	-		-	(700)	-
Interest Expense	613,293	139,316	-	-	613,293	139,316
Total Expenses	<u>7,829,785</u>	<u>8,845,103</u>	<u>1,412,499</u>	<u>1,240,898</u>	<u>9,242,284</u>	<u>10,086,001</u>
Income (Loss) Before Transfers	784,130	(292,626)	214,862	594,544	998,992	301,918
Capital Contributions	-	-	-	-	-	-
Interfund Transfers	-	-	(9,142)	84,008	(9,142)	84,008
Change in Net Assets	<u>784,130</u>	<u>(292,626)</u>	<u>205,720</u>	<u>678,552</u>	<u>989,850</u>	<u>385,926</u>
Net Assets, January 1	(6,340,766)	(4,353,451)	7,917,565	7,239,013	1,576,799	2,885,562
Prior Period Adjustment	507,619	(1,694,688)	5,648	-	513,267	(1,694,688)
Net Assets, January 1 - Restated	<u>(5,833,147)</u>	<u>(6,048,139)</u>	<u>7,923,213</u>	<u>7,239,013</u>	<u>2,090,066</u>	<u>1,190,874</u>
Net Assets, December 31	<u>(\$5,049,017)</u>	<u>(6,340,765)</u>	<u>\$8,128,933</u>	<u>7,917,565</u>	<u>3,079,916</u>	<u>\$1,576,800</u>

Revenues from the Solid Waste Fund represent 84% of the total revenues for enterprise funds in 2011, an increase from 82.3% in 2010. Total expenses for the funds were 84.7% of revenues, a decrease from 97.1% in 2010.

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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, 2011**

	Original Budget	Final Budget	Variance Favorable (Unfavorable)
BUDGETED FUND BALANCE, JANUARY 1	\$ 1,185,310	\$ 4,269,772	\$3,084,462
RESOURCES (IN-FLOWS)			
Taxes	30,617,900	30,617,900	-
Licenses & Permits	26,500	26,500	-
Intergovernmental Revenue	6,387,777	6,901,718	513,941
Charges for Goods and Services	4,285,708	4,560,708	275,000
Fines and Forfeits	1,829,400	1,829,400	-
Interest Revenue	685,550	685,550	-
Miscellaneous Revenues	423,963	439,695	15,732
Transfers In	174,296	174,296	-
Total Resources (in-flows)	<u>44,431,094</u>	<u>45,235,767</u>	<u>804,673</u>
Amounts Available for Appropriation	<u>45,616,404</u>	<u>49,505,539</u>	<u>3,889,135</u>
CHARGES TO APPROPRIATIONS (OUT-FLOWS)			
General Government Services	16,022,712	17,236,727	(1,214,015)
Judicial	8,033,886	8,069,286	(35,400)
Public Safety	16,917,734	16,679,702	238,032
Utilities and Environment	483,092	613,202	(130,110)
Economic Environment	123,517	122,921	596
Health and Human Services	-	-	-
Culture and Recreation	359,123	349,368	9,755
Debt Service	56,667	56,667	-
Capital Expenditures	30,000	412,993	(382,993)
Transfers Out	3,589,673	5,964,673	(2,375,000)
Amount Charged to Appropriations (out-flows)	<u>45,616,404</u>	<u>49,505,539</u>	<u>(3,889,135)</u>
BUDGETED FUND BALANCE, DECEMBER 31	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>

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The net increase in revenues in the final amended budget represented a favorable variance of 1.8%. The net increase in expenditures represented an unfavorable increase of 8.5%. Total budgeted expenditures increased more than revenue increased a difference approximately \$3 million.

The final budget appropriation for general government services reflected an increase that was softened by the incorporation of closure day savings. The increase was primarily due to new grant funding, to accommodate the payout for retirement/separations, and establishing a budget for an extraordinary murder case that was handled by the Office of Assigned Counsel. Increases in appropriation for transfers out were budgeted to comply with R20110217 to maintain adequate fund balance and cash flow. Budget appropriation for capital was increased with federal grant funding to purchase a patrol/response vessel for homeland security missions.

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, 2011**

	Final Budget	Actual	Changes Favorable (Unfavorable)
FUND BALANCE, JANUARY 1	\$ 4,269,772	\$ 7,899,434	\$3,629,662
RESOURCES (IN-FLOWS)			
Taxes	30,617,900	32,865,413	2,247,513
Licenses & Permits	26,500	27,219	719
Intergovernmental Revenue	6,901,718	8,964,949	2,063,231
Charges for Goods and Services	4,560,708	4,423,197	(137,511)
Fines and Forfeits	1,829,400	1,845,047	15,647
Interest Revenue	685,550	619,550	(66,000)
Miscellaneous Revenues	439,695	478,019	38,325
Transfers In	174,296	179,481	5,185
Total Resources (in-flows)	<u>45,235,767</u>	<u>49,402,876</u>	<u>4,167,109</u>
Amounts Available for Appropriation	<u>49,505,539</u>	<u>57,302,310</u>	<u>7,796,771</u>
CHARGES TO APPROPRIATIONS (OUT-FLOWS)			
General Government Services	17,236,727	15,600,250	1,636,477
Judicial	8,069,286	7,823,116	246,170
Public Safety	16,679,702	15,733,848	945,854
Utilities and Environment	613,202	479,905	133,297
Economic Environment	122,921	114,666	8,255
Health and Human Services			0
Culture and Recreation	349,368	336,965	12,403
Debt Service	56,667	56,667	0
Capitalized Expenditures	412,993	242,839	170,154
Transfers Out	5,964,673	6,214,673	(250,000)
Amount Charged to Appropriations (out-flows)	<u>49,505,539</u>	<u>46,602,929</u>	<u>2,902,610</u>
FUND BALANCE, DECEMBER 31	<u>\$0</u>	<u>\$10,699,381</u>	<u>\$10,699,381</u>

The largest dollar variances are reflected in tax revenues intergovernmental revenues. The increase in taxes category is attributable to an increase in sales tax revenue and interest on property taxes. Revenues received from the State of Washington Department of Natural Resources for the sale of timber exceeded the budget of \$77,000 by nearly \$1.9 million. It is important to note that while the budget was not adjusted, the projections throughout the year included this revenue stream.

Actual expenditures were 5.9% less than budgeted. This is represented primarily by decreases in General Government Services and Public Safety, followed by 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, a decrease in actual expenses in Central Services, and salary and benefit savings due to unfilled positions. The decrease in Public Safety is due primarily to salary and benefit savings from unfilled positions, as well as a decrease in the number of prisoners held in other locations.

CAPITAL ASSETS AND LONG TERM DEBT

Capital Assets

The County's net capital assets were \$341 million at December 31, 2011. Construction in progress was an additional \$8.2 million. Capital assets include land, development rights, buildings, improvements, furniture and equipment, and infrastructure. Details of 2011 capital asset transactions are presented in Note IV.D of the notes to the financial statements.

During 2011 the County continued construction and remodeling of real property for County use. Ongoing projects include design of a new jail facility, recreation center improvements, miscellaneous small parks projects, and a solid waste treatment facility.

Long-Term Debt

At December 31, 2011, general obligation bonds payable as reported by governmental activities was \$12.8 million. This represents a \$.95 million decrease from the prior year. Business type activities reported general obligation bonds payable of \$11.4 million, a decrease of \$.8 million.

The County's remaining legal capacity for non-voted debt at December 31, 2011 was approximately \$209.6 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 and continued uncertainty. According to the Washington State Employment Security Department, the number of unemployed individuals in the County in December 2011 was 10.2% compared to 10.1% in December 2010. Sales tax collections for 2011, which accounted for approximately 14.5% of the County's General Fund budget, were up approximately 10% from collections in 2010 but still lag more than 11% behind the peak collections in 2008.

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The County's overall financial position remains steady. Unassigned net assets for governmental activities have increased by 33.5% compared to 2010. 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:

- Voters approved Initiative 747, which capped property tax growth each year at a maximum of 1%, plus any additions for new construction. I-747 was required to be fully implemented beginning with 2002.
- In April of 2003, the voters approved a 1/10th of 1% increase in sales tax to fund emergency communication systems and facilities.
- In December 2005, the Board of County Commissioners signed an Ordinance implementing a 1/10th 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 reauthorized the assessment for 5 years.
- In December 2010, the Board of County Commissioners signed a resolution authorizing a shift from 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.
- The Jail continues to be overcrowded. Work continues with the County's partner agencies on a solution to this public safety issue. It is anticipated that debt may need to be issued to finance a new facility in the future.

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 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.
- (8) **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.
- (9) **Statement of Cash Flows** – presents information on the sources and uses of cash for the major fund and aggregated information for all other enterprise funds and internal service funds.
- (10) **Statement of Fiduciary Net Assets** - presents information on agency fund assets and liabilities, with the difference reported as net assets.
- (11) **Notes to Financial Statements** – presents disclosure and further detail information to assist the reader in a better understanding of the financial statements and the data presented with them.
- (12) **Required Supplementary Information – Statement of Revenues, Expenditures and Changes in Fund Balance – Budget (GAAP Basis) and Actual** – presents budget information, along with actual results, on separate statements for each major fund which has a legally adopted budget. Departmental information is included for the General fund, in accordance with the County’s legally adopted budget.

SKAGIT COUNTY, WASHINGTON

Statement of Net Assets

December 31, 2011

	Primary Government			Component Units	
	Governmental Activities	Business-Type Activities	Total	EMS	CVA
ASSETS					
Cash and Cash Equivalents	\$ 41,229,211	\$ 8,455,591	\$ 49,684,802	\$ 2,125,877	\$ 510,177
Investments	16,966,177	-	16,966,177	1,108,597	
Accounts Receivables, Net	4,554,450	801,024	5,355,474		616,290
Due from Other Governments	5,560,420	131,591	5,692,011		3,761
Internal Balances	363,649	(363,649)	-		
Inventories and Prepayments	5,533,227	0	5,533,227	900	
Deferred Charges	291,151	57,261	348,412		
Restricted Assets:			-		
Restricted for Debt Service:			-		
Cash/Cash Equivalents	75,310	-	75,310		
Investments	1,734,045	-	1,734,045		
Non Depreciated Capital Assets	170,140,428	793,060	170,933,488		
Capital Assets, Net	165,146,368	4,874,382	170,020,750	411,589	479,600
Construction in Progress	1,027,416	7,199,953	8,227,369		
Total Assets	<u>412,621,852</u>	<u>21,949,213</u>	<u>434,571,065</u>	<u>3,646,963</u>	<u>1,609,828</u>
LIABILITIES					
<u>Liabilities</u>					
Accounts Payable	7,026,456	736,909	7,763,365	79,213	36,845
Other Liabilities	3,570,655	130,448	3,701,103	27,852	201,198
Due to Other Governments	520,751	-	520,751	5,702	9,155
Long Term Liabilities:			-		
Due within One Year	1,220,469	1,075,000	2,295,469		
Due in More Than One Year	19,012,806	16,926,940	35,939,746	46,567	317,299
Total Liabilities	<u>31,351,137</u>	<u>18,869,297</u>	<u>50,220,434</u>	<u>159,334</u>	<u>564,497</u>
<u>Net Assets</u>					
Invested in Capital Assets, Net of Related Debt	327,995,991	4,669,373	332,665,364	411,589	479,600
Restricted for:					
General Government	5,027,854	-	5,027,854		
Public Safety	991,024	-	991,024		
Physical Environment	2,391,762	-	2,391,762		
Transportation	7,982,177	-	7,982,177		
Economic Environment	5,024,609	-	5,024,609		
Health & Human Services	5,543,338	-	5,543,338		
Culture and Recreation	324,380	-	324,380		
Debt Service	1,806,355	-	1,806,355		
Unrestricted	24,183,225	(1,589,457)	22,593,768	3,076,040	565,731
Total Net Assets	<u>\$ 381,270,715</u>	<u>\$ 3,079,916</u>	<u>\$ 384,350,631</u>	<u>\$ 3,487,629</u>	<u>\$ 1,045,331</u>

SKAGIT COUNTY, WASHINGTON
Statement of Activities
For the Year Ended December 31, 2011

Functions/Programs	Program Revenues				Net (Expenses) Revenues and Changes in Net Assets			Component Units	
	Expenses	Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Governmental Activities	Business-Type Activities	Total	EMS	CVA
Primary Government:									
Governmental Activities:									
General Government	\$ 29,694,591	\$ 9,081,343	\$ 147,389	\$ -	\$ (20,465,859)	\$ -	\$ (20,465,859)	\$ -	\$ -
Judicial	6,528,192	3,962,902	1,074,834	-	(1,490,456)	-	(1,490,456)	-	-
Public Safety	20,622,410	3,590,375	764,692	253,315	(16,014,028)	-	(16,014,028)	-	-
Physical Environment	2,672,643	125,144	717,025	128,134	(1,702,340)	-	(1,702,340)	-	-
Transportation	29,952,995	6,354,529	96,298	3,700,065	(19,802,103)	-	(19,802,103)	-	-
Economic Environment	3,162,607	894,872	1,446,771	1,524,838	703,874	-	703,874	-	-
Health and Human Services	10,387,711	3,322,591	4,669,094	-	(2,396,026)	-	(2,396,026)	-	-
Culture and Recreation	1,642,170	894,709	45,684	79,249	(622,528)	-	(622,528)	-	-
Interest on Long Term Debt	516,260	-	-	-	(516,260)	-	(516,260)	-	-
Total Governmental Activities	105,179,579	28,226,465	8,961,787	5,685,601	(62,305,726)	-	(62,305,726)	-	-
Business-Type Activities:									
Solid Waste	7,252,470	8,194,581	397,974	-	-	1,340,085	1,340,085	-	-
Drainage Utility	1,412,499	1,544,370	-	71,451	-	203,322	203,322	-	-
Total Business-Type Activities	8,664,969	9,738,951	397,974	71,451	-	1,543,407	1,543,407	-	-
Total Primary Government	113,844,548	37,965,416	9,359,761	5,757,052	(62,305,726)	1,543,407	(60,762,319)	-	-
Component Unit									
Emergency Medical Services Commission	3,775,927	17,141	4,128,678	41,505	-	-	-	411,397	0
Central Valley Ambulance Authority	4,679,767	2,959,103	1,417,350	-	-	-	-	-	(303,314)
Total Component Unit	8,455,694	2,976,244	5,546,028	-	-	-	-	411,397	(303,314)
General Revenues									
Property Taxes					40,612,732	-	40,612,732	-	-
Sales/Use Taxes					15,478,629	-	15,478,629	-	-
Other Taxes					2,645,798	-	2,645,798	-	-
Interest and Investment Earnings					781,032	(545,115)	235,917	3,959	-
Gain (Loss) from Sale of Capital Assets					(118,394)	700	(117,694)	-	-
Total General Revenues					59,399,797	(544,415)	58,855,382	3,959	-
Transfers					9,142	(9,142)	0	-	-
Total General Revenues and Transfers					59,408,939	(553,557)	58,855,382	3,959	-
Change in Net Assets					(2,896,787)	989,850	(1,906,937)	415,356	(303,314)
Net Assets, January 1					403,732,047	1,576,799	405,308,846	3,072,273	1,348,645
Prior Period Adjustments					(19,564,545)	513,267	(19,051,278)	-	-
Net Assets, January 1, as Restated					384,167,502	2,090,066	386,257,568	3,072,273	1,348,645
Net Assets, December 31					\$ 381,270,715	\$ 3,079,916	\$ 384,350,631	\$ 3,487,629	\$ 1,045,331

SKAGIT COUNTY, WASHINGTON

Balance Sheet Governmental Funds December 31, 2011

	Major Funds				Total
	General Fund	Mental Health Fund	County Road Fund	Other Governmental Funds	
ASSETS					
Cash and Cash Equivalents	\$ 11,493,440	\$ 2,642,352	\$ 3,234,595	\$ 10,834,620	\$ 28,205,007
Investments	-	2,887,742	5,588,232	10,224,248	18,700,222
Taxes Receivable	1,018,349	13,602	442,300	316,868	1,791,119
Accounts Receivable, Net	2,128,374	-	317,526	228,722	2,674,622
Interest Receivable	24,061	-	-	-	24,061
Due from Other Funds	1,462,068	-	359,913	192,376	2,014,357
Due from Other Governments	1,920,952	406,574	769,128	2,444,067	5,540,721
Interfund Loans Receivable	350,000	-	-	263,500	613,500
Inventories and Prepayments	2,988	-	-	57,685	60,673
Total Assets	18,400,232	5,950,270	10,711,694	24,562,086	59,624,282
LIABILITIES AND FUND BALANCES					
<u>Liabilities</u>					
Accounts and Vouchers Payable	701,039	201,638	342,970	955,052	2,200,699
Due to Other Funds	1,892,952	105,845	1,677,824	355,612	4,032,233
Due to Other Governmental Units	115,300	164,309	-	241,142	520,751
Accrued Wages Payable	865,118	18,345	217,059	268,042	1,368,564
Accrued Employee Benefits	148,796	3,122	38,660	58,934	249,512
Custodial Accounts	1,042,309	-	-	78,451	1,120,760
Deferred Revenue	2,935,337	13,602	442,300	930,548	4,321,787
Interfund Loans Payable	-	-	-	613,500	613,500
Total Liabilities	7,700,851	506,861	2,718,813	3,501,281	14,427,806
<u>Fund Balance</u>					
Nonspendable	-	-	-	60,685	60,685
Restricted	-	5,443,409	7,992,881	17,869,305	31,305,595
Committed	350,000	-	-	3,130,815	3,480,815
Assigned	-	-	-	0	-
Unassigned	10,349,381	-	-	0	10,349,381
Total Fund Balances	10,699,381	5,443,409	7,992,881	21,060,805	45,196,476
Total Liabilities and Fund Balances	\$ 18,400,232	\$ 5,950,269	\$ 10,711,694	\$ 24,562,086	\$ 59,624,282

SKAGIT COUNTY, WASHINGTON
Reconciliation of the Governmental Funds Balance Sheet
To the Statement of Net Assets
December 31, 2011

Total fund balances as shown on the Governmental Fund Balance Sheet	\$ 45,196,476
Net capital assets of governmental funds as of December 31, 2011 Capital assets used in the activities of governmental funds are not financial resources and therefore are not reported in the funds.	328,358,440
Revenues deferred in the governmental funds and recognized as revenue of the current period on the statement of activities.	3,708,111
Net assets of the internal service funds Internal service funds are included in governmental activities on the statement of net assets.	23,550,672
Balance of long-term liabilities of the governmental funds as of December 31, 2011 Liabilities not due and payable in the current period are not reported in the governmental funds.	(19,542,984)
Total net assets as reported on the Statement of Net Assets	<hr/> <u>\$ 381,270,715</u>

SKAGIT COUNTY, WASHINGTON
Statement of Revenues, Expenditures and Changes in Fund Balance
Governmental Funds
For the Year Ended December 31, 2011

	Major Funds				Total
	General Fund	Mental Health Fund	County Road Fund	Other Governmental Funds	
Revenues					
Property Taxes	\$ 23,074,620	\$ 308,039	\$ 10,535,383	\$ 6,736,145	\$ 40,654,187
Sales and Use Taxes	7,551,303	2,205,909	272,199	5,449,218	15,478,629
Other Taxes	2,239,490	2,225	46,258	357,825	2,645,798
Licenses and Permits	27,219	-	54,373	888,513	970,105
Intergovernmental Revenues	8,964,949	254,231	8,811,861	8,863,654	26,894,695
Charges for Services	4,423,197	1,270,567	1,296,102	3,029,571	10,019,437
Fines and Forfeits	1,845,047	-	-	440,581	2,285,628
Interest Earnings	619,550	5,394	25,045	106,573	756,562
Donations	57,784	-	-	292,513	350,297
Other Revenues	420,236	97	96,622	782,583	1,299,538
Total Revenues	<u>49,223,395</u>	<u>4,046,462</u>	<u>21,137,843</u>	<u>26,947,176</u>	<u>101,354,876</u>
Expenditures					
Current:					
General Government	15,600,250	-	180,088	853,659	16,633,997
Judicial	7,823,116	-	-	-	7,823,116
Public Safety	15,733,848	-	-	8,799,701	24,533,549
Physical Environment	479,905	-	-	2,987,174	3,467,079
Transportation	-	-	17,380,975	204,129	17,585,104
Economic Environment	114,666	-	-	3,492,073	3,606,739
Health and Human Services	-	2,998,551	-	8,618,896	11,617,447
Culture and Recreation	336,965	-	-	1,679,540	2,016,505
Debt Service:					
Principal	56,667	-	-	1,059,905	1,116,572
Interest	-	-	-	600,115	600,115
Capital Outlay	242,839	-	3,703,484	1,804,404	5,750,727
Total Expenditures	<u>40,388,256</u>	<u>2,998,551</u>	<u>21,264,547</u>	<u>30,099,596</u>	<u>94,750,950</u>
Excess (Deficit) Revenues Over Expenditures	<u>8,835,139</u>	<u>1,047,911</u>	<u>(126,704)</u>	<u>(3,152,420)</u>	<u>6,603,926</u>
Other Financing Sources (Uses)					
Proceeds of Long Term Debt	-	-	-	201,035	201,035
Proceeds from Sale of Capital Assets	-	-	-	1,200	1,200
Transfers In	179,481	-	-	8,409,067	8,588,548
Transfers Out	(6,214,673)	(763,588)	(338,809)	(1,512,335)	(8,829,405)
Total Other Financing Source (Uses)	<u>(6,035,192)</u>	<u>(763,588)</u>	<u>(338,809)</u>	<u>7,098,967</u>	<u>(38,622)</u>
Net Change in Fund Balance	2,799,947	284,323	(465,513)	3,946,547	6,565,304
Fund Balance, January 1	7,899,434	5,159,086	8,458,394	17,201,826	38,718,740
Prior Period Adjustment	-	-	-	(87,568)	(87,568)
Fund Balance, January 1, as restated	<u>7,899,434</u>	<u>5,159,086</u>	<u>8,458,394</u>	<u>17,114,258</u>	<u>38,631,172</u>
Fund Balance, December 31	<u>\$ 10,699,381</u>	<u>\$ 5,443,409</u>	<u>\$ 7,992,881</u>	<u>\$ 21,060,805</u>	<u>\$ 45,196,476</u>

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, 2011

Net change in fund balances as shown on the Governmental Funds Statement of Revenues, Expenditures and Changes in Fund Balance	\$	6,565,304
Net Capital Asset Activity		(12,855,686)
Purchases of capital assets are reported as expenditures in the governmental funds. On the government wide statements they are reported as assets and depreciated over their estimated useful lives.		
Net Internal Service Fund Activity		2,498,928
Internal service funds are included in governmental activities on the statement of net assets		
Net Long-Term Debt Activity		936,122
In the governmental funds statements, proceeds of long term debt are considered revenues and debt principal payments are considered expenditures. These transactions are reported as increases and decreases in long-term debt liabilities on the government wide statements.		
Net change in deferred revenues and revenues not reportable on the modified accrual basis		(41,455)
Revenues are reported on the modified accrual basis for the governmental funds statements and on the full accrual basis for the statement of activities.		
		<hr/>
Change in net assets as reflected in the Statement of Activities	\$	<u><u>(2,896,787)</u></u>

SKAGIT COUNTY, WASHINGTON

Statement of Net Assets

Proprietary Funds

December 31, 2011

	Business-Type Activities Enterprise Funds			Governmental Activities
	Solid Waste	Drainage Utility	Total	*Internal Service Funds
ASSETS				
<u>Current Assets</u>				
Cash/Cash Equivalents	\$ 5,500,155	\$ 2,955,436	\$ 8,455,591	\$ 13,099,514
Accounts Receivable	716,568	84,456	801,024	64,648
Due From Other Funds	-	-	-	2,586,510
Due from Other Governments	104,724	26,867	131,591	19,699
Inventories/Prepayments	-	-	-	5,472,554
Total Current Assets	6,321,447	3,066,759	9,388,206	21,242,925
<u>Non-Current Assets</u>				
Capital Assets				
Land	595,379	197,681	793,060	-
Buildings	1,397,338	-	1,397,338	180,888
Improvements	1,301,780	5,719,889	7,021,669	-
Machinery and Equipment	538,210	29,569	567,779	16,747,968
Less Accumulated Depreciation	(2,763,993)	(1,348,411)	(4,112,404)	(8,973,084)
Construction In Progress	6,528,022	671,931	7,199,953	-
Unamortized Debt Issuance Costs	57,261	-	57,261	-
Total Non-Current Assets	7,653,997	5,270,659	12,924,656	7,955,772
Total Assets	13,975,444	8,337,418	22,312,862	29,198,697
LIABILITIES AND FUND EQUITY				
<u>Current Liabilities</u>				
Accounts/Vouchers Payable	667,001	69,909	736,909	4,825,757
Due to Other Funds	264,095	99,553	363,649	204,986
Interest Payable	39,406	-	39,406	-
Interfund Loans Payable	-	-	-	-
Accrued Wages Payable	59,018	17,620	76,638	141,035
Accrued Employee Benefits	11,328	3,076	14,404	18,877
Accrued Taxes Payable	-	-	-	-
Other Accrued Liabilities	255,000	-	255,000	7,350
Bonds Payable	820,000	-	820,000	-
Total Current Liabilities	2,115,848	190,158	2,306,006	5,198,005
<u>Non-Current Liabilities</u>				
Compensated Absences	73,878	18,327	92,205	253,510
Post Closure Landfill Costs	3,314,587	-	3,314,587	-
Environmental Liability	3,012,962	-	3,012,962	196,511
Bonds Payable	10,507,186	-	10,507,186	-
Total Non-Current Liabilities	16,908,613	18,327	16,926,940	450,021
Total Liabilities	19,024,461	208,485	19,232,946	5,648,025
<u>Net Assets</u>				
Invested in Capital Assets, Net of Related Debt	(601,286)	5,270,659	4,669,373	7,955,770
Unrestricted	(4,447,731)	2,858,274	(1,589,457)	15,594,902
Total Net Assets	\$ (5,049,017)	\$ 8,128,933	\$ 3,079,916	\$ 23,550,672

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, 2011

	Business - Type Activities Enterprise Funds			Governmental Activities
	Solid Waste	Drainage Utility	Total	*Internal Service Funds
<u>Operating Revenues</u>				
Charges for Services	\$ 8,194,581	\$ 1,544,370	\$ 9,738,951	\$ 12,966,925
Other Operating Revenue		-	-	10,485,682
Total Operating Revenues	<u>8,194,581</u>	<u>1,544,370</u>	<u>9,738,951</u>	<u>23,452,607</u>
<u>Operating Expenses</u>				
Personnel Services	1,623,038	579,949	2,202,987	3,907,733
Contractual Services	4,508,628	-	4,508,628	1,817,332
Supplies and Expenses	1,041,032	648,820	1,689,852	5,913,539
Depreciation	44,494	183,730	228,224	896,635
Payment to Claimants	-	-	-	8,657,427
Total Operating Expenses	<u>7,217,192</u>	<u>1,412,499</u>	<u>8,629,691</u>	<u>21,192,666</u>
Operating Income (Loss)	<u>977,389</u>	<u>131,871</u>	<u>1,109,260</u>	<u>2,259,941</u>
<u>Non-Operating Revenue (Expenses)</u>				
Intergovernmental Revenue	397,974	71,451	469,425	-
Interest Revenue	21,360	11,540	32,900	24,470
Miscellaneous Revenue	(35,278)	0	(35,278)	84,111
Gain (Loss) on Disposition of Capital Assets	700	-	700	(119,594)
Interest Expense	(578,015)	-	(578,015)	-
Miscellaneous Expense	-	-	-	-
Total Non-Operating Revenue (Expenses)	<u>(193,259)</u>	<u>82,991</u>	<u>(110,268)</u>	<u>(11,013)</u>
Income (Loss) before Transfers	784,130	214,862	998,992	2,248,928
Transfers In	-	-	-	250,000
Transfers Out	-	(9,142)	(9,142)	0
Change in Net Assets	<u>784,130</u>	<u>205,720</u>	<u>989,850</u>	<u>2,498,928</u>
Net Assets, January 1	(6,340,766)	7,917,565	1,576,799	21,106,445
Prior Period Adjustment	507,619	5,648	513,267	(54,702)
Net Assets, January 1, as Restated	<u>(5,833,147)</u>	<u>7,923,213</u>	<u>2,090,066</u>	<u>21,051,743</u>
Net Assets, December 31	<u>\$ (5,049,017)</u>	<u>\$ 8,128,933</u>	<u>\$ 3,079,916</u>	<u>\$ 23,550,672</u>

SKAGIT COUNTY, WASHINGTON
Statement of Cash Flows
Proprietary Funds
For the Year Ended December 31, 2011

	Business - Type Activities Enterprise Funds			Governmental Activities
	Solid Waste	Drainage Utility	Total	*Internal Service Funds
Cash Flows from Operating Activities:				
Receipts from Customers	\$ 8,232,533	\$ 1,540,344	\$ 9,772,877	\$ 1,007,862
Receipts from Interfund Services Provided	-	0	0	20,191,713
Payments to Employees	(1,609,048)	(588,912)	(2,197,960)	(3,956,219)
Payments to Suppliers	(4,606,265)	(450,695)	(5,056,960)	(5,083,746)
Payments to Claimants	-	-	-	(8,679,194)
Payments for Interfund Services Used	(829,968)	(208,005)	(1,037,973)	(1,834,275)
Miscellaneous Receipts	-	-	-	111,830
Miscellaneous Payments	(34,578)	5,648	(28,930)	(2,345)
Net Cash Provided (Used)	<u>1,152,674</u>	<u>298,380</u>	<u>1,451,054</u>	<u>1,755,626</u>
Cash Flows From Non-Capital Financing Activities:				
Operating Grants Received	315,533	\$149,375	\$464,908	-
Transfers to Other Funds	-	(9,142)	(9,142)	(176,936)
Net Cash Provided (Used)	<u>315,533</u>	<u>140,233</u>	<u>455,766</u>	<u>(176,936)</u>
Cash Flows from Capital and Related Financing Activities:				
Proceeds from Capital Debt	-	-	0	(189,084)
Purchases of Capital Assets	(6,042,205)	(491,094)	(6,533,299)	(664,641)
Proceeds from Sale of Capital Assets	45,948	-	45,948	291,437
Principal Paid on Capital Debt	(790,000)	-	(790,000)	-
Interest Paid on Capital Debt	(517,614)	-	(517,614)	-
Other Receipts (Payments)	0	17,952	17,952	-
Net Cash Provided (Used)	<u>(7,303,871)</u>	<u>(473,142)</u>	<u>(7,777,013)</u>	<u>(562,288)</u>
Cash Flows from Investing Activities:				
Sale of Investments	-	-	-	-
Interest Earnings	21,360	11,539	32,899	24,470
Net Cash Provided	<u>21,360</u>	<u>11,539</u>	<u>32,899</u>	<u>24,470</u>
Net Change in Cash and Cash Equivalents	(5,814,304)	(22,990)	(5,837,294)	1,040,872
Balance, January 1	11,314,459	2,978,426	14,292,885	12,058,644
Balance, December 31	<u>\$ 5,500,155</u>	<u>\$ 2,955,436</u>	<u>\$ 8,455,592</u>	<u>\$ 13,099,514</u>

SKAGIT COUNTY, WASHINGTON
Statement of Cash Flows
Proprietary Funds
For the Year Ended December 31, 2011

	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)	\$ 977,389	\$ 131,871	\$ 1,109,260	\$ 2,259,941
Adjustments to Reconcile Operating Income to Net Cash Provided (Used) by Operating Activities:				
Depreciation Expense	44,494	183,730	228,224	896,633
Miscellaneous Receipts	(34,578)	5,648	(28,930)	331,765
Changes in Assets and Liabilities:				
Receivables, Net	37,952	(4,026)	33,926	(2,475,313)
Prepayments	0	0	0	(49,367)
Inventories	-	-	-	(312,147)
Accounts and Other Payables	127,417	(18,843)	108,574	1,104,114
Net Cash Provided (Used) by Operating Activities	<u>\$ 1,152,674</u>	<u>\$ 298,380</u>	<u>\$ 1,451,054</u>	<u>\$ 1,755,626</u>

SKAGIT COUNTY, WASHINGTON

Statement of Fiduciary Net Assets

Fiduciary Funds

December 31, 2011

	<u>Agency Funds</u>
ASSETS	
Cash	\$ 30,915,247
Investments	236,801,922
Taxes Receivable	5,813,729
Deposits	406
Total Assets	<u><u>\$273,531,304</u></u>
LIABILITIES	
Warrants Payable	\$24,653,854
Custodial Accounts	248,877,450
Total Liabilities	<u><u>\$ 273,531,304</u></u>

Skagit County, Washington
Notes to the Financial Statements
December 31, 2011

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 Authority (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, based on a consultant's recommendation, EMS no longer directly provided emergency medical services in Central Skagit County as per Ordinance #O20090003 adopted by the Board of County Commissioners.

In 2009, due to concerns about the commission both providing and contracting for ambulance service, the County Commissioners elected to split off the service provision portion of the EMS system, and created an ordinance to establish the Central Valley Ambulance Authority (CVAA) (Skagit County Code, Chapter 252). The Central Valley Ambulance Authority 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. The Central Valley Ambulance Authority is component unit of Skagit County and began its operations July 1, 2009. The 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 Authority, including complete financial statements can be obtained at their respective offices in Mount Vernon, Washington.

Skagit County, Washington
Notes to the Financial Statements
December 31, 2011

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 units are reported separately from the county.

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

Skagit County, Washington
Notes to the Financial Statements
December 31, 2011

fiduciary funds. The latter are excluded from the government wide financial statements. Major individual governmental funds and major individual enterprise funds are reported as separate columns in the fund financial statements.

Measurement Focus, Basis of Accounting and Financial Statement Presentation

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

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

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

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

- The General Fund is the County's primary operating fund. It is used to account for all activities of the general government not accounted for in another fund. The majority of revenues consist of property, sales, and other taxes and fees, and grant revenue.
- The County Road Fund accounts for the design, construction, and maintenance of County Roads. The majority of the revenues consist of property tax and grant revenue.
- The Mental Health Fund accounts for expenditures relating to support services provided to citizens with mental and developmental disabilities. The majority of revenues consist of sales tax and grant revenue.

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.

Skagit County, Washington
Notes to the Financial Statements
December 31, 2011

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 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

Skagit County, Washington
Notes to the Financial Statements
December 31, 2011

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.

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	\$1,672,141
Special Assessments – Delinquent	79,535
Cash and Investments – Debt Service	1,178,130
Cash and Investments – Construction	1,159,321

Capital Assets – See Note IV

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

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

Skagit County, Washington
Notes to the Financial Statements
December 31, 2011

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.

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 \$1,178,130. Of this amount, \$1,159,321 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

Skagit County, Washington
Notes to the Financial Statements
December 31, 2011

Fund Equity

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

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

Restricted Fund Balance – That portion of net resources that contains limitations imposed by creditors, grantors, contributors, or laws and regulations of other governments.

Committed Fund Balance – That portion of net resources that contains limitations imposed at the highest level of decision making within the County, which is at the Board of County Commissioner level by adoption of a resolution.

Assigned Fund Balance – That portion of net resources that contains limitations resulting from intended use. The County has designated the Budget and Finance Director or the County Administrator with the authority to assign fund balance.

Unassigned Fund Balance – The residual net resources in excess of Nonspendable, Restricted, Committed, and Assigned.

Each government fund has to be analyzed to classify the fund balance in accordance with GASB Statement No. 54. Funds are created by the Board of County Commissioners and money is authorized to be transferred to the fund for a particular purpose. At this point, balances in these funds are at least committed, and may be further restricted depending on whether there is an external party, constitutional provision, or enabling legislation constraint involved.

The spending policy of government fund balance consists of Restricted resources used first, followed by Committed resources, then Assigned, and finally Unassigned Fund Balance.

Skagit County, Washington
Notes to the Financial Statements
December 31, 2011

The following shows the composition of the fund balance of the government funds for the fiscal year ended December 31, 2011:

	General Fund	Major Special Revenue Funds		Capital Projects Funds	Debt Service Funds	Other Government funds	Total
		Mental Health Fund	County Road Fund				
Fund Balances:							
<i>Nonspendable:</i>							
Inventory						60,685	60,685
Loan Receivable							-
<i>Restricted For:</i>							
General Govt Services				1,204,888	1,806,355	1,169,295	4,180,538
Public Safety						1,449,962	1,449,962
Utilities						2,469,379	2,469,379
Transportation			7,992,881			793,613	8,786,494
Natural & Economic Env				3,461,751		602,876	4,064,627
Social Services		5,443,409				1,988,969	7,432,378
Cultural & Recreation				2,597,835		324,380	2,922,215
<i>Committed to:</i>							
General Govt Services	350,000					77,941	427,941
Judicial Activities							-
Public Safety						498,799	498,799
Utilities						1,138,608	1,138,608
Social Services						326,760	326,760
Cultural & Recreation						1,088,707	1,088,707
<i>Assigned to:</i>							
<i>Unassigned</i>	10,349,381						10,349,381
Total Fund Balances	10,699,381	5,443,409	7,992,881	7,264,474	1,806,355	11,989,974	45,196,474

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 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.

Skagit County, Washington
Notes to the Financial Statements
December 31, 2011

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		\$ 560,494,243
Less Accumulated Depreciation		(233,163,219)
Construction in Progress		1,027,416
	Net Capital Assets	<u>328,358,440</u>
<u>Long-Term Liabilities</u>		
Bonds Payable		\$ 12,800,000
Unamortized Bond Issue Costs		(291,151)
Unamortized Bond Discounts/Premiums		25,736
Loans Payable		4,086,501
Compensated Absences Liability		2,538,287
OPEB Liability		325,380
Accrued Interest Payable on Long-Term Liabilities		58,231
	Long Term Liabilities	<u>\$ 19,542,984</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		\$ (11,453,098)
Depreciation Expense		(1,402,588)
	Net Capital Assets	<u>(12,855,686)</u>
<u>Net Long-Term Debt Activity</u>		
Proceeds of Long Term Debt		\$ (201,034)
Principal Payments		1,206,606
Amortization of Bond Discounts/Premiums		20,291
Amortization of Bond Issue Costs		(26,468)
Change in Compensated Absences Liability		29,210
Change in OPEB Liability		(92,483)
	Net Long-Term Debt Activity	<u>\$ 936,122</u>

III. STEWARDSHIP, COMPLIANCE AND ACCOUNTABILITY

Scope of Budget

The annual budget for Skagit County is adopted in accordance with the provisions of the Revised Code of Washington (RCW), as interpreted by the Budgeting, Accounting, and Reporting System (BARS) of the State of Washington, and on a basis consistent with generally accepted accounting principles. All government funds with the exception of the Treasurer's O&M fund, as per RCW 84.56.020(9), have legally adopted budgets.

Skagit County, Washington
Notes to the Financial Statements
December 31, 2011

The annual appropriated budget is adopted at the department level within the general fund. Other budgets are adopted at the level of the fund. For management purposes, expenditures are further segregated by object class of expenditure. Object class refers to a segmentation of expenditures into five categories. These categories are salaries and wages, personnel benefits, supplies, other services and charges, and capital expenditures. Expenditures may not exceed appropriations at the department level and the budgets constitute the legal authority for expenditures at that level. All appropriations lapse thirty days after the close of each fiscal year.

Budget status reports are used to compare the budgeted amounts with actual revenues and expenditures. Revenues and expenditures can be monitored at fund, department, division, activity, 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 on the proposed budget from September through October.
- The Commissioners hold a public hearing on or before the first Monday in December to receive testimony on the budget.
- The Commissioners make adjustments to the proposed budget and adopt, by resolution, a final balanced budget no later than December 31.
- Upon adoption, the final budget is made available to the public.

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 fund had deficit fund balances/net assets as of December 31, 2011

- The Solid Waste fund deficit was \$5,049,017. This results primarily from the recording of liabilities for landfill post closure care costs and environmental remediation costs.

Skagit County, Washington
Notes to the Financial Statements
December 31, 2011

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 \$14,975,387 and the treasurer's bank balance was \$3,818,427, 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 Treasurer as Chair, the Auditor as Secretary, and the Chair of the Board of County Commissioners. The State LGIP was created by the Washington State Legislature in 1986 and is overseen by the State Treasurer. The State Finance Committee administers the pool and is advised by the LGIP Committee, comprised of twelve members selected from the active pool participants. The pool is operated in a manner consistent with the SEC Rule 2a7. Net investment income is allocated monthly to participants and is based on their average proportionate share of net 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, 2011

As of December 31, 2011, the County held the following investments:

Investment Type	Fair Value	Less Than 1			
		Year Maturity	1 Year	2 Years	3 years
Certificates of Deposit	\$ 9,113,235	\$ 4,150,147	\$ 4,409,466		\$ 553,622
Money Market	5,862,152	5,862,152			
Registered Warrants	268,664	268,664			
Commercial Paper	-	-	-		
Bankers Acceptances	39,796,046	39,796,046			
Treasury Notes	1,208,201	700,460	201,390	306,351	
Municipal Bonds	12,825,948	4,175,094	6,947,242	1,092,163	611,449
U.S. Agencies	87,239,697	14,853,078	32,859,371	31,581,147	7,946,101
State Treasurer Pool	178,743,578	178,743,578			
	\$ 335,057,521	\$ 248,549,219	\$44,417,469	\$32,979,661	\$9,111,172

Total fair value of investments represents \$97,142,020 for Skagit County and \$237,915,501 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, 2011.

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, 2011, the County's investments in U.S. Agencies in the amount of \$87,939,309 (fair value) was rated AAA by Standard & Poor's, an additional amount of \$867,047 (fair value) was rated AAA by Moody's. Details of ratings on investments in municipal bonds and banker's acceptances are as follows:

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Municipal Bonds	Fair Value	Standard &		
		Poor	Moody's	Fitch
Arlington WA	367,949	A2		
Benton Co WA	51,485	Aa3	AA-	
Chelan Co PUD	213,582	Aa2	AA	
City of New York, NY	419,664	Aa2	AA	AA
City of Vancouver, WA	295,218	AA3	AA	
Clackamas Co OR SD	50,717	Aa1		
Clallam County PUD	762,569	Aa3		
Clark CO SD #114	377,336	Aa1	AA2	
Clark CO WA SD #114	357,615	Aa2		
Co & City of Honolulu	134,069	Aa1	AA+	
Cook County	505,390	Aa2	AA	AA
Cowlitz Co PUD	154,290	A1	A	
Cowlitz CO SD #122	168,664	Aa1	AA	
Douglas Co PUD	105,376	Aa3	AA	
Ellensburg WA	25,923	Aa3	AAA	
ESD #113	197,148	A1		
Everett WA	205,616	AA+		
Grant County PUD	591,141	AAA	Aa3	AA
Greater Albany OR SD	507,905	Aa1		
Illinois State	300,000	A2	A+	A
Island Co SD #204	102,173	Aa1	A1	
Jefferson SD	153,368	Aa1	A2	
King Co Fire #38	127,141	A+		
King Co Rural Library	203,756	AA		
King Co SD #408	208,117	Aa1		
King Co Trans	102,495	Aa1	AAA	AA+
King Co WA	52,373	Aa1	AAA	
Kirkland Material Events	77,974	Aa1	AAA	
Kitsap Co SD	101,480	Aa1		
Kitsap Co WA	51,095	Aa3	AA-	
Lacrosse Co WI	513,710	A1	AA-	
Leavenworth WA Sinking Bd	119,652	A		
Lk Whatcom Wtr & Sewer	25,913	AA+	A+	
Maricopa Co SD	127,740	Aa2	AAA	
Milwaukee WI	92,921	Aa1	AA	AA+
NE Sammamish Sewer & Wtr	55,551	AA+		
Nevada State - ADV Refunding	102,703	Aa1		
Oregon State Material Evnts	128,226	Aa1	AA	
Pierce Co SD #10	254,800	Aa1	AA+	
Port of Bremerton	103,956	Aa3		
CONTINUED ON NEXT PAGE				

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Municipal Bonds	Standard &			
	Fair Value	Poor	Moody's	Fitch
Port of Chelan	110,580	A1		
Port of Seattle	730,435	Aa3	AA+	A+
Power & Cassia Co ID SD	201,788	Aaa	A2	
Puget Sound Transit Auth	103,865	AAA	Aa2	
Seattle Solid Waste	233,520	Aa3	AA-	
Seattle Water	156,178	Aa1	AA+	
Sno Co PUD	104,755	AA-	AA-	Aa3
Snohomish Co SD	104,571	Aa2	AA+	
Sound Transit	152,613	Aa1	AAA	
Spokane Co Series D	25,304	AA	Aa2	
Stanwood Wtr & Sewer	96,650	AA-		
State of Conn Econ Recovery	290,000	Aa2	AA	AA
State of Minnesota	102,738	Aa1	AAA	AAA
State of Washington	121,751	AA1	AA+	
Thurston Co Fire #3	102,469	Aa3		
Thurston Co SD	25,708	Aa1	AA+	
WA & Clack Co SD	49,816	Aa2		
WA Co OR SD #15	316,327	AA	A+	
WA St College Savings Bnd	83,576	Aa1	AA+	AA+
WA St Motor Vehicle Fuel	166,005	Aa1	AA+	AA+
WA State COPS	431,422	Aa2		
WA State Health Care	225,190	Aa1	AAA	
WA State Univ Rev	102,744	Aa2	A+	
Walla Walla WA	130,941	Aa3	A+	
Wisconsin State	160,202	Aa2	AA	AA
Total Municipal Bonds	12,825,949			

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, 2008 the investment in the Washington State LGIP was limited to 65 percent, this was modified by resolution on March 16, 2009 to allow investment in excess of 65

Skagit County, Washington
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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.

Federal Arbitrage

Federal Arbitrage is the ability to obtain tax-exempt bond proceeds and invest the funds into higher yielding taxable securities, resulting in a profit. The County had no federal arbitrage in 2011.

Property Taxes

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

Property taxes are recorded as a receivable when levied, 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 services, subject to the following limitations:

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

2011 Tax levy information is as follows:

	Levy in Dollars		Total Value	Levy
	Assessed Per			
	Thousand			
2011				
County	1.5210	\$ 14,494,671,744	\$ 22,047,553	
Medic 1 Services	0.2500	14,476,397,872	3,619,099	
Roads	1.6656	7,302,686,287	12,163,090	
Conservation Futur	0.0527	14,494,671,744	763,312	

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.

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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, 2011 is as follows:

	Unavailable	Unearned	Total
Property Taxes Receivable (General Fund)	\$ 1,018,349	-	\$ 1,018,349
Property Taxes Receivable (Road Fund)	442,300	-	\$ 442,300
Property Taxes Receivable (Mental Health Fund)	13,602	-	\$ 13,602
Property Taxes Receivable (Other Government Funds)	403,171	-	\$ 403,171
Revenue Earned but Not yet Available	1,830,689		\$ 1,830,689
Revenue Received Prior to Meeting Eligibility Requirements		613,676	\$ 613,676
Total Deferred Revenue for Government Funds	<u>\$ 3,708,111</u>	<u>\$ 613,676</u>	<u>\$ 4,321,787</u>

C. Interfund Receivables, Payables and Transfers

Details of interfund payable/receivable balances of December 31, 2011 are as follows:

	Due From Other funds				Total
	General Fund	Other Government Funds	County Road Fund	Internal Service Funds	
Due to Other funds					
General Fund	\$ -	1,443	\$ -	\$ 1,891,508	\$ 1,892,951
Non-Major Governmental Funds	289,321	(615)	48,690	18,217	355,613
Mental Health Fund	105,845				105,845
Internal Service	86,369		106,351	12,266	204,986
County Road Fund	850,461	187,694		639,669	1,677,824
Drainage Utility	39,702	3,854	49,943	6,054	99,553
Solid Waste	90,370		154,929	18,796	264,095
Total	<u>\$ 1,462,068</u>	<u>\$ 192,376</u>	<u>\$ 359,913</u>	<u>\$ 2,586,510</u>	<u>\$ 4,600,867</u>

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:

Borrowing Fund	Lending Fund	Balance 1/1/2011	New Loans	Repayment	Balance 12/31/2011
Hansen Creek Sub Flood	General Fund	\$ 21,500		\$ 21,500	\$ -
Planning and Development	General Fund	125,000	805,000	630,000	300,000
Elections	General Fund	-	50,000		50,000
Water Improvement 210	Water Improvement 215	28,000			28,000
Water Improvement 215	Water Improvement 218	232,500			232,500
Water Improvement 216	Edison Clean Water	3,000			3,000
Facility Improvement	General Fund/Cap Fac	2,374,000	520,000	2,894,000	-
Total		<u>\$ 2,784,000</u>	<u>\$ 1,375,000</u>	<u>\$ 3,545,500</u>	<u>\$ 613,500</u>

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-

Skagit County, Washington
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major governmental funds are generally for debt service and capital project funding. Details of 2011 transfers are as follows:

Transferring Fund	Transfers In			Balance 12/31/2011
	General Fund	Internal Service	Non-Major Governmental	
General Fund		\$ 250,000	\$ 5,964,673	\$ 6,214,673
Drainage Utility			9,142	9,142
Mental Health			763,588	763,588
County Roads			338,809	338,809
Non-Major	179,481		1,332,854	1,512,335
Total	\$ 179,481	\$ 250,000	\$ 8,409,066	\$ 8,838,547

D. Capital Assets

Summarized capital asset transactions for governmental activities are as follows:

	Beginning Balance	Increases	Decreases	Ending Balance
Governmental Activities				
Capital Assets, Non-depreciable				
Land	\$ 154,900,928	\$ 2,324,466	\$ 34,154	\$ 157,191,239
Development Rights	12,212,019	750,618	13,448	12,949,189
Capital asset held for resale	-	-	-	-
Construction in Progress	651,253	376,163		1,027,416
	167,764,200	3,451,247	47,602	171,167,844
Depreciable Capital Assets				
Buildings	53,921,241	819,431	1,449,570	53,291,102
Improvements	7,192,239	1,256,921		8,449,160
Machinery and Equipment	21,985,927	1,220,702	3,620,663	19,585,966
Infrastructure	339,696,685	-	13,740,240	325,956,445
	422,796,092	3,297,054	18,810,473	407,282,673
Less Accumulated Depreciation				
Buildings	(19,767,351)	(1,243,730)	(255,529)	(20,755,552)
Improvements	(4,033,705)	(306,145)	47,938	(4,387,788)
Machinery and Equipment	(13,125,266)	(1,318,446)	(3,227,265)	(11,216,447)
Infrastructure	(184,710,134)	(13,834,213)	7,232,171	(205,776,518)
	(221,636,456)	(16,702,534)	3,797,315	(242,136,305)
Total Net Depreciable Capital Assets	201,159,636	(13,405,480)	22,607,788	165,146,368
Total Net Capital Assets	\$ 368,923,836	\$ (9,954,233)	\$ 22,655,391	\$ 336,314,212

Depreciation expense by function for governmental activities is as follows:

General Governmental Services	\$ 1,450,331
Judicial	8,073
Public Safety	447,985
Utilities	63,660
Transportation	14,325,805
Natural & Economic Environment	22,703
Social Services	27,015
Culture and Recreation	356,962
Total governmental activities depreciation expense	\$ 16,702,534

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

	Beginning Balance	Increases	Decreases	Ending Balance
Business - Type Activities				
Capital Assets, Non-depreciable				
General Fund				
Land	\$ 793,059		\$ -	\$ 793,059
Construction in Progress	888,609	6,805,837	494,491	7,199,955
	1,681,668	6,805,837	494,491	7,993,014
Depreciable Capital Assets				
Buildings	1,488,591	-	91,254	1,397,337
Improvements	6,390,515	684,170	53,016	7,021,669
Machinery and Equipment	522,377	45,402	-	567,779
	8,401,483	729,572	144,270	8,986,785
Less Accumulated Depreciation				
Buildings	(1,081,968)	(12,047)	(73,263)	(1,020,752)
Improvements	(2,439,622)	(187,253)	(7,109)	(2,619,766)
Machinery and Equipment	(442,961)	(28,924)		(471,886)
	(3,964,551)	(228,224)	(80,372)	(4,112,404)
Total Net Depreciable Capital Assets	4,436,932	501,348	63,898	4,874,381
Total Net Capital Assets	6,118,600	7,307,185	558,389	12,867,395

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

Solid Waste	\$ 44,494
Drainage Utility	183,730
Total business type activities depreciation expense	<u>\$ 228,224</u>

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.

Details of general obligation bonds outstanding as of December 31, 2011 are as follows:

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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 \$75,000 and interest payments of \$9,935 were made in 2011.	\$ 155,000
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 \$170,000 and interest payments of \$51,618 were made in 2011.	1,165,000
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 \$2,200 were made in 2011.	40,000
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 \$305,000 and interest payments of \$251,823 were made in 2011.	6,225,000
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 \$375,000 and interest payments of \$218,259 were made in 2011.	5,215,000
Total bonds payable at December 31, 2011 for governmental activities	\$ 12,800,000
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 \$790,000 and interest payments of \$90,275 were made in 2011.	1,670,000
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 payments made in 2011. Interest paid in 2011 was \$427,339.	9,740,000
Total bonds payable at December 31, 2011 for business-type activities	\$ 11,410,000

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

Year Ending December 31	Government Activities			
	Government Activities		Business-Type Activities	
	Principal	Interest	Principal	Interest
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	529,410
Totals	12,800,000	3,674,144	11,410,000	5,302,517

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 2011 financial statements. As of December 31, 2011 the balance of the defeased bonds outstanding is \$5,735,000.

Loans Payable

Details of loans payable as of December 31, 2011 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 2011.	\$ 133,261
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 2011.	35,372
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 2011.	566,667
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 \$19,809 were made in 2011.	1,262,571
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.	2,088,631
Total loans payable at December 31, 2011 for governmental activities	<u>\$ 4,086,503</u>

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

Year Ending December 31	Principal	Interest
2012	\$ 238,119	\$ 68,577
2013	241,352	65,344
2014	244,652	62,043
2015	248,023	109,436
2016-2020	1,266,578	469,157
2021-2025	1,067,500	316,164
2026-2030	780,279	150,981
Totals	4,086,503	1,241,702

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, 2011, the County's remaining capacity for non-voted debt was \$209,605,218. Additional debt capacity with an authorizing vote is \$144,946,717.

Changes in Long-Term Liabilities

Details of changes in long term liabilities for the year ended December 31, 2011 is as follows:

	Beginning Balance	New Issue	Retirements	Ending Balance	Due Within One year
Governmental Activities:					
Bonds Payable					
General Obligation Bonds	\$ 13,745,000		\$ 945,000	\$ 12,800,000	\$ 975,000
Add: Net Unamortized Discounts/Premiums	27,192		1,455	25,737	
Total Bonds Payable	13,772,192	-	946,455	12,825,737	975,000
Loans Payable	4,147,073	238,119	298,690	4,086,502	238,119
Note Payable	-			-	
Compensated Absences	2,828,311	7,526	44,041	2,791,796	
OPEB Liability	232,897	325,380	232,897	325,380	
Environmental Liabilities	206,206	9,851	12,196	203,861	7,350
Total Long-Term Liabilities	\$ 21,186,679	\$ 580,876	\$ 1,534,279	\$ 20,233,276	\$ 1,220,469
Business-Type Activities					
Bonds Payable					
General Obligation Bonds	\$ 12,200,000	\$ -	\$ 790,000	\$ 11,410,000	\$ 820,000
Discounts/Premiums	(35,619)	7,882	9,041	(36,778)	
Less: Unamortized Refunding	(69,054)	23,018		(46,036)	
Total Bonds Payable	12,095,327	30,900	799,041	11,327,186	820,000
Compensated Absences	97,440	7,956	13,191	92,205	-
Post Closure Landfill Costs	3,418,061	345,000	293,474	3,469,587	155,000
Environmental Liabilities	3,020,136	210,000	117,174	3,112,962	100,000
Total Long-Term Liabilities	\$ 18,630,965	\$ 593,856	\$ 1,222,880	\$ 18,001,940	\$ 1,075,000

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For governmental activities, the General Fund or the respective special revenue fund generally liquidates compensated absences. The internal service risk pool fund generally liquidates the OPEB obligation.

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), a department within the primary government of the State of Washington, issues a publicly available comprehensive annual financial report (CAFR) that includes financial statements and required supplementary information for each plan. The DRS CAFR may be obtained by writing to: Department of Retirement Systems, Communication Unit, P.O. Box 48380, Olympia WA 98504-8380. The following disclosures are made pursuant to GASB Statement No. 27, *Accounting for Pensions by State and Local Government Employers*, and No. 50, *Pension Disclosures, and Amendment of GASB Statements No. 25 and No. 27*.

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

Plan Description

The Legislature established PERS in 1947. Membership in the system includes: elected officials; state employees; employees of the Supreme, Appeals, and Superior courts (other than judges currently in the Judicial Retirement System); employees of the legislative committees; community and technical colleges, college and university employees not participating in higher education requirement programs; judges of district and municipal courts; and employees of local governments. PERS retirement benefit provisions are established in Chapters 41.34 and 41.40 RCW and may be amended only by the State Legislature.

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 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.

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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.

PERS Plan 1 provides duty and non-duty disability benefits. Duty disability retirement benefits for disablement prior to the age of 60 consist of a temporary life annuity payable to the age of 60. The allowance amount is \$350 a month, or two-thirds of the monthly AFC, whichever is less. The benefit is reduced by any workers' compensation benefit and is payable as long as the member remains disabled or until the member attains the age of 60. A member with five years of covered employment is eligible for non-duty disability retirement. Prior to the age of 55, the allowance amount is two percent of the AFC for each year of service reduced by two percent for each year that the member's age is less than 55. The total benefit is limited to 60 percent of the AFC and is actuarially reduced to reflect the choice of a survivor option. A cost-of-living allowance was granted at age 66 based upon years of service times the COLA amount. This benefit was eliminated by the Legislature, effective July 1, 2011. Plan 1 members may elect to receive an optional COLA that provides an automatic annual adjustment based on the Consumer Price Index. The adjustment is capped at 3 percent annually. To offset the cost of this annual adjustment, the benefit is reduced.

PERS Plan 1 members can receive credit for military service. Members can also purchase up to 24 months of service credit lost because of an on-the-job injury.

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.

PERS Plan 2 retirement benefits are also actuarially reduced to reflect the choice, if made, of a survivor option. There is no cap on years of service credit; and a cost-of-living allowance is granted (based on the Consumer Price Index), capped at three percent annually.

The surviving spouse or eligible child or children of a PERS Plan 2 member who dies after leaving eligible employment having earned ten years of service credit may request a refund of the member's accumulated contributions.

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

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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 Director of the Department of Retirement Systems.

PERS Plan 2 and Plan 3 provide disability benefits. There is no minimum amount of service credit required for eligibility. The Plan 2 monthly benefit amount is two percent of the AFC per year of service. For Plan 3, the monthly benefit amount is one percent of the AFC per year of service.

These disability benefit amounts are actuarially reduced for each year that the member's age is less than 65, 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 (based on the Consumer Price Index) capped at 3 percent annually.

PERS Plan 2 and Plan 3 members may have up to ten years of interruptive military service credit; five years at no cost and five years that may be purchased by paying the required contributions. Effective July 24, 2005, a member who becomes totally incapacitated for continued employment while serving the uniformed services, or a surviving spouse or eligible children, may apply for interruptive military service credit. Additionally, PERS Plan 2 and Plan 3 members can also purchase up to 24 months of service credit lost because of an on-the-job injury.

PERS members may also purchase up to five years of additional service credit once eligible for retirement. This credit can only be purchased at the time of retirement and can be used only to provide the member with a monthly annuity that is paid in addition to the member's retirement benefit.

Beneficiaries of a PERS Plan 2 or Plan 3 member with ten years of service who is killed in the course of employment receive retirement benefits without actuarial reduction, if the member was not at normal retirement age at death. This provision applies to any member killed in the course of employment, on or after June 10, 2004, if found eligible by the Department of Labor and Industries.

A one-time duty-related death benefit is provided to the estate (or duly designated nominee) of a PERS member who dies in the line of service as a result of injuries sustained in the course of employment, or if the death resulted for an occupational disease or infection that arose naturally and proximately out of said member's covered employment, if found eligible by the Department of Labor and Industries.

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

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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.

There are 1,197 participating employers in PERS. Details of PERS membership as of the latest actuarial valuation date of June 30, 2010 is as follows:

Description	Members
Retirees and Beneficiaries Receiving Benefits	76,899
Terminated Plan Members Entitled to but not yet Receiving Benefits	28,860
Active Plan Members Vested	105,521
Active Plan Members Non-vested	51,005
Total	262,285

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, and 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.

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The required contribution rates expressed as a percentage of current year covered payroll, as of December 31, 2011 are as follows:

Rates for members not participating in JBM are as follows:			
Contributor	PERS Plan 1	PERS Plan 2	PERS Plan 3
Employer*	7.25%	7.25%	7.25**
Employee	6.00%	4.64%	***
* 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.			

Rates for members participating in JBM are as follows:			
Contributor	PERS Plan 1	PERS Plan 2	PERS Plan 3
Employer*	7.25%	7.25%	7.25**
Employee	12.26%	11.60%	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:

Year	PERS Plan 1	PERS Plan 2	PERS Plan 3
2011	\$ 129,365	\$ 2,535,136	\$ 683,829
2010	144,221	2,214,612	651,602
2009	212,747	2,899,132	879,796

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.

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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:

Service Term	Percent of Final Average Salary
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 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).

LEOFF Plan 1 provides death and disability benefits. Death benefits for survivors of Plan 1 members on active duty consist of the following: (1) If eligible spouse, 50 percent of the FAS, plus 5 percent of the FAS for each eligible surviving child, with a limitation on the combined allowances of 60 percent of the FAS; or (2) If no eligible spouse, eligible children receive 30 percent of FAS for the first child plus 10 percent for each additional child, subject to a 60 percent limitation of FAS, divided equally.

A one-time duty-related death benefit is provided to the estate (or duly designated nominee) of a LEOFF Plan 1 member who dies as a result of injuries or illness sustained in the course of employment, if found eligible by the Department of Labor and Industries.

The LEOFF Plan 1 disability allowance is 50 percent of the FAS plus 5 percent for each child up to a maximum of 60 percent. Upon recovery from disability before the age of 50, a member is restored to service with full credit for service while disabled. Upon recovery after the age of 50, the benefit continues as the greater of the member's disability allowance or service retirement allowance.

LEOFF Plan 1 members may purchase up to five years of additional service credit once eligible for retirement. This credit can only be purchased at the time of retirement and can be used only to provide the member with a monthly annuity that is paid in addition to the member's allowance.

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.

LEOFF Plan 2 provides disability benefits. There is no minimum amount of service credit required for eligibility. The Plan 2 allowance amount is two percent of the FAS for each year of service. Benefits are actuarially reduced for each year that the member's age is less than 53, unless the disability is duty-

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related, and to reflect the choice of a survivor option. If the member has at least 20 years of service and is age 50, the reduction is three percent for each year prior to age 53. A catastrophic disability benefit equal to 70 percent of their FAS, subject to offsets for workers' compensation and Social Security disability benefits received, is also available to those LEOFF Plan 2 members who are severely disabled in the line of duty and incapable of future substantial gainful employment in any capacity.

Effective June 2010, benefits to LEOFF Plan 2 members who are catastrophically disabled include payment of eligible health care insurance premiums.

Members of LEOFF Plan 2 who leave service because of a line of duty disability are allowed to withdraw 150 percent of accumulated member contributions. This withdrawal benefit is not subject to federal income tax. Alternatively, members of LEOFF Plan 2 who leave service because of a line of duty disability may be eligible to receive a retirement allowance of at least 10 percent of FAS and two percent per year of service beyond five years. The first ten percent of the FAS is not subject to federal income tax.

LEOFF Plan 2 retirees may return to work in an eligible position covered by another retirement system, choose membership in that system and suspend their pension benefits, or not choose membership and continue receiving pension benefits without interruption.

LEOFF Plan 2 members who apply for retirement may purchase up to five years of additional service credit. The cost of this credit is the actuarial equivalent of the resulting increase³ in the member's benefit.

LEOFF Plan 2 members can receive service credit for military service that interrupts employment. Additionally, LEOFF Plan 2 members who become totally incapacitated for continued employment while servicing in the uniformed services may apply for interruptive military service credit. Should any such member die during this active duty, the member's surviving spouse or eligible children may request a service credit on behalf of the deceased member.

LEOFF Plan 2 members may also purchase up to 24 consecutive months of service credit for each period of temporary duty disability.

Beneficiaries of a LEOFF Plan 2 member who is killed in the course of employment receive retirement benefits without actuarial reduction, if found eligible by the Director of the Department of Labor and Industries.

Benefits to eligible surviving spouses and dependent children to LEOFF Plan 2 members killed in the course of employment include the payment of on-going health care insurance premiums paid to the Washington State Health Care Authority.

A one-time duty-related death benefit is provided to the estate (or duly designated nominee) of a LEOFF Plan 2 member who dies as a result of injuries or illness sustained in the course of employment, if found eligible by the Department of Labor and Industries.

There are 374 participating employers in LEOFF. Membership in LEOFF consisted of the following as of the latest actuarial valuation date of June 30, 2010:

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Description	Members
Retirees and Beneficiaries Receiving Benefits	9,647
Terminated Plan Members Entitled to but not yet Receiving Benefits	782
Active Plan Members Vested	13,420
Active Plan Members Non-vested	3,656
Total	27,505

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, 2011 are as follows:

Contributor	LEOFF Plan 1	LEOFF Plan 2
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:

Year	LEOFF Plan 1	LEOFF Plan 2
2011	-	\$ 524,775
2010	-	562,206
2009	35	652,773

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

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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.

PSERS Plan 2 provides disability benefits. There is no minimum amount of service credit required for eligibility. Eligibility is bases on the member being totally incapacitated for continued employment with a PSERS employer and leaving that employment as a result of the disability. The disability allowance is two percent of the average final compensation (AFC) for each year of service. AFC is based on the member's 60 consecutive highest creditable months of service. Service credit is the total years and months of service credit at the time the member separates from employment. Benefits are actuarially reduced for each year that the member's age is less than 60 (with ten or more service credit years in PSERS), or less than 65 (with fewer than ten service credit years).

PSERS Plan 2 members can receive service credit for military service that interrupts employment. Additionally, PSERS members who become totally incapacitated for continued employment while serving in the uniformed services may apply for interruptive military service credit. Should any such member die during this active duty, the member's surviving spouse or eligible children may request service credit on behalf of the deceased member.

PSERS members may also purchase up to 24 consecutive months of service for each period of temporary duty disability.

Beneficiaries of a PSERS Plan 2 member with ten years of service who is killed in the course of employment receive retirement benefits without actuarial reduction, if the member was not at normal

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retirement age at death. This provision applies to any member killed in the course of employment, if found eligible by the Director of the Department of Labor and Industries.

A one-time duty-related death benefit is provided to the estate (or duly designated nominee) of a PSERS member who dies as a result of injuries or illness sustained in the course of employment, if found eligible by the Department of Labor and Industries.

There are 77 participating employers in PSERS. There were 4,210 active non-vested plan members as of the latest actuarial valuation date of June 30, 2011.

Description	Members
Retirees and Beneficiaries Receiving Benefits	7
Active Plan Members Non-vested	4,210
Total	4,217

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, 2011 were as follows:

Contributor	PSERS Plan 2
Employer*	8.86%
Employee	6.36%
* 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
2011	\$ 267,649
2010	209,243
2009	233,389

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

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(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 56.24 was assumed for all active members for the purpose of determining the actuarial accrued liability. Retirement, disablement, termination and mortality rates were assumed to follow the LEOFF Plan 1 termination and mortality rates used in the June 30, 2007 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. The AAL and NOO are amortized on an open basis as a level dollar over 15 years. These assumptions are individually and collectively reasonable for the purpose of this valuation. The alternative measurement used in the 2008, 2009 and 2010 financial statements was recalculated for the 2011 financial statements, as authorized by GASB Statement No. 45. The actuarial valuations involve estimates of the value of reported amounts and assumptions of the probability of events far into the future and actuarially determined amounts are subject to continual revision as results are compared to past expectations and new estimates are made about the future.

The following table illustrates the components of the January 23, 2012 calculation:

		PVFB	AAL
Inactive:			
	Medical Expenses	2,300,530	2,300,530
	Long-Term Care	1,212,742	1,212,742
	Total Inactive	3,513,272	3,513,272
ARC			
	Normal Cost	-	
	UAAL Amortization	327,134	
ARC		\$ 327,134	
Annual OPEB Cost			
	ARC	327,134	
	NOO Interest	10,480	
	NOO Amortization	(21,686)	
Annual OPEB Cost		315,928.00	
NOO			
	Starting NOO	232,897	
	Annual OPEB Cost	315,929	
	Contributions*	111,723	
NOO		437,103	

Annual OPEB costs or Net OPEB Obligation (NOO) of \$437,103 less expenses of \$111,723 resulted in a net 2011 OPEB obligation of \$325,380. As of December 31, 2011 there were no active members in the LEOFF 1 plan.

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The actual expense constitutes 34% of the ARC. The County's actuarial accrued liability (AAL) of \$3,513,273 was unfunded as of December 31, 2011.

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

Year	Annual OPEB	% of ARC	Net OPEB
2010	\$ 465,505	50%	\$ 232,897
2009	465,505	60%	186,627

Schedule of Funding Progress

As of January 23, 2012, the most recent actuarial valuation date, the plan was zero percent funded. The actuarial accrued liability for benefits was \$3,513,273 and the actuarial value of the assets was zero percent resulting in an Unfunded Actuarial Accrued Liability (UAAL) of \$3,513,273.

VII. RISK MANAGEMENT

Liability Insurance

Skagit County was one of the twenty-eight members of the Washington Counties Risk Pool ("Pool") during 2011. 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

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standards and measureable 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 3rd-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.

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 2010 through September 2011):

- *Net Operating Income* was realized of \$0.8 million, a 58% decrease from the prior year.
- *Total Assets* grew \$2.2 million (6%) to \$41.1 million. Current assets increased \$2.3 million (6%) while non-current assets decreased 4%.
- *Total Claims Reserves* for the Pool's direct reserving exposures increased to \$15.0 million, up 6.7% from the prior year. This total includes: \$5.6 million for losses in the coverage layer retained by the Pool, down 9.3%; \$8.6 million for the aggregated stop losses in the retained layers associated with the "corridor" program for automobile and general liabilities, up 22%; and \$0.8 million for unallocated loss adjustment expenses, down 5% from one year ago. *NOTE: The corridor program referenced is now five years old yet still not fully matured. Further, its occurrence coverage maximum was increased to one million dollars beginning with Py2010, up from the half million level that existed during the program's first three years, while the program's occurrence minimum remains the greater of the applicable member's deductible or \$100,000.*
- *Net Position* (formerly referred to as *Net Assets* and also known as *Members' Equity*) increased \$0.8 million to \$11.0 million as of September 30, 2011. Of the total, \$5.5 million is classified as Restricted Net Position - \$0.9 million to satisfy the State's solvency provisions (WAC 200.100.03001) plus \$4.6 million for the Pool's Underwriting Policy requirements. \$0.2 million is

Skagit County, Washington
Notes to the Financial Statements
December 31, 2011

invested in real property (fraud) recovery, and another \$1 million in *Capital Assets* (net of debt). The remaining \$4.4 million held as *Non-Restricted Net Position* is available for use as directed by the Pool's Board of Directors.

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 3rd-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. 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 2011.

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 3rd-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

Skagit County, Washington
Notes to the Financial Statements
December 31, 2011

reassessments against that year's membership. **The Pool's reassessments receivable balance at December 31, 2011 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	
2009	\$ 1,069,389	\$ 659,452	\$ 98,727	\$ 1,630,114
2010	1,630,114	556,366	155,209	2,031,271
2011	2,031,271	1,270,529	287,800	3,014,000

Other Insurance

Employee on-the-job injuries are covered by industrial insurance through the State of Washington Department of Labor & Industries (L&I). All employees and some volunteers, except LEOFF-1 members and ferry crewmembers, are covered to statutory limits. Industrial insurance (L&I) rates are occupation and experienced based, with base premiums adjusted for individual entity claims experience. The experience modification multiplier was 1.0829 in 2009, and 1.1562 in 2010, and 1.0811 in 2011.

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 \$212,176 at December 31, 2011.

The County is self-insured for dental insurance claims. Washington Dental Services serves as the third party administrator and bills the County for claims paid. Administrative fees and charges paid to Washington Dental Service totaled \$79,723 for 2011. Dental claims activity for 2011 and the preceding two years are as follows:

Fiscal Year	Beginning Balance	Current Year		Year End Balance
		Claims & Changes in Estimate	Claim Payments	
2009	\$ 109,335	\$ 781,120	\$ 774,309	\$ 116,146
2010	116,146	749,009	752,309	112,846
2011	112,846	761,169	760,013	114,002

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 \$348,543 for 2011. Medical claims activity for 2011 and the preceding two years are as follows:

Skagit County, Washington
Notes to the Financial Statements
December 31, 2011

Fiscal Year	Beginning Balance	Current Year		Year End Balance
		Claims & Changes in Estimate	Claim Payments	
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
2011	1,321,538	6,142,498	6,177,133	1,286,903

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, 2011, 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, 2011 are as follows:

Year	Rental Payments Due
2012	\$ 112,050
2013	27,954
2014	26,535
2015	11,056
Total	177,595

2011 rent expense for all operating leases, except those with terms of a month or less that were not renewed was \$9,600.

Construction

At December 31, 2011, the County had pending construction project contracts in progress. The commitments related to the remaining contract balances are summarized as follows:

Skagit County, Washington
Notes to the Financial Statements
December 31, 2011

	Total	Expended to	Balance
	Contracts	12/31/2011	Unexpended
Governmental Activities			
Clean Water Fund	\$ 1,278,046	\$ 446,149	\$ 831,897
Non-Major Government Funds	938,905	631,931	306,974
Road Fund	22,880,945	5,641,132	17,239,813

Landfill Post Closure Costs

State and federal laws and regulations require Skagit County to perform landfill maintenance and monitoring activities for a minimum of twenty to thirty years after closure. Accordingly, a long-term liability for post closure costs in the amount of \$3,314,587 is reported in the Solid Waste Fund at December 31, 2011.

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 \$2,575,144 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, 2011, the County is in Phase II Remedial Investigation stage. Work remaining is Phase II Remedial Investigation, Feasibility Study, and a Cleanup Action Plan.

Sinnes Road Landfill

The Solid Waste Fund recognized a liability of \$537,818 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, 2011, the County is in the remedial action stage, with long-term monitoring and maintenance to be determined.

Burlington Road Shop

The Equipment Rental and Revolving Fund recognized a liability of \$201,625 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

Skagit County, Washington
Notes to the Financial Statements
December 31, 2011

groundwater monitoring using the existing well network was voluntarily implemented in 2003 and has continued to the present. Long-term groundwater monitoring is planned to continue until groundwater conditions improve.

Alger Landfill

The Department of Ecology has ranked the closed Alger Landfill under the Model Toxics Control Act State Hazard Assessment program. It scored a "3" on a scale of 1 to 5, with 1 being the highest relative priority. As of December 31, 2011, no further action has been taken either by the Department of Ecology or the County.

The County has received notice from the state Department of Ecology that the Panorama Landfill site will be ranked per the Washington Model Toxic Control Act. The County likely has some liability related to this landfill. Because it has not been ranked, the County has not estimated a liability as of 2011. The County's remediation activities to date have consisted of occasional monitoring of nearby wells and surface water.

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

IX. PRIOR PERIOD ADJUSTMENTS

Substance Abuse – A reconciliation by the grantor resulted in additional reimbursements from 2010's grant revenue of \$87,568.

Government-Wide Statements – The prior period adjustment made in the 2009 financial statements was incorrect. Upon further analysis of our comprehensive capital asset list, the reversing adjustment of \$19,422,275 was corrected in 2011.

Internal Service Fund – A prior period adjustment of \$54,702 was the result of an analysis of the capital asset comprehensive list.

Drainage Utility – A prior period adjustment of \$5,648 was the result of an analysis of the capital asset comprehensive list.

Solid Waste – A prior period adjustment of \$507,619 was booked for the solid waste facility design.

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Required Supplementary Information



SKAGIT COUNTY, WASHINGTON
Schedule of Revenues, Expenditures and Changes in Fund Balances - Budget to Actual
General Fund
For the Year Ended December 31, 2011

	Budgeted Amounts		Actual	Variance
	Original	Final		
Budgeted Fund Balance, January 1	\$ 1,179,310	\$ 4,269,772	\$ 7,899,434	
Resources (in-flows)				
Taxes	30,617,900	30,617,900	32,865,413	2,247,513
Licenses and Permits	26,500	26,500	27,219	719
Intergovernmental Revenue	6,387,777	6,901,718	8,964,949	2,063,231
Charges for Services	4,285,708	4,560,708	4,423,197	(137,511)
Fines and Forfeits	1,829,400	1,829,400	1,845,047	15,647
Interest Revenue	685,550	685,550	619,550	(66,000)
Miscellaneous Revenues	423,963	439,695	478,020	38,325
Transfers In	174,296	174,296	179,481	5,185
Total Resources (in-flows)	<u>44,431,094</u>	<u>45,235,767</u>	<u>49,402,876</u>	<u>4,167,109</u>
Amounts Available for Appropriation	45,610,404	49,505,539	57,302,310	
Charges to Appropriations (out-flows)				
General Government	16,022,712	17,236,727	15,600,250	1,636,477
Judicial	8,033,886	8,069,286	7,823,116	246,170
Public Safety	16,917,734	16,679,702	15,733,848	945,854
Physical Environment	483,092	613,202	479,905	133,297
Economic Environment	123,517	122,921	114,666	8,255
Health and Human Services				-
Culture and Recreation	359,123	349,368	336,965	12,403
Debt Service	56,667	56,667	56,667	-
Capital Expenditures	30,000	412,993	242,839	170,154
Transfers Out	3,589,673	5,964,673	6,214,673	(250,000)
Amount Charged to Appropriations (out-flows)	<u>45,616,404</u>	<u>49,505,539</u>	<u>46,602,929</u>	<u>2,902,610</u>
Budgeted Fund Balance, December 31	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 10,699,381</u>	

SKAGIT COUNTY, WASHINGTON

General Fund

Schedule of Revenues

Budget (GAAP Basis) and Actual For the Year Ended December 31, 2011

	Budgeted Amounts		Actual	Variance with Final Budget
	Original Budget	Final Budget		
General Property Taxes	23,112,400	23,112,400	23,074,623	(37,777)
Timber Harvest Taxes	137,500	137,500	314,421	176,921
Retail Sales and Use Taxes	5,888,000	5,888,000	7,236,882	1,348,882
Business Taxes	185,000	185,000	222,123	37,123
Excise Taxes	255,000	255,000	243,703	(11,297)
Penalties and Interest on Delinquent Taxes	1,040,000	1,040,000	1,773,664	733,664
Total Taxes	30,617,900	30,617,900	32,865,416	2,247,516
Non-Business Licenses and Permits	26,500	26,500	27,219	719
Total Licenses and Permits	26,500	26,500	27,219	719
Federal Shared Revenue	838,230	978,951	1,094,084	115,133
Indirect Federal Grants	708,830	1,131,398	1,025,129	(106,269)
State Grants	1,319,762	1,289,764	1,444,438	154,674
State Shared Revenue	79,900	79,900	1,975,690	1,895,790
In Lieu and State Entitlement Revenue	1,196,528	1,196,528	1,282,067	85,539
Intergovernmental Revenue	2,244,527	2,225,177	2,143,541	(81,636)
Total Intergovernmental Revenue	6,387,777	6,901,718	8,964,949	2,063,231
General Government	1,933,325	1,933,325	1,901,460	(31,865)
Public Safety	822,000	822,000	677,163	(144,837)
Utilities and Environment	500	500	40	(460)
Economic Environment	58,500	58,500	63,183	4,683
Culture and Recreation	9,000	9,000	7,035	(1,965)
Interfund Charges for Services	1,462,383	1,737,383	1,774,316	36,933
Total Charges for Goods and Services	4,285,708	4,560,708	4,423,197	(137,511)
Superior Court Felony/Misdemeanor Penalties	88,500	88,500	93,626	5,126
Civil Penalties	16,900	16,900	16,578	(322)
Civil Infraction Penalties	1,305,000	1,305,000	1,378,239	73,239
Civil Parking Infraction	6,000	6,000	7,360	1,360
Criminal Traffic Misdemeanor	320,000	320,000	269,810	(50,190)
Criminal Non-Traffic Fines	75,700	75,700	63,694	(12,006)
Criminal Costs	17,300	17,300	15,739	(1,561)
Total Fines and Forfeits	1,829,400	1,829,400	1,845,046	15,646
Interest Earnings	685,550	685,550	619,550	(66,000)
Rents, Leases, Concessions	218,117	218,117	231,146	13,029
Interfund/Interdepartment Miscellaneous	25,696	25,696	28,061	2,365
Contributions/Donations	47,700	60,432	57,783	(2,649)
Other Miscellaneous Revenue	132,450	132,450	158,365	25,915
Total Miscellaneous Revenues	1,109,513	1,122,245	1,094,905	(27,340)
Agency Type Deposits	3,000	3,000	2,663	(337)
Total Non-Revenues	3,000	3,000	2,663	(337)
Total Revenues	44,259,798	45,061,471	49,223,395	4,161,924

SKAGIT COUNTY, WASHINGTON

General Fund

Schedule of Expenditures Budget (GAAP Basis) and Actual For the Year Ended December 31, 2011

	Budgeted Amounts			Variance with Final Budget
	Original Budget	Final Budget	Actual	
General Government				-
<u>Assessor</u>				-
Salaries and Wages	1,065,973	1,051,966	1,034,661	17,305
Personnel Benefits	458,751	480,068	474,847	5,221
Supplies	20,000	20,000	17,956	2,044
Other Services and Charges	26,400	26,400	13,351	13,049
Interfund Payments for Services	10,800	10,800	11,543	(743)
Total Assessor	<u>1,581,924</u>	<u>1,589,234</u>	<u>1,552,358</u>	<u>36,876</u>
<u>Auditor</u>				-
Salaries and Wages	712,285	686,751	671,491	15,260
Personnel Benefits	319,358	329,466	305,285	24,181
Supplies	14,800	14,800	11,197	3,603
Other Services and Charges	17,430	17,430	8,955	8,475
Total Auditor	<u>1,063,873</u>	<u>1,048,447</u>	<u>996,928</u>	<u>51,519</u>
<u>Board of Equalization</u>				-
Salaries and Wages	44,080	43,197	28,111	15,086
Personnel Benefits	13,295	13,165	10,632	2,533
Supplies	300	300	239	61
Other Services and Charges	2,400	2,400	822	1,578
Total Board of Equalization	<u>60,075</u>	<u>59,062</u>	<u>39,804</u>	<u>19,258</u>
<u>Commissioners</u>				-
Salaries and Wages	376,249	372,531	372,080	451
Personnel Benefits	130,325	130,781	130,273	508
Supplies	3,000	3,000	1,409	1,591
Other Services and Charges	25,935	25,935	19,031	6,904
Total Commissioners	<u>535,509</u>	<u>532,247</u>	<u>522,793</u>	<u>9,454</u>
<u>Administrative Services</u>				-
Salaries and Wages	477,273	458,182	447,615	10,567
Personnel Benefits	186,481	183,683	171,848	11,835
Supplies	7,500	7,500	4,902	2,598
Other Services and Charges	235,072	235,072	136,463	98,609
Total Administrative Services	<u>906,326</u>	<u>884,437</u>	<u>760,828</u>	<u>123,609</u>
<u>General Maintenance</u>				-
Salaries and Wages	513,093	495,066	464,376	30,690
Personnel Benefits	251,298	248,657	260,246	(11,589)
Supplies	101,241	101,241	87,198	14,043
Other Services and Charges	1,088,273	1,088,273	799,880	288,393
Interfund Payments for Services	15,720	15,720	24,810	(9,090)
Total General Maintenance	<u>1,969,625</u>	<u>1,948,957</u>	<u>1,636,510</u>	<u>312,447</u>

SKAGIT COUNTY, WASHINGTON

General Fund

Schedule of Expenditures Budget (GAAP Basis) and Actual For the Year Ended December 31, 2011

	Budgeted Amounts			Variance with Final Budget
	Original Budget	Final Budget	Actual	
<u>Prosecuting Attorney</u>				-
Salaries and Wages	2,547,954	2,480,943	2,363,023	117,920
Personnel Benefits	1,078,036	1,067,559	1,006,249	61,310
Supplies	35,750	35,750	36,021	(271)
Other Services and Charges	241,280	291,280	241,879	49,401
Total Prosecuting Attorney	3,903,020	3,875,532	3,647,172	228,360
<u>Treasurer</u>				-
Salaries and Wages	531,677	514,348	469,816	44,532
Personnel Benefits	230,015	227,476	224,292	3,184
Supplies	17,000	17,000	7,639	9,361
Other Services and Charges	115,000	115,000	104,024	10,976
Total Treasurer	893,692	873,824	805,771	68,053
<u>Non Departmental Expenditures</u>				-
Salaries and Wages	-	-	-	-
Personnel Benefits	155,592	155,592	154,108	1,484
Supplies	-	-	-	-
Other Services and Charges	136,434	952,753	571,513	381,240
Interfund Payments for Services	4,816,642	5,316,642	4,912,465	404,177
Total Non Departmental Expenditures	5,108,668	6,424,987	5,638,086	786,901
Total General Government	\$ 16,022,712	\$ 17,236,727	\$ 15,600,250	\$ 1,636,477
<u>Judicial</u>				
<u>County Clerk</u>				-
Salaries and Wages	911,810	879,076	867,504	11,572
Personnel Benefits	448,021	443,226	431,992	11,234
Supplies	18,750	18,750	21,402	(2,652)
Other Services and Charges	15,450	15,450	12,586	2,864
Total County Clerk	1,394,031	1,356,502	1,333,484	23,018
<u>District Court</u>				-
Salaries and Wages	1,286,413	1,261,851	1,256,231	5,620
Personnel Benefits	542,095	537,983	526,838	11,145
Supplies	19,000	18,850	14,690	4,160
Other Services and Charges	60,750	60,750	31,291	29,459
Interfund Payments for Services	-	-	2,453	(2,453)
Total District Court	1,908,258	1,879,434	1,831,503	47,931
<u>Public Defender</u>				-
Salaries and Wages	1,528,586	1,469,132	1,477,077	(7,945)
Personnel Benefits	613,843	605,126	591,259	13,867
Supplies	13,110	13,110	9,491	3,619
Other Services and Charges	277,962	302,962	294,845	8,117
Total Public Defender	2,433,501	2,390,330	2,372,672	17,658
<u>Superior Courts</u>				-
Salaries and Wages	964,173	945,203	910,728	34,475
Personnel Benefits	304,338	301,559	256,239	45,320
Supplies	17,370	17,370	14,395	2,975
Other Services and Charges	335,430	335,430	333,523	1,907
Total Superior Courts	1,621,311	1,599,562	1,514,885	84,677

SKAGIT COUNTY, WASHINGTON

General Fund

Schedule of Expenditures Budget (GAAP Basis) and Actual For the Year Ended December 31, 2011

	Budgeted Amounts			Variance with Final Budget
	Original Budget	Final Budget	Actual	
<u>Assigned Counsel</u>				-
Salaries and Wages	159,786	153,395	146,325	7,070
Personnel Benefits	88,299	87,363	79,401	7,962
Supplies	1,700	1,700	1,768	(68)
Other Services and Charges	350,000	500,000	453,548	46,452
Total Assigned Counsel	599,785	742,458	681,042	61,416
<u>Mediation Services</u>				-
Other Services and Charges	77,000	101,000	89,530	11,470
Total Mediation Services	77,000	101,000	89,530	11,470
Total Judicial	\$ 8,033,886	\$ 8,069,286	\$ 7,823,116	246,170
Public Safety				
<u>Coroner</u>				-
Salaries and Wages	99,347	98,472	96,490	1,982
Personnel Benefits	39,058	42,241	40,031	2,210
Supplies	4,000	4,000	3,872	128
Other Services and Charges	113,085	113,085	85,372	27,713
Interfund Payments for Services	18,528	18,528	18,528	-
Total Coroner	274,018	276,326	244,293	32,033
<u>District Court Probation</u>				-
Salaries and Wages	339,413	345,836	339,274	6,562
Personnel Benefits	156,591	161,152	150,145	11,007
Supplies	2,500	2,500	2,420	80
Other Services and Charges	3,900	3,900	1,953	1,947
Total District Court Probation	502,404	513,388	493,792	19,596
<u>Public Safety Building Maintenance</u>				-
Salaries and Wages	132,227	126,938	128,682	(1,744)
Personnel Benefits	56,466	55,691	50,813	4,878
Supplies	23,000	23,000	29,128	(6,128)
Other Services and Charges	266,076	266,076	237,387	28,689
Total Public Safety Building Maintenance	477,769	471,705	446,010	25,695
<u>Youth and Family Services</u>				-
Salaries and Wages	1,996,569	1,988,105	1,932,775	55,330
Personnel Benefits	887,889	901,974	862,445	39,529
Supplies	23,475	38,925	31,336	7,589
Other Services and Charges	140,475	158,385	67,563	90,822
Interfund Payments for Services	1,908	2,064	2,293	(229)
Total Youth and Family Services	3,050,316	3,089,453	2,896,412	193,041
<u>Civil Service Commission</u>				-
Salaries and Wages	24,000	25,200	24,246	954
Personnel Benefits	2,191	2,310	2,224	86
Supplies	500	500	98	402
Other Services and Charges	500	500	227	273
Total Civil Service Commission	27,191	28,510	26,795	1,715
<u>Sheriff</u>				-
Salaries and Wages	7,403,428	7,138,304	6,946,365	191,939
Personnel Benefits	2,926,819	2,901,477	2,773,841	127,636
Supplies	555,750	560,500	558,169	2,331
Other Services and Charges	614,350	614,350	491,205	123,145
Interfund Payments for Services	1,085,689	1,085,689	856,966	228,723
Total Sheriff	12,586,036	12,300,320	11,626,546	673,774
Total Public Safety	\$ 16,917,734	\$ 16,679,702	\$ 15,733,848	945,854

SKAGIT COUNTY, WASHINGTON

General Fund

Schedule of Expenditures Budget (GAAP Basis) and Actual For the Year Ended December 31, 2011

	Budgeted Amounts			Variance with Final Budget
	Original Budget	Final Budget	Actual	
<i>Physical Environment</i>				
<u>Sheriff Animal Control</u>				
Salaries and Wages	46,192	44,404	38,832	5,572
Personnel Benefits	25,302	25,040	23,463	1,577
Supplies	3,000	3,000	1,011	1,989
Other Services and Charges	80,000	80,000	24,585	55,415
Interfund Payments for Services	15,636	15,636	15,636	-
Total Sheriff Animal Control	170,130	168,080	103,527	64,553
<u>Noxious Weed Control</u>				
Salaries and Wages	80,689	80,088	78,001	2,087
Personnel Benefits	29,600	29,154	30,381	(1,227)
Supplies	10,550	5,480	5,782	(302)
Other Services and Charges	3,015	3,015	2,134	881
Interfund Payments for Services	10,002	11,058	8,914	2,144
Total Noxious Weed Control	133,856	128,795	125,212	3,583
<u>Pest Control</u>				
Salaries and Wages	9,020	9,563	9,563	-
Personnel Benefits	1,580	1,685	1,684	1
Supplies	100	100	52	48
Other Services and Charges	8,877	8,229	2,265	5,964
Interfund Payments for Services	1,100	1,100	1,526	(426)
Total Pest Control	20,677	20,677	15,090	5,587
<u>Sustainability</u>				
Salaries and Wages	42,515	80,000	69,186	10,814
Personnel Benefits	18,914	42,300	32,611	9,689
Supplies	22,000	26,700	41,511	(14,811)
Other Services and Charges	75,000	123,250	92,768	30,482
Interfund Payments for Services		23,400		23,400
Total Sustainability	158,429	295,650	236,076	59,574
Total Physical Environment	\$ 483,092	\$ 613,202	\$ 479,905	133,297
<i>Economic Environment</i>				
<u>Boundary Review Board</u>				
Salaries and Wages	4,907	4,711	4,681	30
Personnel Benefits	2,351	2,322	2,213	109
Supplies	100	100	54	46
Other Services and Charges	12,900	12,900	8,857	4,043
Total Boundary Review Board	20,258	20,033	15,805	4,228
<u>Hearing Examiner</u>				
Salaries and Wages	22,080	21,197	21,061	136
Personnel Benefits	10,583	11,263	10,814	449
Supplies	150	150	111	39
Other Services and Charges	65,000	65,000	61,890	3,110
Total Hearing Examiner	97,813	97,610	93,876	3,734
<u>AG Advisory Board</u>				
Salaries and Wages	3,685	3,538	3,461	77
Personnel Benefits	1,361	1,340	1,305	35
Other Services and Charges	400	400	219	181
Total AG Advisory Board	5,446	5,278	4,985	293
Total Economic Environment	\$ 123,517	\$ 122,921	\$ 114,666	\$ 8,255

SKAGIT COUNTY, WASHINGTON

General Fund

Schedule of Expenditures Budget (GAAP Basis) and Actual For the Year Ended December 31, 2011

	Budgeted Amounts			Variance with Final Budget
	Original Budget	Final Budget	Actual	
<i>Culture and Recreation</i>				
<u>Cooperative Extension</u>				
Salaries and Wages	81,028	79,497	78,744	753
Personnel Benefits	22,449	25,955	25,462	493
Supplies	4,050	3,050	6,208	(3,158)
Other Services and Charges	101,596	90,866	76,551	14,315
Total Cooperative Extension	209,123	199,368	186,965	12,403
<u>Historical Museum</u>				
Salaries and Wages	-	-	-	-
Personnel Benefits	-	-	-	-
Supplies	-	-	-	-
Other Services and Charges	150,000	150,000	150,000	-
Total Historical Museum	150,000	150,000	150,000	-
<i>Total Culture and Recreation</i>	\$ 359,123	\$ 349,368	\$ 336,965	\$ 12,403
Capital Outlay				
<u>Capital Outlay</u>				
Capital Outlay	30,000	412,993	242,839	170,154
Total Capital Outlay	30,000	412,993	242,839	170,154
<u>Non Department Debt Service</u>				
Debt Service Principal	56,667	56,667	56,667	-
Total Contributions to Active Funds	56,667	56,667	56,667	-
TOTAL EXPENDITURES	\$ 42,026,731	\$ 43,540,866	\$ 40,388,256	\$ 3,152,610

SKAGIT COUNTY, WASHINGTON
Schedule of Revenues, Expenditures and Changes in Fund Balances - Budget to Actual
Mental Health Fund
For the Year Ended December 31, 2011

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance</u>
	<u>Original</u>	<u>Final</u>		
Budgeted Fund Balance, January 1	\$ 148,193	\$ 127,639	\$ 5,159,086	
Resources (in-flows)				
General Property Taxes	290,000	290,000	308,039	18,039
Sales and Use Taxes	2,004,136	2,004,136	2,205,909	201,773
Other Taxes	2,100	2,100	2,225	125
Intergovernmental Revenues	261,423	261,423	254,231	(7,192)
Charges for Services	1,249,239	1,249,239	1,270,567	21,328
Interest Earnings	9,488	9,488	5,394	(4,094)
Other Revenue	150	150	97	(53)
Transfers In	-	-	-	-
Total Resources (in-flows)	<u>3,816,536</u>	<u>3,816,536</u>	<u>4,046,462</u>	<u>229,926</u>
Amounts Available for Appropriation	3,964,729	3,944,175	9,205,548	
Charges to Appropriations (out-flows)				
Health and Human Services	3,321,560	3,327,198	2,998,551	328,647
Transfers Out	643,169	616,977	763,588	(146,611)
Amount Charged to Appropriations (out-flows)	<u>3,964,729</u>	<u>3,944,175</u>	<u>3,762,139</u>	<u>182,036</u>
Budgeted Fund Balance, December 31	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 5,443,409</u>	

SKAGIT COUNTY, WASHINGTON
Schedule of Revenues, Expenditures and Changes in Fund Balances - Budget to Actual
Road Fund
For the Year Ended December 31, 2011

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance</u>
	<u>Original</u>	<u>Final</u>		
Budgeted Fund Balance, January 1	\$ 5,532,254	\$ 5,494,527	\$ 8,458,394	
Resources (in-flows)				
General Property Taxes	10,309,256	10,309,256	10,535,383	226,127
Timber Harvest Taxes	150,000	150,000	272,199	122,199
Excise Taxes	40,000	40,000	46,258	6,258
Licenses and Permits	76,000	76,000	54,373	(21,627)
Intergovernmental Revenues	13,256,304	13,256,304	8,811,861	(4,444,443)
Charges for Services	1,541,910	1,541,910	1,296,102	(245,808)
Interest Earnings	51,000	51,000	25,045	(25,955)
Other Revenue	78,100	78,100	96,622	18,522
Total Resources (in-flows)	<u>25,502,570</u>	<u>25,502,570</u>	<u>21,137,843</u>	<u>(4,364,727)</u>
Amounts Available for Appropriation	31,034,824	30,997,097	29,596,237	
Charges to Appropriations (out-flows)				
General Government	197,800	197,800	180,088	17,712
Transportation	21,511,045	21,308,318	17,380,975	3,927,343
Capital Expenditures	8,454,563	8,619,563	3,703,484	4,916,079
Transfers Out	871,416	871,416	338,809	532,607
Amount Charged to Appropriations (out-flows)	<u>31,034,824</u>	<u>30,997,097</u>	<u>21,603,356</u>	<u>9,393,741</u>
Budgeted Fund Balance, December 31	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 7,992,881</u>	

SKAGIT COUNTY, WASHINGTON

Notes to Required Supplementary Information

The annual budget for Skagit County is adopted in accordance with the provisions of the Revised Code of Washington (RCW), as interpreted by the Budget, Accounting, and Reporting System (BARS) of the State of Washington, and on a basis consistent with generally accepted accounting principles. All government funds with the exception of the Treasurer's O&M fund, as per RCW 84.56.020(9), have legally adopted budgets.

The annual appropriated budget is adopted at the department level withing 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 appropriateions lapse thirty days after the close of each year.

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

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

On or before the second Monday in July, County officials are requested to prepare estimates of revenues and expenditures for the next fiscal year.

On or before the second Monday in August, each County official submits detailed estimates of probable revenues and expenditures for eh ensuing year.

On or before the first Tuesday in September, the preliminary annual budget is submitted to the Board of County Commissioners.

The Commissioners conduct public meetings on the proposed budget from September through October.

The Commissioners hold a public hearing on or before the first Monday in December to receive testimony on the budget.

The Commissioners make adjustments to the proposed budget and adopt, by resolution, a final balanced budget no later than December 31.

Upon Adoption, the final budget is made available to the public.

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

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

**Required Supplementary Information
Other Postemployment Benefits
LEOFF 1 Retiree Medical Benefits
Schedule of Funding Progress
12/31/2011**

For the Year Ended	Actuarial Valuation of Assets	Actuarial Accrued Liability	Unfunded Actuarial Accrued Liabilities (UAAL)	Funded Ratio	Annual Required Contribution (ARC)	Covered Payroll	AAL as a Percentage of Covered Payroll
2008	\$ -	\$ 4,574,084	\$ 4,574,084	0%	\$ 465,505	\$ 59,932	7632%
2009	\$ -	\$ 4,574,084	\$ 4,574,084	0%	\$ 465,505	\$ 24,262	18853%
2010	\$ -	\$ 4,574,084	\$ 4,574,084	0%	\$ 465,505	\$ -	0%
2011	\$ -	\$ 3,513,272	\$ 3,513,272	0%	\$ 437,103	\$ -	0%

The LEOFF 1 AAL has been prepared using the alternative method issued by the Office of State Actuary (OSA).

The alternative actuarial valuation was completed for the FY2008 financial statements, and was recalculated for the FY2011 financial statements on January 23, 2012. The actuarial calculations of the OPEB plan reflect a long-term perspective.

Medical Inflation Trend*	+or- 1%
UAAL Amortization Trend	30 years
Annual Growth Budget Rate	5%

* The medical inflation trend is the percent that medical costs are expected to increase in future years. The expected medical inflation trend starts at 9.0% in 2007 and decreases to 5.0% in 2015; it remains at 5.0% after 2015. The expected long-term care inflation trend is 4.5% for all years. These were developed from health care actuaries contracted at Milliman.

Please see Note VI D for further information.

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NonMajor Governmental Funds



SKAGIT COUNTY, WASHINGTON
COMBINING BALANCE SHEET
NONMAJOR GOVERNMENTAL FUNDS
AS OF DECEMBER 31, 2011

	Non Major Funds			Total
	Special Revenue	Debt Service	Capital Project	
ASSETS				
Cash/Cash Equivalents	\$ 6,531,796	\$ 75,310	\$ 4,227,513	\$ 10,834,621
Investments	5,064,723	1,734,045	3,425,480	10,224,248
Taxes Receivable	316,608	260	-	316,868
Accounts Receivable	228,722	-	-	228,722
Due From Other Funds	194,026	-	(1,650)	192,376
Due From Other Governmental Units	2,047,529	-	396,538	2,444,067
Interfund Loan Receivable	3,000	260,500	-	263,500
Inventory/Prepayments	57,685	-	-	57,685
Total Assets	14,444,089	2,070,115	8,047,880	24,562,086
LIABILITIES AND FUND BALANCES				
<u>Liabilities</u>				
Accounts/Vouchers Payable	688,397	-	\$ 266,655	955,052
Due To Other Funds	357,262	-	(1,650)	355,612
Due To Other Governmental Units	241,142	-	-	241,142
Accrued Wages Payable	266,691	-	1,351	268,042
Accrued Employee Benefits	58,701	-	233	58,934
Custodial Accounts	78,409	-	42	78,451
Deferred Revenue	413,513	260	516,775	930,548
Long-Term Interfund Loans Payable	350,000	263,500	-	613,500
Total Liabilities	2,454,115	263,760	783,406	3,501,281
<u>Fund Balance</u>				
Nonspendable	60,685		0	60,685
Restricted	8,798,474	1,806,355	7,264,474	17,869,305
Committed	3,130,815		0	3,130,815
Assigned	0		0	-
Unassigned		-	0	-
Total Fund Balances	11,989,974	1,806,355	7,264,474	21,060,805
Total Liabilities and Fund Balances	\$ 14,444,089	\$ 2,070,115	\$ 8,047,880	\$ 24,562,086

SKAGIT COUNTY, WASHINGTON
COMBINING STATEMENT OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCE
NONMAJOR GOVERNMENTAL FUNDS
FOR THE YEAR ENDED DECEMBER 31, 2011

	Non Major Funds			Total
	Special Revenue	Debt Service	Capital Project	
<u>Revenues</u>				
Property Taxes	\$5,962,839	-	\$773,306	\$ 6,736,145
Sales and Use Taxes	3,472,313		1,976,905	5,449,218
Other Taxes	357,825		-	357,825
Licenses and Permits	888,513	-	-	888,513
Intergovernmental	7,939,522	-	924,132	8,863,654
Charges for Services	3,011,936	-	17,635	3,029,571
Fines and Forfeits	440,581	-	-	440,581
Interest Earnings	16,377	83,013	7,183	106,573
Donations	292,513	-	-	292,513
Other Revenues	386,386	396,197	-	782,583
Total Revenues	<u>22,768,805</u>	<u>479,210</u>	<u>3,699,161</u>	<u>26,947,176</u>
<u>Expenditures</u>				
Current:				
General Governmental Services	853,659	-	-	853,659
Public Safety	8,799,701	-	-	8,799,701
Physical Environment	2,987,174	-	-	2,987,174
Transportation	204,129	-	-	204,129
Economic Environment	2,882,190	-	609,883	3,492,073
Health and Human Services	8,618,896	-	-	8,618,896
Culture and Recreation	1,602,950	-	76,590	1,679,540
Debt Service:	-	-	-	-
Principal	-	1,059,905	-	1,059,905
Interest	-	600,115	-	600,115
Capital Outlay	783,375	-	1,021,029	1,804,404
Total Expenditures	<u>26,732,074</u>	<u>1,660,020</u>	<u>1,707,502</u>	<u>30,099,596</u>
Excess (Deficit) Revenues Over Expenditures	<u>(3,963,269)</u>	<u>(1,180,810)</u>	<u>1,991,659</u>	<u>(3,152,420)</u>
<u>Other Financing Sources (Uses)</u>				
<u>Interfund Loan receivable</u>				
Issuance of General Long-Term Debt	201,035	-	-	201,035
Proceeds of Capital Assets	1,200	-	-	1,200
Transfers In	5,526,233	1,482,834	1,400,000	8,409,067
Transfers Out	(140,636)	-	(1,371,699)	(1,512,335)
Total Other Financing Source (Uses)	<u>5,587,832</u>	<u>1,482,834</u>	<u>28,301</u>	<u>7,098,967</u>
Net Change in Fund Balance	<u>1,624,563</u>	<u>302,024</u>	<u>2,019,960</u>	<u>3,946,547</u>
Fund Balance-January 1	10,452,979	1,504,333	5,244,514	17,201,826
Prior Period Adjustment	(87,568)			(87,568)
Fund Balance-December 31	<u>11,989,974</u>	<u>\$1,806,355</u>	<u>\$7,264,474</u>	<u>\$21,060,805</u>

SKAGIT COUNTY, WASHINGTON
NONMAJOR SPECIAL REVENUE FUNDS
AS OF DECEMBER 31, 2011

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, 2011

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

Sedro Woolley Lateral SFCZ

Hansen Creek 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, 2011

ASSETS	Public Health	Special Paths	Emergency Mgmt	County Fair
Cash and Cash Equivalents	\$193,210	\$248,220	\$300,841	\$258,665
Investments	432,308	556,811		
Taxes Receivable				
Accounts Receivable	5,011		-	
Due from Other Funds	1,035			1,200
Due from Other Governments	293,740		44,264	
Interfund Loans Receivable				
Inventories	57,685			
Prepaid Items				
Total Assets	982,989	805,031	345,105	259,865
LIABILITIES AND FUND BALANCES				
<u>Liabilities</u>				
Accounts and Vouchers Payable	24,752	6,673	6,901	3,008
Due to Other Funds	221,171	1,472	24,449	
Due to Other Governments	50	398	1,969	
Accrued Wages Payable	93,699	2,430	13,026	886
Accrued Employee Benefits	17,234	445	2,526	152
Custodial Accounts				548
Deferred Revenue				5,756
Interfund Loans Payable				
Total Liabilities	356,906	11,418	48,871	10,350
<u>Fund Balance</u>				
Nonspendable	57,685			
Restricted	393,759	793,613		
Committed	174,639		296,234	249,515
Assigned				
Unassigned				
Total Fund Balances	626,083	793,613	296,234	249,515
TOTAL LIABILITIES AND FUND BALANCE	\$982,989	\$805,031	\$345,105	\$259,865

SKAGIT COUNTY, WASHINGTON
COMBINING BALANCE SHEET
NONMAJOR SPECIAL REVENUE FUNDS
AS OF DECEMBER 31, 2011

ASSETS	Veterans' Relief	Law Library	River Imp	Treasurer O&M
Cash and Cash Equivalents	\$274,706	\$8,401	\$145,808	\$186,838
Investments			327,958	1,147
Taxes Receivable	7,964			
Accounts Receivable			20,000	
Due from Other Funds			191,548	
Due from Other Governments			112,374	
Interfund Loans Receivable				
Inventories				
Prepaid Items				
Total Assets	282,670	8,401	797,688	187,985
LIABILITIES AND FUND BALANCES				
<u>Liabilities</u>				
Accounts and Vouchers Payable	25,307	5,633	25,340	
Due to Other Funds	2,747		7,261	
Due to Other Governments		6		
Accrued Wages Payable		2,276	3,780	
Accrued Employee Benefits		342	634	
Custodial Accounts				
Deferred Revenue	7,964			
Interfund Loans Payable				
Total Liabilities	36,018	8,257	37,015	-
<u>Fund Balance</u>				
Nonspendable				
Restricted	246,652			187,985
Committed		144	760,673	
Assigned				
Unassigned				
Total Fund Balances	246,652	144	760,673	187,985
TOTAL LIABILITIES AND FUND BALANCE	\$282,670	\$8,401	\$797,688	\$187,985

**SKAGIT COUNTY, WASHINGTON
COMBINING BALANCE SHEET
NONMAJOR SPECIAL REVENUE FUNDS
AS OF DECEMBER 31, 2011**

ASSETS	Document			Substance
	Preserv	Election	Parks & Rec	Abuse
Cash and Cash Equivalents	\$74,963	\$8,292	\$460,830	\$613,408
Investments	513,118		521,202	
Taxes Receivable				
Accounts Receivable	6	200,085		-
Due from Other Funds				
Due from Other Governments		15,379		344,525
Interfund Loans Receivable				
Inventories				
Prepaid Items				
Total Assets	588,087	223,756	982,032	957,933
 LIABILITIES AND FUND BALANCES				
<u>Liabilities</u>				
Accounts and Vouchers Payable		12,299	14,825	96,310
Due to Other Funds				17,726
Due to Other Governments		198	195	212,983
Accrued Wages Payable	2,885	10,193	15,980	3,408
Accrued Employee Benefits	475	1,391	2,917	629
Custodial Accounts			28,480	
Deferred Revenue			80,443	
Interfund Loans Payable		50,000		
Total Liabilities	3,360	74,081	142,840	331,056
 <u>Fund Balance</u>				
Nonspendable				
Restricted	584,727	71,878		626,877
Committed		77,797	839,192	
Assigned				
Unassigned				
Total Fund Balances	584,727	149,675	839,192	626,877
TOTAL LIABILITIES AND FUND BALANCE	\$588,087	\$223,756	\$982,032	\$957,933

SKAGIT COUNTY, WASHINGTON
COMBINING BALANCE SHEET
NONMAJOR SPECIAL REVENUE FUNDS
AS OF DECEMBER 31, 2011

ASSETS	Community Services	Conv. Center	Clean Water	Conserv. Futures
Cash and Cash Equivalents	\$358,192	\$248,736	\$120,213	\$363,167
Investments		129,412	499,236	499,322
Taxes Receivable			64,809	33,408
Accounts Receivable	-		3,528	
Due from Other Funds				
Due from Other Governments	41,123	31,975	293,866	145,463
Interfund Loans Receivable				
Inventories				
Prepaid Items				
Total Assets	399,315	410,123	981,652	1,041,360
LIABILITIES AND FUND BALANCES				
<u>Liabilities</u>				
Accounts and Vouchers Payable	32,786	84,292	126,841	7,620
Due to Other Funds	-	1,451	56,537	
Due to Other Governments	125			
Accrued Wages Payable	32,119		14,058	3,295
Accrued Employee Benefits	5,613		2,375	550
Custodial Accounts				
Deferred Revenue			64,809	33,408
Interfund Loans Payable				
Total Liabilities	70,643	85,743	264,620	44,873
<u>Fund Balance</u>				
Nonspendable				
Restricted	176,551	324,380	717,032	996,487
Committed	152,121			
Assigned				
Unassigned				
Total Fund Balances	328,672	324,380	717,032	996,487
TOTAL LIABILITIES AND FUND BALANCE	\$399,315	\$410,123	\$981,652	\$1,041,360

**SKAGIT COUNTY, WASHINGTON
COMBINING BALANCE SHEET
NONMAJOR SPECIAL REVENUE FUNDS
AS OF DECEMBER 31, 2011**

ASSETS	Medic 1	Crime Victim	Comm. System	Water Quality
Cash and Cash Equivalents	\$202,565	\$43,647	\$271,429	\$61,474
Investments		118,167		152,041
Taxes Receivable	172,692			
Accounts Receivable			-	
Due from Other Funds				
Due from Other Governments			397,590	-
Interfund Loans Receivable				
Inventories				
Prepaid Items				
Total Assets	375,257	161,814	669,019	213,515
 LIABILITIES AND FUND BALANCES				
<u>Liabilities</u>				
Accounts and Vouchers Payable		1,329		22,234
Due to Other Funds		330		
Due to Other Governments			7,518	
Accrued Wages Payable		-		
Accrued Employee Benefits		-		
Custodial Accounts				
Deferred Revenue	172,694			
Interfund Loans Payable				
Total Liabilities	172,694	1,659	7,518	22,234
 <u>Fund Balance</u>				
Nonspendable				
Restricted		160,155	661,501	191,281
Committed	202,563			
Assigned				
Unassigned				
Total Fund Balances	202,563	160,155	661,501	191,281
TOTAL LIABILITIES AND FUND BALANCE	\$375,257	\$161,814	\$669,019	\$213,515

SKAGIT COUNTY, WASHINGTON
COMBINING BALANCE SHEET
NONMAJOR SPECIAL REVENUE FUNDS
AS OF DECEMBER 31, 2011

ASSETS	Planning & Development	Sedro Woolley Subflood	Hanson Creek Subflood	Lake Mgmt Dist. 1
Cash and Cash Equivalents	\$825,575	\$6,920	\$15,890	\$33,074
Investments		229,793		
Taxes Receivable		507	936	2,092
Accounts Receivable	-			
Due from Other Funds				
Due from Other Governments	203,285			
Interfund Loans Receivable				
Inventories				
Prepaid Items				
Total Assets	1,028,860	237,220	16,826	35,166
LIABILITIES AND FUND BALANCES				
<u>Liabilities</u>				
Accounts and Vouchers Payable	26,902	33		431
Due to Other Funds	1,661			
Due to Other Governments				
Accrued Wages Payable	63,299		(258)	47
Accrued Employee Benefits	23,418			
Custodial Accounts				
Deferred Revenue	10,704	507	936	2,092
Interfund Loans Payable	300,000		-	
Total Liabilities	425,984	540	678	2,570
<u>Fund Balance</u>				
Nonspendable				
Restricted	602,876			32,596
Committed		236,680	16,148	
Assigned				
Unassigned				
Total Fund Balances	602,876	236,680	16,148	32,596
 TOTAL LIABILITIES AND FUND BALANCE	 \$1,028,860	 \$237,220	 \$16,826	 \$35,166

**SKAGIT COUNTY, WASHINGTON
COMBINING BALANCE SHEET
NONMAJOR SPECIAL REVENUE FUNDS
AS OF DECEMBER 31, 2011**

ASSETS	Lake Mgmt Dist. 2	Lake Mgmt Dist. 3	Lake Mgmt Dist. 4	Edison Clean Wtr
Cash and Cash Equivalents	\$17,345	\$15,238	\$32,534	\$125,107
Investments	10,000	20,000	-	
Taxes Receivable	302	219	-	33,679
Accounts Receivable				
Due from Other Funds				
Due from Other Governments				
Interfund Loans Receivable				3,000
Inventories				
Prepaid Items				
Total Assets	27,647	35,457	32,534	161,786
LIABILITIES AND FUND BALANCES				
<u>Liabilities</u>				
Accounts and Vouchers Payable	-	4,500	865	-
Due to Other Funds				
Due to Other Governments				
Accrued Wages Payable	37	48	88	
Accrued Employee Benefits				
Custodial Accounts				
Deferred Revenue	302	219	-	33,679
Interfund Loans Payable				
Total Liabilities	339	4,767	953	33,679
<u>Fund Balance</u>				
Nonspendable				3,000
Restricted	27,308	30,690	31,581	
Committed				125,107
Assigned				
Unassigned				
Total Fund Balances	27,308	30,690	31,581	128,107
TOTAL LIABILITIES AND FUND BALANCE	\$27,647	\$35,457	\$32,534	\$161,786

SKAGIT COUNTY, WASHINGTON
COMBINING BALANCE SHEET
NONMAJOR SPECIAL REVENUE FUNDS
AS OF DECEMBER 31, 2011

ASSETS	Drug Enforce.	Boating Safety	Low Inc. Housing	Title III Projects
Cash and Cash Equivalents	\$86,867	\$31,502	\$49,541	\$111,080
Investments	103,732		247,371	
Taxes Receivable				
Accounts Receivable			17	
Due from Other Funds				
Due from Other Governments		16,782		48,602
Interfund Loans Receivable				
Inventories				
Prepaid Items				
Total Assets	190,599	48,284	296,929	159,682
LIABILITIES AND FUND BALANCES				
<u>Liabilities</u>				
Accounts and Vouchers Payable	-	690	10,990	2,934
Due to Other Funds		1,434	283	
Due to Other Governments	17,693			
Accrued Wages Payable		1,524		
Accrued Employee Benefits				
Custodial Accounts				
Deferred Revenue				
Interfund Loans Payable				
Total Liabilities	17,693	3,648	11,273	2,934
<u>Fund Balance</u>				
Nonspendable				
Restricted	172,906	44,636	285,656	156,748
Committed				
Assigned				
Unassigned				
Total Fund Balances	172,906	44,636	285,656	156,748
TOTAL LIABILITIES AND FUND BALANCE	\$190,599	\$48,284	\$296,929	\$159,682

SKAGIT COUNTY, WASHINGTON
COMBINING BALANCE SHEET
NONMAJOR SPECIAL REVENUE FUNDS
AS OF DECEMBER 31, 2011

ASSETS	Treasurer REET	Housing Assistance	Interlocal Invest.	TOTAL
Cash and Cash Equivalents	\$3	\$541,215	\$196,300	\$6,531,796
Investments	164,547	103,458	435,100	5,064,723
Taxes Receivable				316,608
Accounts Receivable		75	-	228,722
Due from Other Funds			243	194,026
Due from Other Governments			58,561	2,047,529
Interfund Loans Receivable				3,000
Inventories				57,685
Prepaid Items				
Total Assets	164,550	644,748	690,204	14,444,089
LIABILITIES AND FUND BALANCES				
<u>Liabilities</u>				
Accounts and Vouchers Payable		97,136	47,768	688,397
Due to Other Funds		2,482	18,258	357,262
Due to Other Governments			7	241,142
Accrued Wages Payable			3,871	266,691
Accrued Employee Benefits				58,701
Custodial Accounts			49,381	78,409
Deferred Revenue				413,513
Interfund Loans Payable				350,000
Total Liabilities	-	99,618	119,285	2,454,115
<u>Fund Balance</u>				
Nonspendable				60,685
Restricted	164,550	545,130	570,919	8,798,474
Committed				3,130,815
Assigned				-
Unassigned				-
Total Fund Balances	164,550	545,130	570,919	11,989,974
TOTAL LIABILITIES AND FUND BALANCE	\$164,550	\$644,748	\$690,204	\$14,444,089

SKAGIT COUNTY, WASHINGTON
COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND
CHANGES IN FUND BALANCE
NONMAJOR SPECIAL REVENUE FUNDS
FOR THE YEAR ENDED DECEMBER 31, 2011

REVENUES	Public Health	Special Paths	Emergency Mgmt	County Fair
Property Taxes				
Sales and Use Taxes				
Other Taxes				
Licenses and Permits	438,523		10,675	
Intergovernmental	1,767,726	153,052	283,063	19,719
Charges for Services	738,743		7,715	200,519
Fines and Forfeits	6,117			
Interest Earnings	223	1,790		
Donations	6,937			22,024
Other Revenue	2,119		85	54,677
Total Revenue	2,960,388	154,842	301,538	296,939
 EXPENDITURES				
Current:				
General Governmental Services				
Public Safety			638,907	
Utilities and Environment				
Transportation		204,129		
Economic Environment				
Health & Human Services	4,029,509			
Culture and Recreation				237,733
Debt Service:				
Principal				
Interest				
Capital Outlay		2,278	699	
Total Expenditures	4,029,509	206,407	639,606	237,733
Excess (Deficit) of Revenues Over Expenditures	(1,069,121)	(51,565)	(338,068)	59,206
 Other Financing Sources (Uses)				
Proceeds from Long Term Debt				
Proceeds from Sale of Capital Assets				
Transfers In	953,774		359,577	50,000
Transfers Out		0		
Total Other Financial Sources (Uses)	953,774	0	359,577	50,000
Net Change in Fund Balance	(115,347)	(51,565)	21,509	109,206
Fund Balance, January 1	741,430	845,178	274,725	140,309
Prior Period Adjustments				
Fund Balance, January 1, restated	741,430	845,178	274,725	140,309
Fund Balance, December 31	\$626,083	\$793,613	\$296,234	\$249,515

SKAGIT COUNTY, WASHINGTON
COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND
CHANGES IN FUND BALANCE
NONMAJOR SPECIAL REVENUE FUNDS
FOR THE YEAR ENDED DECEMBER 31, 2011

REVENUES	Veterans'	Law	River	Treasurer
	Relief	Library	Imp	O&M
Property Taxes	\$171,594			
Sales and Use Taxes	3,389			
Other Taxes				
Licenses and Permits				
Intergovernmental	14,067		136,286	
Charges for Services		57,852	33,500	30,880
Fines and Forfeits				
Interest Earnings	2		1,498	903
Donations				
Other Revenue	54	2,108		
Total Revenue	<u>189,106</u>	<u>59,960</u>	<u>171,284</u>	<u>31,783</u>
EXPENDITURES				
Current:				
General Governmental Services		141,043		59,842
Public Safety				
Utilities and Environment			529,593	
Transportation				
Economic Environment				
Health & Human Services	144,917			
Culture and Recreation				
Debt Service:				
Principal				
Interest				
Capital Outlay				
Total Expenditures	<u>144,917</u>	<u>141,043</u>	<u>529,593</u>	<u>59,842</u>
Excess (Deficit) of Revenues Over Expenditures	<u>44,189</u>	<u>(81,083)</u>	<u>(358,309)</u>	<u>(28,059)</u>
Other Financing Sources (Uses)				
Proceeds from Long Term Debt				
Proceeds from Sale of Capital Assets				
Transfers In		53,119	347,951	
Transfers Out				
Total Other Financial Sources (Uses)	<u>0</u>	<u>53,119</u>	<u>347,951</u>	<u>0</u>
Net Change in Fund Balance	<u>44,189</u>	<u>(27,964)</u>	<u>(10,358)</u>	<u>(28,059)</u>
Fund Balance, January 1	202,463	28,108	771,031	216,044
Prior Period Adjustments				
Fund Balance, January 1, restated	<u>202,463</u>	<u>28,108</u>	<u>771,031</u>	<u>216,044</u>
Fund Balance, December 31	<u>\$246,652</u>	<u>\$144</u>	<u>\$760,673</u>	<u>\$187,985</u>

SKAGIT COUNTY, WASHINGTON
COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND
CHANGES IN FUND BALANCE
NONMAJOR SPECIAL REVENUE FUNDS
FOR THE YEAR ENDED DECEMBER 31, 2011

	Document			Substance
	Preserv	Election	Parks & Rec	Abuse
REVENUES				
Property Taxes				
Sales and Use Taxes				
Other Taxes				
Licenses and Permits				
Intergovernmental	70,045	27,038	10,672	1,831,607
Charges for Services	55,248	360,665	337,557	
Fines and Forfeits				
Interest Earnings	2,408		998	
Donations			12,987	
Other Revenue		0	161,173	
Total Revenue	<u>127,701</u>	<u>387,703</u>	<u>523,387</u>	<u>1,831,607</u>
EXPENDITURES				
Current:				
General Governmental Services	120,581	446,765		
Public Safety				
Utilities and Environment				
Transportation				
Economic Environment				
Health & Human Services				2,157,362
Culture and Recreation			1,188,753	
Debt Service:				
Principal				
Interest				
Capital Outlay			5,000	
Total Expenditures	<u>120,581</u>	<u>446,765</u>	<u>1,193,753</u>	<u>2,157,362</u>
Excess (Deficit) of Revenues Over Expenditures	<u>7,120</u>	<u>(59,062)</u>	<u>(670,366)</u>	<u>(325,755)</u>
Other Financing Sources (Uses)				
Proceeds from Long Term Debt				
Proceeds from Sale of Capital Assets				
Transfers In		100,265	665,319	639,044
Transfers Out				(2,936)
Total Other Financial Sources (Uses)	<u>0</u>	<u>100,265</u>	<u>665,319</u>	<u>636,108</u>
Net Change in Fund Balance	<u>7,120</u>	<u>41,203</u>	<u>(5,047)</u>	<u>310,353</u>
Fund Balance, January 1	577,607	108,472	844,239	404,092
Prior Period Adjustments				(87,568)
Fund Balance, January 1, restated	<u>577,607</u>	<u>108,472</u>	<u>844,239</u>	<u>316,524</u>
Fund Balance, December 31	<u>\$584,727</u>	<u>\$149,675</u>	<u>\$839,192</u>	<u>\$626,877</u>

SKAGIT COUNTY, WASHINGTON
COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND
CHANGES IN FUND BALANCE
NONMAJOR SPECIAL REVENUE FUNDS
FOR THE YEAR ENDED DECEMBER 31, 2011

REVENUES	Community Services	Conv. Center	Clean Water	Conserv. Futures
Property Taxes			\$1,227,324	\$752,338
Sales and Use Taxes		278,473		15,029
Other Taxes				
Licenses and Permits				
Intergovernmental	630,041		622,197	837,019
Charges for Services	58,727		15,912	
Fines and Forfeits				
Interest Earnings		248	1,472	66
Donations	246,740			2,700
Other Revenue	140,668		13,582	236
Total Revenue	<u>1,076,176</u>	<u>278,721</u>	<u>1,880,487</u>	<u>1,607,388</u>
EXPENDITURES				
Current:				
General Governmental Services				
Public Safety				
Utilities and Environment			1,859,127	188,219
Transportation				
Economic Environment				
Health & Human Services	1,824,286			
Culture and Recreation		176,464		
Debt Service:				
Principal				
Interest				
Capital Outlay				750,713
Total Expenditures	<u>1,824,286</u>	<u>176,464</u>	<u>1,859,127</u>	<u>938,932</u>
Excess (Deficit) of Revenues Over Expenditures	(748,110)	102,257	21,360	668,456
Other Financing Sources (Uses)				
Proceeds from Long Term Debt				
Proceeds from Sale of Capital Assets				
Transfers In	755,405		103,868	
Transfers Out		(133,700)		
Total Other Financial Sources (Uses)	<u>755,405</u>	<u>(133,700)</u>	<u>103,868</u>	<u>0</u>
Net Change in Fund Balance	<u>7,295</u>	<u>(31,443)</u>	<u>125,228</u>	<u>668,456</u>
Fund Balance, January 1	321,377	355,823	591,804	328,031
Prior Period Adjustments				
Fund Balance, January 1, restated	<u>321,377</u>	<u>355,823</u>	<u>591,804</u>	<u>328,031</u>
Fund Balance, December 31	<u>\$328,672</u>	<u>\$324,380</u>	<u>\$717,032</u>	<u>\$996,487</u>

SKAGIT COUNTY, WASHINGTON
COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND
CHANGES IN FUND BALANCE
NONMAJOR SPECIAL REVENUE FUNDS
FOR THE YEAR ENDED DECEMBER 31, 2011

REVENUES	Medic 1	Crime Victim	Comm. System	Water Quality
Property Taxes	\$3,805,692			\$5,891
Sales and Use Taxes	27,481		3,147,941	
Other Taxes	48,729		105,238	
Licenses and Permits				
Intergovernmental	312,939		51,217	7,700
Charges for Services		87,989		2,300
Fines and Forfeits				
Interest Earnings	48	226	567	653
Donations				
Other Revenue	1,196			
Total Revenue	<u>4,196,085</u>	<u>88,215</u>	<u>3,304,963</u>	<u>16,544</u>
EXPENDITURES				
Current:				
General Governmental Services		85,430		
Public Safety	4,128,216		3,255,685	
Utilities and Environment				279,108
Transportation				
Economic Environment				
Health & Human Services				
Culture and Recreation				
Debt Service:				
Principal				
Interest				
Capital Outlay				
Total Expenditures	<u>4,128,216</u>	<u>85,430</u>	<u>3,255,685</u>	<u>279,108</u>
Excess (Deficit) of Revenues Over Expenditures	<u>67,869</u>	<u>2,785</u>	<u>49,278</u>	<u>(262,564)</u>
Other Financing Sources (Uses)				
Proceeds from Long Term Debt				201,035
Proceeds from Sale of Capital Assets				
Transfers In				
Transfers Out				(4,000)
Total Other Financial Sources (Uses)	<u>0</u>	<u>0</u>	<u>0</u>	<u>197,035</u>
Net Change in Fund Balance	<u>67,869</u>	<u>2,785</u>	<u>49,278</u>	<u>(65,529)</u>
Fund Balance, January 1	134,694	157,370	612,223	256,810
Prior Period Adjustments				
Fund Balance, January 1, restated	<u>134,694</u>	<u>157,370</u>	<u>612,223</u>	<u>256,810</u>
Fund Balance, December 31	<u>\$202,563</u>	<u>\$160,155</u>	<u>\$661,501</u>	<u>\$191,281</u>

SKAGIT COUNTY, WASHINGTON
COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND
CHANGES IN FUND BALANCE
NONMAJOR SPECIAL REVENUE FUNDS
FOR THE YEAR ENDED DECEMBER 31, 2011

REVENUES	Planning & Development	Sedro Woolley Subflood	Hanson Creek Subflood	Lake Mgmt Dist. 1
Property Taxes				
Sales and Use Taxes				
Other Taxes		598	30,105	55,358
Licenses and Permits	439,315			
Intergovernmental	680,621			
Charges for Services	393,205			
Fines and Forfeits	3,868			
Interest Earnings		440		
Donations	1,125			
Other Revenue	2,065			
Total Revenue	1,520,199	1,038	30,105	55,358
EXPENDITURES				
Current:				
General Governmental Services				
Public Safety				
Utilities and Environment		32,974	0	41,963
Transportation				
Economic Environment	2,579,730			
Health & Human Services				
Culture and Recreation				
Debt Service:				
Principal				
Interest				
Capital Outlay				
Total Expenditures	2,579,730	32,974	0	41,963
Excess (Deficit) of Revenues Over Expenditures	(1,059,531)	(31,936)	30,105	13,395
Other Financing Sources (Uses)				
Proceeds from Long Term Debt				
Proceeds from Sale of Capital Assets				
Transfers In	1,497,911			
Transfers Out				
Total Other Financial Sources (Uses)	1,497,911	0	0	0
Net Change in Fund Balance	438,380	(31,936)	30,105	13,395
Fund Balance, January 1	164,496	268,616	(13,957)	19,201
Prior Period Adjustments				
Fund Balance, January 1, restated	164,496	268,616	(13,957)	19,201
Fund Balance, December 31	\$602,876	\$236,680	\$16,148	\$32,596

SKAGIT COUNTY, WASHINGTON
COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND
CHANGES IN FUND BALANCE
NONMAJOR SPECIAL REVENUE FUNDS
FOR THE YEAR ENDED DECEMBER 31, 2011

REVENUES	Lake Mgmt Dist. 2	Lake Mgmt Dist. 3	Lake Mgmt Dist. 4	Edison Clean Wtr
Property Taxes				
Sales and Use Taxes				
Other Taxes	14,720	29,871	21,064	52,142
Licenses and Permits				
Intergovernmental				
Charges for Services				
Fines and Forfeits				
Interest Earnings		109	25	
Donations				
Other Revenue				
Total Revenue	<u>14,720</u>	<u>29,980</u>	<u>21,089</u>	<u>52,142</u>
EXPENDITURES				
Current:				
General Governmental Services				
Public Safety				
Utilities and Environment	4,824	20,527	4,847	25,992
Transportation				
Economic Environment				
Health & Human Services				
Culture and Recreation				
Debt Service:				
Principal				
Interest				
Capital Outlay				
Total Expenditures	<u>4,824</u>	<u>20,527</u>	<u>4,847</u>	<u>25,992</u>
Excess (Deficit) of Revenues Over Expenditures	<u>9,896</u>	<u>9,453</u>	<u>16,242</u>	<u>26,150</u>
Other Financing Sources (Uses)				
Proceeds from Long Term Debt				
Proceeds from Sale of Capital Assets				
Transfers In				
Transfers Out				
Total Other Financial Sources (Uses)	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
Net Change in Fund Balance	<u>9,896</u>	<u>9,453</u>	<u>16,242</u>	<u>26,150</u>
Fund Balance, January 1	17,412	21,237	15,339	101,957
Prior Period Adjustments				
Fund Balance, January 1, restated	<u>17,412</u>	<u>21,237</u>	<u>15,339</u>	<u>101,957</u>
Fund Balance, December 31	<u>\$27,308</u>	<u>\$30,690</u>	<u>\$31,581</u>	<u>\$128,107</u>

SKAGIT COUNTY, WASHINGTON
COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND
CHANGES IN FUND BALANCE
NONMAJOR SPECIAL REVENUE FUNDS
FOR THE YEAR ENDED DECEMBER 31, 2011

REVENUES	Drug Enforce.	Boating Safety	Low Inc. Housing	Title III Projects
Property Taxes				
Sales and Use Taxes				
Other Taxes				
Licenses and Permits				
Intergovernmental	35,159	114,455		48,611
Charges for Services			118,024	
Fines and Forfeits				
Interest Earnings	199		474	
Donations				
Other Revenue	0	0		
Total Revenue	<u>35,358</u>	<u>114,455</u>	<u>118,498</u>	<u>48,611</u>
EXPENDITURES				
Current:				
General Governmental Services				
Public Safety	35,782	138,040		
Utilities and Environment				
Transportation				
Economic Environment			231,362	71,098
Health & Human Services				
Culture and Recreation				
Debt Service:				
Principal				
Interest				
Capital Outlay		7,631		
Total Expenditures	<u>35,782</u>	<u>145,671</u>	<u>231,362</u>	<u>71,098</u>
Excess (Deficit) of Revenues Over Expenditures	<u>(424)</u>	<u>(31,216)</u>	<u>(112,864)</u>	<u>(22,487)</u>
Other Financing Sources (Uses)				
Proceeds from Long Term Debt				
Proceeds from Sale of Capital Assets		1,200		
Transfers In				
Transfers Out				
Total Other Financial Sources (Uses)	<u>0</u>	<u>1,200</u>	<u>0</u>	<u>0</u>
Net Change in Fund Balance	<u>(424)</u>	<u>(30,016)</u>	<u>(112,864)</u>	<u>(22,487)</u>
Fund Balance, January 1	173,330	74,652	398,520	179,235
Prior Period Adjustments				
Fund Balance, January 1, restated	<u>173,330</u>	<u>74,652</u>	<u>398,520</u>	<u>179,235</u>
Fund Balance, December 31	<u>\$172,906</u>	<u>\$44,636</u>	<u>\$285,656</u>	<u>\$156,748</u>

SKAGIT COUNTY, WASHINGTON
COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND
CHANGES IN FUND BALANCE
NONMAJOR SPECIAL REVENUE FUNDS
FOR THE YEAR ENDED DECEMBER 31, 2011

REVENUES	Treasurer REET	Housing Assistance	Interlocal Invest.	TOTAL
Property Taxes				\$5,962,839
Sales and Use Taxes				3,472,313
Other Taxes				357,825
Licenses and Permits				888,513
Intergovernmental	0		286,288	7,939,522
Charges for Services		513,100		3,011,936
Fines and Forfeits			430,596	440,581
Interest Earnings	139	3,056	833	16,377
Donations				292,513
Other Revenue			8,423	386,386
Total Revenue	<u>139</u>	<u>516,156</u>	<u>726,140</u>	<u>22,768,805</u>
EXPENDITURES				
Current:				
General Governmental Services				853,659
Public Safety			603,071	8,799,701
Utilities and Environment				2,987,174
Transportation				204,129
Economic Environment				2,882,190
Health & Human Services		462,822		8,618,896
Culture and Recreation				1,602,950
Debt Service:				
Principal				-
Interest				-
Capital Outlay			17,054	783,375
Total Expenditures	<u>0</u>	<u>462,822</u>	<u>620,125</u>	<u>26,732,074</u>
Excess (Deficit) of Revenues Over Expenditures	<u>139</u>	<u>53,334</u>	<u>106,015</u>	<u>(3,963,269)</u>
Other Financing Sources (Uses)				
Proceeds from Long Term Debt				201,035
Proceeds from Sale of Capital Assets				1,200
Transfers In				5,526,233
Transfers Out				(140,636)
Total Other Financial Sources (Uses)	<u>0</u>	<u>0</u>	<u>0</u>	<u>5,587,832</u>
Net Change in Fund Balance	<u>139</u>	<u>53,334</u>	<u>106,015</u>	<u>1,624,563</u>
Fund Balance, January 1	164,411	491,796	464,904	10,452,979
Prior Period Adjustments				(87,568)
Fund Balance, January 1, restated	<u>164,411</u>	<u>491,796</u>	<u>464,904</u>	<u>10,365,411</u>
Fund Balance, December 31	<u>\$164,550</u>	<u>\$545,130</u>	<u>\$570,919</u>	<u>\$11,989,974</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, 2011

	Budgeted Amounts			Variance with Final Budget
	Original Budget	Final Budget	Actual	
Budgeted Fund Balance, January 1	\$ 100,000	\$ (67,277)	\$ 741,430	
Resources (in-flows)				
Licenses and Permits	530,790	470,790	438,523	(32,267)
Intergovernmental Revenue	1,695,731	1,876,969	1,767,726	(109,243)
Charges for Goods and Services	791,155	907,693	738,743	(168,950)
Fines and Forfeits	5,000	5,000	6,117	1,117
Interest Revenue	325	325	223	(102)
Donations	1,000	1,000	6,937	5,937
Transfers In	730,471	955,471	953,774	(1,697)
Miscellaneous Revenues	550	550	2,119	1,569
Total Resources (in-flows)	3,755,022	4,217,798	3,914,162	(303,636)
Amounts Available for Appropriation	3,855,022	4,150,521	4,655,592	
Charges to Appropriations (out-flows)				
Salaries and Wages	2,336,648	2,251,963	2,236,674	(15,289)
Personnel Benefits	995,616	988,389	971,895	(16,494)
Supplies	276,254	453,493	377,757	(75,736)
Services and Charges	147,196	111,368	129,901	18,533
Capital Outlays				-
Interfund Payments for Services	99,308	345,308	313,283	(32,025)
Transfers Out				-
Amount Charged to Appropriations (out-flows)	3,855,022	4,150,521	4,029,510	(121,011)
Budgeted Fund Balance, December 31	\$ -	\$ -	\$ 626,082	

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, 2011

	Budgeted Amounts		Actual	Variance with Final Budget
	Original Budget	Final Budget		
Budgeted Fund Balance, January 1	\$ 268,637	\$ 265,841	\$ 845,178	
Resources (in-flows)				
Intergovernmental Revenue	158,000	158,000	153,052	(4,948)
Interest Revenue	1,000	1,000	1,790	790
Total Resources (in-flows)	<u>159,000</u>	<u>159,000</u>	<u>154,842</u>	<u>(4,158)</u>
Amounts Available for Appropriation	427,637	424,841	1,000,020	
Charges to Appropriations (out-flows)				
Salaries and Wages	67,812	65,373	60,425	(4,948)
Personnel Benefits	29,525	29,168	29,571	403
Supplies	12,000	12,000	5,696	(6,304)
Services and Charges	95,300	95,300	102,525	7,225
Capital Outlays	220,000	220,000	2,278	(217,722)
Interfund Payments for Services	3,000	3,000	5,912	2,912
Transfers Out	-	-	-	-
Amount Charged to Appropriations (out-flows)	<u>427,637</u>	<u>424,841</u>	<u>206,407</u>	<u>(218,434)</u>
Budgeted Fund Balance, December 31	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 793,613</u>	

SKAGIT COUNTY, WASHINGTON

Emergency Management

Schedule of Revenues, Expenditures and Changes in Fund Balance

Budget (GAAP Basis) and Actual

For the Year Ended December 31, 2011

	Budgeted Amounts			Variance with Final Budget
	Original Budget	Final Budget	Actual	
Budgeted Fund Balance, January 1	\$ 1	\$ (17,937)	\$ 274,725	
Resources (in-flows)				
Licenses and Permits	15,000	15,000	10,675	(4,325)
Intergovernmental Revenue	416,613	402,494	283,063	(119,431)
Charges for Goods and Services	25,500	17,200	7,715	(9,485)
Transfers In	359,577	359,577	359,577	-
Miscellaneous Revenues	-	-	85	85
Total Resources (in-flows)	816,690	794,271	661,115	(133,156)
Amounts Available for Appropriation	816,691	776,334	935,840	
Charges to Appropriations (out-flows)				
Salaries and Wages	406,174	390,527	339,426	(51,101)
Personnel Benefits	174,401	169,110	153,810	(15,300)
Supplies	32,170	51,870	44,015	(7,855)
Services and Charges	48,570	39,451	24,539	(14,912)
Capital Outlays	60,000	30,000	699	(29,301)
Interfund Payments for Services	95,376	95,376	77,117	(18,259)
Transfers Out	-	-	-	-
Amount Charged to Appropriations (out-flows)	816,691	776,334	639,606	(136,728)
Budgeted Fund Balance, December 31	\$ -	\$ -	\$ 296,234	

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, 2011

	Budgeted Amounts		Actual	Variance with Final Budget
	Original Budget	Final Budget		
Budgeted Fund Balance, January 1	\$ -	\$ -	\$ 140,309	
Resources (in-flows)				
Licenses and Permits				-
Intergovernmental Revenue	19,451	19,451	19,719	268
Charges for Goods and Services	146,800	146,800	254,171	107,371
Donations	71,000	71,000	22,024	(48,976)
Transfers In	50,000	50,000	50,000	-
Miscellaneous Revenues	-	-	1,025	1,025
Total Resources (in-flows)	287,251	287,251	346,939	59,688
Amounts Available for Appropriation	287,251	287,251	487,248	
Charges to Appropriations (out-flows)				
Salaries and Wages	86,500	86,500	67,275	(19,225)
Personnel Benefits	7,590	7,590	10,780	3,190
Supplies	15,750	15,750	18,000	2,250
Services and Charges	156,611	156,611	130,926	(25,685)
Capital Outlays				-
Interfund Payments for Services	20,800	20,800	10,752	(10,048)
Transfers Out	-	-	-	-
Amount Charged to Appropriations (out-flows)	287,251	287,251	237,733	(49,518)
Budgeted Fund Balance, December 31	\$ -	\$ -	\$ 249,515	

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, 2011

	Budgeted Amounts			Variance with Final Budget
	Original Budget	Final Budget	Actual	
Budgeted Fund Balance, January 1	\$ -	\$ -	\$ 202,463	
Resources (in-flows)				
Property Tax	187,500	187,500	171,594	(15,906)
Sales and Use Tax	-	-	3,389	3,389
Intergovernmental Revenue	250	250	14,067	13,817
Interest Revenue	-	-	2	2
Miscellaneous Revenues	-	-	54	54
Total Resources (in-flows)	187,750	187,750	189,106	1,356
Amounts Available for Appropriation	187,750	187,750	391,569	
Charges to Appropriations (out-flows)				
Salaries and Wages				-
Personnel Benefits				-
Supplies				-
Services and Charges	187,750	187,750	144,917	(42,833)
Capital Outlays				-
Interfund Payments for Services	-	-		-
Transfers Out	-	-	-	-
Amount Charged to Appropriations (out-flows)	187,750	187,750	144,917	(42,833)
Budgeted Fund Balance, December 31	\$ -	\$ -	\$ 246,652	

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, 2011

	Budgeted Amounts		Actual	Variance with Final Budget
	Original Budget	Final Budget		
Budgeted Fund Balance, January 1		\$ 23,576	\$ 28,108	
Resources (in-flows)				
Charges for Goods and Services	61,875	61,875	57,852	(4,023)
Donations	-	-		-
Transfers In	53,119	53,119	53,119	-
Miscellaneous Revenues	3,708	3,708	2,108	(1,600)
Total Resources (in-flows)	118,702	118,702	113,079	(5,623)
Amounts Available for Appropriation	118,702	142,278	141,187	
Charges to Appropriations (out-flows)				
Salaries and Wages	41,686	48,570	48,600	30
Personnel Benefits	19,339	23,297	22,703	(594)
Supplies	6,431	10,255	8,158	(2,097)
Services and Charges	51,246	60,156	61,582	1,426
Capital Outlays				-
Interfund Payments for Services				-
Transfers Out				-
Amount Charged to Appropriations (out-flows)	118,702	142,278	141,043	(1,235)
 Budgeted Fund Balance, December 31		 \$ -	 \$ -	 \$ 144

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, 2011

	Budgeted Amounts			Variance with Final Budget
	Original Budget	Final Budget	Actual	
Budgeted Fund Balance, January 1	\$ 2,339	\$ (7,652)	\$ 771,031	
Resources (in-flows)				
Intergovernmental Revenue	1,485,574	1,485,574	136,286	(1,349,288)
Charges for Goods and Services	-	-	33,500	33,500
Interest Revenue	1,000	1,000	1,498	498
Transfers In	1,008,087	1,008,087	347,951	(660,136)
Miscellaneous Revenues	36,000	36,000		(36,000)
Total Resources (in-flows)	2,530,661	2,530,661	519,235	(2,011,426)
Amounts Available for Appropriation	2,533,000	2,523,009	1,290,266	
Charges to Appropriations (out-flows)				
Salaries and Wages	217,857	209,143	164,610	(44,533)
Personnel Benefits	77,403	76,126	71,121	(5,005)
Supplies	14,000	14,000	403	(13,597)
Services and Charges	1,255,500	1,255,500	283,856	(971,644)
Capital Outlays	900,000	900,000		(900,000)
Interfund Payments for Services	68,240	68,240	9,603	(58,637)
Transfers Out				-
Amount Charged to Appropriations (out-flows)	2,533,000	2,523,009	529,593	(1,993,416)
 Budgeted Fund Balance, December 31	 \$ -	 \$ -	 \$ 760,673	

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, 2011

	Budgeted Amounts			Variance with Final Budget
	Original Budget	Final Budget	Actual	
Budgeted Fund Balance, January 1	\$ 261,735	\$ 261,735	\$ 577,607	
Resources (in-flows)				
Intergovernmental Revenue	75,000	75,000	70,045	(4,955)
Charges for Goods and Services	60,000	60,000	55,248	(4,752)
Interest Revenue	6,000	6,000	2,408	(3,592)
Total Resources (in-flows)	141,000	141,000	127,701	(13,299)
Amounts Available for Appropriation	402,735	402,735	705,308	
Charges to Appropriations (out-flows)				
Salaries and Wages	76,500	76,500	75,777	(723)
Personnel Benefits	36,235	36,235	35,939	(296)
Supplies	250,000	250,000		(250,000)
Services and Charges	40,000	40,000	8,865	(31,135)
Capital Outlays				-
Interfund Payments for Services	-	-		-
Transfers Out				-
Amount Charged to Appropriations (out-flows)	402,735	402,735	120,581	(282,154)
 Budgeted Fund Balance, December 31	 \$ -	 \$ -	 \$ 584,727	

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, 2011

	Budgeted Amounts		Actual	Variance with Final Budget
	Original Budget	Final Budget		
Budgeted Fund Balance, January 1	\$ 165,000	\$ 157,016	\$ 108,472	
Resources (in-flows)				
Intergovernmental Revenue	35,000	35,000	27,038	(7,962)
Charges for Goods and Services	200,000	200,000	360,665	160,665
Transfers In	100,265	100,265	100,265	-
Miscellaneous Revenues	-	-	-	-
Total Resources (in-flows)	<u>335,265</u>	<u>335,265</u>	<u>487,968</u>	<u>152,703</u>
Amounts Available for Appropriation	500,265	492,281	596,440	
Charges to Appropriations (out-flows)				
Salaries and Wages	236,127	229,162	204,491	(24,671)
Personnel Benefits	83,838	82,819	76,775	(6,044)
Supplies	12,500	12,500	8,185	(4,315)
Services and Charges	165,300	155,300	143,565	(11,735)
Capital Outlays	-	-	-	-
Interfund Payments for Services	2,500	12,500	13,749	1,249
Transfers Out	-	-	-	-
Amount Charged to Appropriations (out-flows)	<u>500,265</u>	<u>492,281</u>	<u>446,765</u>	<u>(45,516)</u>
Budgeted Fund Balance, December 31	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 149,675</u>	

SKAGIT COUNTY, WASHINGTON

Parks and Recreation

Schedule of Revenues, Expenditures and Changes in Fund Balance

Budget (GAAP Basis) and Actual

For the Year Ended December 31, 2011

	Budgeted Amounts			Variance with Final Budget
	Original Budget	Final Budget	Actual	
Budgeted Fund Balance, January 1	\$ 74,989	\$ 56,670	\$ 844,239	
Resources (in-flows)				
Intergovernmental Revenue	4,400	4,400	10,672	6,272
Charges for Goods and Services	337,004	337,004	337,558	554
Interest Revenue	1,000	1,000	998	(2)
Donations	8,000	8,000	12,987	4,987
Transfers In	660,719	660,719	665,319	4,600
Miscellaneous Revenues	143,700	143,700	161,172	17,472
Total Resources (in-flows)	1,154,823	1,154,823	1,188,706	33,883
Amounts Available for Appropriation	1,229,812	1,211,493	2,032,945	
Charges to Appropriations (out-flows)				
Salaries and Wages	514,915	492,537	464,748	(27,789)
Personnel Benefits	202,521	200,180	206,914	6,734
Supplies	84,792	84,792	74,771	(10,021)
Services and Charges	276,264	282,664	299,359	16,695
Capital Outlays	6,300	6,300	5,000	(1,300)
Interfund Payments for Services	145,020	145,020	142,961	(2,059)
Transfers Out				-
Amount Charged to Appropriations (out-flows)	1,229,812	1,211,493	1,193,753	(17,740)
Budgeted Fund Balance, December 31	\$ -	\$ -	\$ 839,192	

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, 2011

	Budgeted Amounts			Variance with Final Budget
	Original Budget	Final Budget	Actual	
Budgeted Fund Balance, January 1	\$ 15,192	\$ 12,347	\$ 316,524	
Resources (in-flows)				
Intergovernmental Revenue	1,273,783	1,683,982	1,831,607	147,625
Transfers In	519,176	519,176	639,044	119,868
Total Resources (in-flows)	1,792,959	2,203,158	2,470,651	267,493
Amounts Available for Appropriation	1,808,151	2,215,505	2,787,175	
Charges to Appropriations (out-flows)				
Salaries and Wages	62,016	78,266	75,388	(2,878)
Personnel Benefits	26,409	33,506	31,653	(1,853)
Supplies	838	988	167	(821)
Services and Charges	1,667,943	2,068,785	2,007,029	(61,756)
Capital Outlays				-
Interfund Payments for Services	50,945	33,960	43,125	9,165
Transfers Out	-	-	2,936	2,936
Amount Charged to Appropriations (out-flows)	1,808,151	2,215,505	2,160,298	(55,207)
 Budgeted Fund Balance, December 31	 \$ -	 \$ -	 \$ 626,877	

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, 2011

	Budgeted Amounts			Variance with Final Budget
	Original Budget	Final Budget	Actual	
Budgeted Fund Balance, January 1	\$ (24,998)	\$ 1,223	\$ 321,377	
Resources (in-flows)				
Intergovernmental Revenue	476,091	649,668	630,042	(19,626)
Charges for Goods and Services	52,500	52,500	58,727	6,227
Donations	359,332	369,332	387,408	18,076
Transfers In	755,405	755,405	755,405	-
Miscellaneous Revenues	-	-	-	-
Total Resources (in-flows)	1,643,328	1,826,905	1,831,582	4,677
Amounts Available for Appropriation	1,618,330	1,828,128	2,152,959	
Charges to Appropriations (out-flows)				
Salaries and Wages	785,350	820,248	819,412	(836)
Personnel Benefits	390,363	420,694	417,673	(3,021)
Supplies	300,743	357,352	385,144	27,792
Services and Charges	128,614	216,574	188,798	(27,776)
Capital Outlays	-	-	-	-
Interfund Payments for Services	13,260	13,260	13,260	-
Transfers Out	-	-	-	-
Amount Charged to Appropriations (out-flows)	1,618,330	1,828,128	1,824,287	(3,841)
Budgeted Fund Balance, December 31	\$ -	\$ -	\$ 328,672	

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, 2011

	Budgeted Amounts		Actual	Variance with Final Budget
	Original Budget	Final Budget		
Budgeted Fund Balance, January 1	\$ 74,100	\$ 129,100	\$ 355,823	
Resources (in-flows)				
Sales and Use Tax	225,000	225,000	278,473	53,473
Interest Revenue	1,000	1,000	248	(752)
Total Resources (in-flows)	226,000	226,000	278,721	52,721
Amounts Available for Appropriation	300,100	355,100	634,544	
Charges to Appropriations (out-flows)				
Salaries and Wages				-
Personnel Benefits				-
Supplies				-
Services and Charges	171,000	226,000	175,013	(50,987)
Capital Outlays				-
Interfund Payments for Services	129,100	129,100	135,151	6,051
Transfers Out				-
Amount Charged to Appropriations (out-flows)	300,100	355,100	310,164	(44,936)
 Budgeted Fund Balance, December 31	 \$ -	 \$ -	 \$ 324,380	

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, 2011

	Budgeted Amounts			Variance with Final Budget
	Original Budget	Final Budget	Actual	
Budgeted Fund Balance, January 1	\$ (19,033)	\$ (40,939)	\$ 591,804	
Resources (in-flows)				
Property Tax	1,254,591	1,254,591	1,227,324	(27,267)
Intergovernmental Revenue	658,692	658,692	622,197	(36,495)
Charges for Goods and Services	-	-	15,912	15,912
Interest Revenue	-	-	1,472	1,472
Miscellaneous Revenues	31,500	31,500	13,582	(17,918)
Transfers In	103,868	103,868	103,868	-
Total Resources (in-flows)	2,048,651	2,048,651	1,984,355	(64,296)
Amounts Available for Appropriation	2,029,618	2,007,712	2,576,159	
Charges to Appropriations (out-flows)				
Salaries and Wages	497,062	477,955	388,724	(89,231)
Personnel Benefits	203,658	200,859	167,210	(33,649)
Supplies	36,000	36,000	41,322	5,322
Services and Charges	869,413	824,413	775,995	(48,418)
Capital Outlays	-	-	-	-
Interfund Payments for Services	423,485	468,485	485,876	17,391
Transfers Out	-	-	-	-
Amount Charged to Appropriations (out-flows)	2,029,618	2,007,712	1,859,127	(148,585)
Budgeted Fund Balance, December 31	\$ -	\$ -	\$ 717,032	

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, 2011

	Budgeted Amounts		Actual	Variance with Final Budget
	Original Budget	Final Budget		
Budgeted Fund Balance, January 1	\$ (215,783)	\$ (219,976)	\$ 328,031	
Resources (in-flows)				
Property Tax	740,000	740,000	752,338	12,338
Sales and Use Tax	13,500	13,500	15,029	1,529
Intergovernmental Revenue	1,187,100	1,212,100	837,019	(375,081)
Interest Revenue	1,000	1,000	66	(934)
Donations	125,000	125,000	2,700	(122,300)
Miscellaneous Revenues	25,000	-	236	236
Total Resources (in-flows)	2,091,600	2,091,600	1,607,388	(484,212)
Amounts Available for Appropriation	1,875,817	1,871,624	1,935,419	
Charges to Appropriations (out-flows)				
Salaries and Wages	91,420	87,763	85,764	(1,999)
Personnel Benefits	36,347	35,811	34,864	(947)
Supplies	1,350	1,350	801	(549)
Services and Charges	146,700	146,700	66,790	(79,910)
Capital Outlays	1,600,000	1,600,000	750,713	(849,287)
Interfund Payments for Services				-
Transfers Out				-
Amount Charged to Appropriations (out-flows)	1,875,817	1,871,624	938,932	(932,692)
Budgeted Fund Balance, December 31	\$ -	\$ -	\$ 996,487	

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, 2011

	Budgeted Amounts		Actual	Variance with Final Budget
	Original Budget	Final Budget		
Budgeted Fund Balance, January 1			\$ 134,694	
Resources (in-flows)				
Property Tax	3,968,616	3,968,616	3,805,692	(162,924)
Sales and Use Tax	58,000	58,000	76,210	18,210
Intergovernmental Revenue	100,000	100,000	312,939	212,939
Interest Revenue	100	100	48	(52)
Miscellaneous Revenues	1,500	1,500	1,196	(304)
Total Resources (in-flows)	4,128,216	4,128,216	4,196,085	67,869
Amounts Available for Appropriation	4,128,216	4,128,216	4,330,779	
Charges to Appropriations (out-flows)				
Salaries and Wages				-
Personnel Benefits				-
Supplies				-
Services and Charges		-		-
Capital Outlays				-
Interfund Payments for Services	4,128,216	4,128,216	4,128,216	-
Transfers Out				-
Amount Charged to Appropriations (out-flows)	4,128,216	4,128,216	4,128,216	-
 Budgeted Fund Balance, December 31			 \$ -	 \$ -
			\$ 202,563	

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, 2011

	Budgeted Amounts			Variance with Final Budget
	Original Budget	Final Budget	Actual	
Budgeted Fund Balance, January 1	\$ (17)	\$ (1,113)	\$ 157,370	
Resources (in-flows)				
Charges for Goods and Services	92,000	92,000	87,990	(4,010)
Interest Revenue	300	300	226	(74)
Total Resources (in-flows)	<u>92,300</u>	<u>92,300</u>	<u>88,216</u>	<u>(4,084)</u>
Amounts Available for Appropriation	92,283	91,187	245,586	
Charges to Appropriations (out-flows)				
Salaries and Wages	23,893	22,937	18,465	(4,472)
Personnel Benefits	13,240	13,100	10,416	(2,684)
Supplies	600	600	135	(465)
Services and Charges	4,550	4,550	6,085	1,535
Capital Outlays				-
Interfund Payments for Services	50,000	50,000	50,330	330
Transfers Out				-
Amount Charged to Appropriations (out-flows)	<u>92,283</u>	<u>91,187</u>	<u>85,431</u>	<u>(5,756)</u>
Budgeted Fund Balance, December 31	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 160,155</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, 2011

	Budgeted Amounts		Actual	Variance with Final Budget
	Original Budget	Final Budget		
Budgeted Fund Balance, January 1			\$ 612,223	
Resources (in-flows)				
Sales and Use Tax	2,000,000	2,000,000	2,205,505	205,505
Other Tax	830,000	1,530,000	1,047,674	
Interest Earnings			567	
Intergovernmental Revenue	-	42,228	51,217	8,989
Total Resources (in-flows)	2,830,000	3,572,228	3,304,963	214,494
Amounts Available for Appropriation	2,830,000	3,572,228	3,917,186	
Charges to Appropriations (out-flows)				
Salaries and Wages				-
Personnel Benefits				-
Supplies				-
Services and Charges	2,830,000	3,572,228	3,255,685	(316,543)
Capital Outlays				-
Interfund Payments for Services				-
Transfers Out				-
Amount Charged to Appropriations (out-flows)	2,830,000	3,572,228	3,255,685	(316,543)
 Budgeted Fund Balance, December 31	 \$ -	 \$ -	 \$ 661,501	

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, 2011

	Budgeted Amounts		Actual	Variance with Final Budget
	Original Budget	Final Budget		
Budgeted Fund Balance, January 1	\$ 10,255	\$ 10,255	\$ 256,810	
Resources (in-flows)				
Property Tax			5,891	
Intergovernmental Revenue	12,000	12,000	7,700	(4,300)
Charges for Goods and Services	7,500	7,500	2,300	(5,200)
Interest Revenue			653	653
Proceeds of Long Term Debt	431,245	431,245	201,035	(230,210)
Total Resources (in-flows)	450,745	450,745	217,579	(239,057)
Amounts Available for Appropriation	461,000	461,000	474,389	
Charges to Appropriations (out-flows)				
Salaries and Wages				-
Personnel Benefits				-
Supplies	1,500	1,500	406	(1,094)
Services and Charges	419,500	419,500	278,702	(140,798)
Capital Outlays				-
Interfund Payments for Services	40,000	40,000		(40,000)
Transfers Out			4,000	4,000
Amount Charged to Appropriations (out-flows)	461,000	461,000	283,108	(177,892)
 Budgeted Fund Balance, December 31	 \$ -	 \$ -	 \$ 191,281	

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, 2011

	Budgeted Amounts			Variance with Final Budget
	Original Budget	Final Budget	Actual	
Budgeted Fund Balance, January 1	\$ (247)	\$ (818,063)	\$ 164,496	
Resources (in-flows)				
Licenses and Permits	542,500	542,500	439,315	(103,185)
Intergovernmental Revenue	735,393	735,393	680,621	(54,772)
Charges for Goods and Services	615,350	615,350	393,205	(222,145)
Fines and Forfeits	10,000	10,000	3,868	(6,132)
Donations			1,125	1,125
Transfers In	747,911	1,497,911	1,497,911	-
Miscellaneous Revenues	1,000	1,000	2,065	1,065
Total Resources (in-flows)	2,652,154	3,402,154	3,018,110	(384,044)
Amounts Available for Appropriation	2,651,907	2,584,091	3,182,606	
Charges to Appropriations (out-flows)				
Salaries and Wages	1,479,820	1,420,667	1,411,320	(9,347)
Personnel Benefits	588,356	579,693	570,055	(9,638)
Supplies	16,000	16,000	13,220	(2,780)
Services and Charges	540,359	540,359	521,872	(18,487)
Capital Outlays				-
Interfund Payments for Services	27,372	27,372	63,263	35,891
Transfers Out				-
Amount Charged to Appropriations (out-flows)	2,651,907	2,584,091	2,579,730	(4,361)
 Budgeted Fund Balance, December 31	 \$ -	 \$ -	 \$ 602,876	

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, 2011

	Budgeted Amounts			Variance with Final Budget
	Original Budget	Final Budget	Actual	
Budgeted Fund Balance, January 1	\$ 348,523	\$ 348,523	\$ 268,616	
Resources (in-flows)				
Other Tax	20,000	20,000	598	(19,402)
Interest Revenue	2,500	2,500	440	(2,060)
Total Resources (in-flows)	22,500	22,500	1,038	(21,462)
Amounts Available for Appropriation	371,023	371,023	269,654	
Charges to Appropriations (out-flows)				
Salaries and Wages	1,213	12,213	9,205	(3,008)
Personnel Benefits	510	3,010	4,876	1,866
Supplies	300	300	(84)	(384)
Services and Charges	26,500	26,500	14,188	(12,312)
Capital Outlays				-
Interfund Payments for Services	1,000	5,000	4,789	(211)
Transfers Out	341,500	324,000		(324,000)
Amount Charged to Appropriations (out-flows)	371,023	371,023	32,974	(338,049)
 Budgeted Fund Balance, December 31	 \$ -	 \$ -	 \$ 236,680	

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		
Budgeted Fund Balance, January 1	\$ 3,500	\$ 3,500	\$ (13,957)	
Resources (in-flows)				
Other Tax	30,000	30,000	30,105	105
Total Resources (in-flows)	<u>30,000</u>	<u>30,000</u>	<u>30,105</u>	<u>105</u>
Amounts Available for Appropriation	33,500	33,500	16,148	
Charges to Appropriations (out-flows)				
Salaries and Wages				-
Personnel Benefits				-
Supplies				-
Services and Charges				-
Capital Outlays				-
Interfund Payments for Services				-
Transfers Out	33,500	33,500		(33,500)
Amount Charged to Appropriations (out-flows)	<u>33,500</u>	<u>33,500</u>	-	<u>(33,500)</u>
 Budgeted Fund Balance, December 31	 \$ -	 \$ -	 \$ 16,148	

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, 2011

	Budgeted Amounts			Variance with Final Budget
	Original Budget	Final Budget	Actual	
Budgeted Fund Balance, January 1	\$ (11,967)	\$ (11,967)	\$ 19,201	
Resources (in-flows)				
Other Tax	57,190	57,190	55,358	(1,832)
Total Resources (in-flows)	57,190	57,190	55,358	(1,832)
Amounts Available for Appropriation	45,223	45,223	74,559	
Charges to Appropriations (out-flows)				
Salaries and Wages	3,895	3,895	2,664	(1,231)
Personnel Benefits	1,828	1,828	1,244	(584)
Supplies	-	-	-	-
Services and Charges	38,000	38,000	38,055	55
Capital Outlays	-	-	-	-
Interfund Payments for Services	1,500	1,500	-	(1,500)
Transfers Out	-	-	-	-
Amount Charged to Appropriations (out-flows)	45,223	45,223	41,963	(3,260)
 Budgeted Fund Balance, December 31	 \$ -	 \$ -	 \$ 32,596	

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, 2011

	Budgeted Amounts			Variance with Final Budget
	Original Budget	Final Budget	Actual	
Budgeted Fund Balance, January 1	\$ (1,053)	\$ (1,053)	\$ 17,412	
Resources (in-flows)				
Other Tax	14,100	14,100	14,670	570
Interest Earnings			50	
Total Resources (in-flows)	<u>14,100</u>	<u>14,100</u>	<u>14,720</u>	<u>570</u>
Amounts Available for Appropriation	13,047	13,047	32,132	
Charges to Appropriations (out-flows)				
Salaries and Wages	1,113	1,113	958	(155)
Personnel Benefits	522	522	443	(79)
Supplies				-
Services and Charges	11,000	11,000	3,423	(7,577)
Capital Outlays				-
Interfund Payments for Services	412	412		(412)
Transfers Out				-
Amount Charged to Appropriations (out-flows)	<u>13,047</u>	<u>13,047</u>	<u>4,824</u>	<u>(8,223)</u>
Budgeted Fund Balance, December 31	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 27,308</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, 2011

	Budgeted Amounts			Variance with Final Budget
	Original Budget	Final Budget	Actual	
Budgeted Fund Balance, January 1	\$ (291)	\$ (291)	\$ 21,237	
Resources (in-flows)				
Other Tax	29,500	29,500	29,871	371
Interest Earnings			109	
Total Resources (in-flows)	<u>29,500</u>	<u>29,500</u>	<u>29,980</u>	<u>371</u>
Amounts Available for Appropriation	29,209	29,209	51,217	
Charges to Appropriations (out-flows)				
Salaries and Wages	2,226	2,226	1,538	(688)
Personnel Benefits	1,045	1,045	714	(331)
Supplies	30	30		(30)
Services and Charges	25,500	25,500	18,275	(7,225)
Capital Outlays				-
Interfund Payments for Services	408	408		(408)
Transfers Out				-
Amount Charged to Appropriations (out-flows)	<u>29,209</u>	<u>29,209</u>	<u>20,527</u>	<u>(8,682)</u>
Budgeted Fund Balance, December 31	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 30,690</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, 2011

	Budgeted Amounts			Variance with Final Budget
	Original Budget	Final Budget	Actual	
Budgeted Fund Balance, January 1	\$ (5,888)	\$ (5,888)	\$ 15,339	
Resources (in-flows)				
Other Tax	23,791	23,791	21,064	(2,727)
Interest Earnings			25	25
Total Resources (in-flows)	<u>23,791</u>	<u>23,791</u>	<u>21,089</u>	<u>(2,702)</u>
Amounts Available for Appropriation	17,903	17,903	36,428	
Charges to Appropriations (out-flows)				
Salaries and Wages	1,669	1,669	1,647	(22)
Personnel Benefits	784	784	717	(67)
Supplies				-
Services and Charges	15,000	15,000	2,483	(12,517)
Capital Outlays				-
Interfund Payments for Services	450	450		(450)
Transfers Out				-
Amount Charged to Appropriations (out-flows)	<u>17,903</u>	<u>17,903</u>	<u>4,847</u>	<u>(13,056)</u>
Budgeted Fund Balance, December 31	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 31,581</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, 2011

	Budgeted Amounts			Variance with Final Budget
	Original Budget	Final Budget	Actual	
Budgeted Fund Balance, January 1	\$ (14,500)	\$ 17,975	\$ 101,957	
Resources (in-flows)				
Property Tax	31,000	31,000	52,142	21,142
Total Resources (in-flows)	<u>31,000</u>	<u>31,000</u>	<u>52,142</u>	<u>21,142</u>
Amounts Available for Appropriation	16,500	48,975	154,099	
Charges to Appropriations (out-flows)				
Salaries and Wages				-
Personnel Benefits				-
Supplies	1,500	1,500	703	(797)
Services and Charges	15,000	47,475	25,289	(22,186)
Capital Outlays				-
Interfund Payments for Services				-
Transfers Out				-
Amount Charged to Appropriations (out-flows)	<u>16,500</u>	<u>48,975</u>	<u>25,992</u>	<u>(22,983)</u>
Budgeted Fund Balance, December 31	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 128,107</u>	

SKAGIT COUNTY, WASHINGTON

Drug Enforcement Cumulative

Schedule of Revenues, Expenditures and Changes in Fund Balance

Budget (GAAP Basis) and Actual

For the Year Ended December 31, 2011

	Budgeted Amounts		Actual	Variance with Final Budget
	Original Budget	Final Budget		
Budgeted Fund Balance, January 1		\$ 8,000	\$ 173,330	
Resources (in-flows)				
Intergovernmental Revenue	31,000	64,909	35,159	(29,750)
Interest Revenue	400	400	199	(201)
Miscellaneous Revenues	3,600	3,600		(3,600)
Total Resources (in-flows)	35,000	68,909	35,358	(33,551)
Amounts Available for Appropriation	35,000	76,909	208,688	
Charges to Appropriations (out-flows)				
Salaries and Wages	21,000	34,653	12,073	(22,580)
Personnel Benefits	5,501	10,373	4,209	(6,164)
Supplies	4,100	27,484	16,182	(11,302)
Services and Charges	4,399	4,399	2,913	(1,486)
Capital Outlays				-
Interfund Payments for Services			405	405
Transfers Out				-
Amount Charged to Appropriations (out-flows)	35,000	76,909	35,782	(41,127)
 Budgeted Fund Balance, December 31		 \$ -	 \$ -	 \$ 172,906

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, 2011

	Budgeted Amounts			Variance with Final Budget
	Original Budget	Final Budget	Actual	
Budgeted Fund Balance, January 1	\$ 1	\$ 7,501	\$ 74,652	
Resources (in-flows)				
Intergovernmental Revenue	97,715	159,860	114,455	(45,405)
Miscellaneous Revenues			1,200	1,200
Total Resources (in-flows)	97,715	159,860	115,655	(44,205)
Amounts Available for Appropriation	97,716	167,361	190,307	
Charges to Appropriations (out-flows)				
Salaries and Wages	51,000	99,275	81,595	(17,680)
Personnel Benefits	13,361	27,231	26,008	(1,223)
Supplies	9,800	9,800	10,367	567
Services and Charges	23,555	23,555	18,636	(4,919)
Capital Outlays	-	7,500	7,631	131
Interfund Payments for Services			1,434	1,434
Transfers Out				-
Amount Charged to Appropriations (out-flows)	97,716	167,361	145,671	(21,690)
Budgeted Fund Balance, December 31	\$ -	\$ -	\$ 44,636	

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, 2011

	Budgeted Amounts		Actual	Variance with Final Budget
	Original Budget	Final Budget		
Budgeted Fund Balance, January 1	\$ (20,600)	\$ 110,763	\$ 398,520	
Resources (in-flows)				
Charges for Goods and Services	120,000	120,000	118,024	(1,976)
Interest Revenue	600	600	474	(126)
Total Resources (in-flows)	120,600	120,600	118,498	(2,102)
Amounts Available for Appropriation	100,000	231,363	517,018	
Charges to Appropriations (out-flows)				
Salaries and Wages				-
Personnel Benefits				-
Supplies				-
Services and Charges	100,000	231,363	231,079	(284)
Capital Outlays				-
Interfund Payments for Services			283	283
Transfers Out				-
Amount Charged to Appropriations (out-flows)	100,000	231,363	231,362	(1)
Budgeted Fund Balance, December 31	\$ -	\$ -	\$ 285,656	

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, 2011

	Budgeted Amounts			Variance with Final Budget
	Original Budget	Final Budget	Actual	
Budgeted Fund Balance, January 1	\$ 21,608	\$ 24,608	\$ 179,235	
Resources (in-flows)				
Intergovernmental Revenue	46,974	46,974	48,611	1,637
Total Resources (in-flows)	46,974	46,974	48,611	1,637
Amounts Available for Appropriation	68,582	71,582	227,846	
Charges to Appropriations (out-flows)				
Salaries and Wages				-
Personnel Benefits				-
Supplies				-
Services and Charges	68,582	71,582	71,098	(484)
Capital Outlays				-
Interfund Payments for Services				-
Transfers Out				-
Amount Charged to Appropriations (out-flows)	68,582	71,582	71,098	(484)
Budgeted Fund Balance, December 31	\$ -	\$ -	\$ 156,748	

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, 2011

	Budgeted Amounts		Actual	Variance with Final Budget
	Original Budget	Final Budget		
Budgeted Fund Balance, January 1			\$ 164,411	
Resources (in-flows)				
Intergovernmental Revenue	-	-		-
Interest Revenue	-	-	139	139
Total Resources (in-flows)	-	-	139	139
Amounts Available for Appropriation	-	-	164,550	
Charges to Appropriations (out-flows)				
Salaries and Wages				-
Personnel Benefits				-
Supplies				-
Services and Charges				-
Capital Outlays				-
Interfund Payments for Services				-
Transfers Out				-
Amount Charged to Appropriations (out-flows)	-	-	-	-
Budgeted Fund Balance, December 31	\$ -	\$ -	\$ 164,550	

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, 2011

	Budgeted Amounts		Actual	Variance with Final Budget
	Original Budget	Final Budget		
Budgeted Fund Balance, January 1			\$ 491,796	
Resources (in-flows)				
Charges for Goods and Services	500,000	500,000	513,100	13,100
Interest Revenue	1,500	1,500	3,056	1,556
Total Resources (in-flows)	501,500	501,500	516,156	14,656
Amounts Available for Appropriation	501,500	501,500	1,007,952	
Charges to Appropriations (out-flows)				
Salaries and Wages				-
Personnel Benefits				-
Supplies				-
Services and Charges	501,500	501,500	460,340	(41,160)
Capital Outlays				-
Interfund Payments for Services			2,482	2,482
Transfers Out				-
Amount Charged to Appropriations (out-flows)	501,500	501,500	462,822	(38,678)
 Budgeted Fund Balance, December 31	 \$ -	 \$ -	 \$ 545,130	

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, 2011

	Budgeted Amounts		Actual	Variance with Final Budget
	Original Budget	Final Budget		
Budgeted Fund Balance, January 1	\$ 25,000	\$ 20,161	\$ 464,904	
Resources (in-flows)				
Intergovernmental Revenue	279,688	357,813	286,288	(71,525)
Fines and Forfeits	284,804	284,804	430,596	145,792
Interest Revenue	2,000	2,000	833	(1,167)
Miscellaneous Revenues	6,500	6,500	8,423	1,923
Total Resources (in-flows)	<u>572,992</u>	<u>651,117</u>	<u>726,140</u>	<u>75,023</u>
Amounts Available for Appropriation	597,992	671,278	1,191,044	
Charges to Appropriations (out-flows)				
Salaries and Wages	123,646	154,310	119,884	(34,426)
Personnel Benefits	43,863	60,485	40,993	(19,492)
Supplies	6,600	6,600	19,500	12,900
Services and Charges	403,983	429,983	418,589	(11,394)
Capital Outlays	19,900	19,900	17,054	(2,846)
Interfund Payments for Services			4,105	4,105
Transfers Out				-
Amount Charged to Appropriations (out-flows)	<u>597,992</u>	<u>671,278</u>	<u>620,125</u>	<u>(51,153)</u>
Budgeted Fund Balance, December 31	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 570,919</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, 2011

SKAGIT COUNTY, WASHINGTON
BALANCE SHEET
Combining Nonmajor Debt Service Fund
As of December 31, 2011

ASSETS AND OTHER DEBITS:	TOTALS
ASSETS:	
Cash	\$75,310
Investments	1,734,045
Accounts Receivable	260
Interfund Loans Receivable	260,500
TOTAL ASSETS	\$2,070,115
LIABILITIES AND FUND BALANCES	
LIABILITIES	
Deferred Revenue	260
Due to Other Funds	263,500
TOTAL LIABILITIES	263,760
FUND BALANCES	
Reserved for Debt Service	1,806,355
TOTAL FUND BALANCES	1,806,355
TOTAL LIABILITIES AND FUND BALANCES	\$2,070,115

SKAGIT COUNTY, WASHINGTON
Combing Statement of Revenues, Expenditures
And Changes in Fund Balances
DEBT SERVICE FUND
For the Year Ended December 31, 2011

REVENUES:	Actual
<hr/>	
Interest Revenue	\$83,013
Miscellaneous Revenues	396,197
TOTAL REVENUES	<hr/> 479,210
EXPENDITURES:	
<hr/>	
Debt Service: Principal	1,059,905
Debt Service: Interest and Related Costs	600,115
TOTAL EXPENDITURES	<hr/> 1,660,020
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	<hr/> <hr/> (1,180,810)
OTHER FINANCING SOURCES (USES):	
<hr/>	
Transfers In	1,482,834
TOTAL OTHER FINANCING SOURCES (USES)	<hr/> 1,482,834
EXCESS (DEFICIENCY) OF REVENUES AND OTHER FINANCING SOURCES OVER EXPENDITURES AND OTHER FINANCING USES	<hr/> <hr/> 302,024
FUND BALANCES:	
<hr/>	
Fund Balance, January 1	1,504,333
FUND BALANCE, DECEMBER 31	<hr/> <hr/> 1,806,355

SKAGIT COUNTY, WASHINGTON

Debt Service

Schedule of Revenues, Expenditures and Changes in Fund Balance

Budget (GAAP Basis) and Actual

For the Year Ended December 31, 2011

	Budgeted Amounts		Actual	Variance with Final Budget
	Original Budget	Final Budget		
Budgeted Fund Balance, January 1	\$ (151,793)	\$ (151,793)	\$ 1,504,333	
Resources (in-flows)				
Intergovernmental Revenues			-	-
Transfers In	1,518,837	1,518,837	1,482,834	(36,003)
Interest Revenue	60,736	60,736	83,013	22,277
Other Revenue	239,200	239,200	396,197	156,997
Total Resources (in-flows)	<u>1,818,773</u>	<u>1,818,773</u>	<u>1,962,044</u>	<u>143,271</u>
Amounts Available for Appropriation	1,666,980	1,666,980	3,466,377	
Charges to Appropriations (out-flows)				
Debt Service				-
Principal	1,113,333	1,113,333	1,059,905	(53,428)
Interest	553,647	553,647	600,115	46,468
Transfers Out	-	-	-	-
Amount Charged to Appropriations (out-flows)	<u>1,666,980</u>	<u>1,666,980</u>	<u>1,660,020</u>	<u>(6,960)</u>
Budgeted Fund Balance, December 31	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 1,806,355</u>	

SKAGIT COUNTY, WASHINGTON NONMAJOR CAPITAL PROJECT FUNDS

Facility Improvement Fund - A fund established in 1978 to account for the expenses incurred in investigation, planning, construction, improvement, replacement, repair, acquisition of property, property rights, facilities and equipment of public facilities.

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

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

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

SKAGIT COUNTY, WASHINGTON
BALANCE SHEET
NONMAJOR CAPITAL PROJECTS FUNDS
As of December 31,2011

ASSETS:	FACILITY IMPROVEMENTS	CAPITAL IMPROVEMENT	DISTRESSED PUBLIC IMPROVEMENTS	PARKS IMPROVEMENT	2011 TOTALS
ASSETS:					
Cash	\$234,071	\$2,140,045	\$1,423,959	\$429,438	\$4,227,513
Investments	-	1,316,876	1,909,282	199,322	\$3,425,480
Due from Other Funds	-	-	-	(1,650)	(\$1,650)
Due from another government unit	-	-	353,385	43,152	\$396,537
Interfund Loan Receivable	-	-	-	-	0
TOTAL ASSETS	<u>234,071</u>	<u>3,456,921</u>	<u>3,686,626</u>	<u>670,262</u>	<u>\$8,047,880</u>
 LIABILITIES AND FUND BALANCES					
LIABILITIES:					
Accounts/vouchers payable	30,833	-	224,875	12,573	268,281
Due to other funds	(1,650)	-	-	-	(1,650)
Deferred Revenue	-	-	-	516,775	516,775
TOTAL LIABILITIES	<u>29,183</u>	<u>-</u>	<u>224,875</u>	<u>529,348</u>	<u>\$783,406</u>
 FUND BALANCES					
Fund balances:					
Nonspendable	-	-	-	-	-
Restricted	204,888	3,456,921	3,461,751	140,914	7,264,474
Committed	-	-	-	-	-
Unassigned	-	-	-	-	-
TOTAL FUND BALANCES	<u>204,888</u>	<u>3,456,921</u>	<u>3,461,751</u>	<u>140,914</u>	<u>\$7,264,474</u>
 TOTAL LIABILITIES AND FUND BALANCES	<u>\$234,071</u>	<u>\$3,456,921</u>	<u>\$3,686,626</u>	<u>\$670,262</u>	<u>\$8,047,880</u>

SKAGIT COUNTY, WASHINGTON
COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES
IN FUND BALANCE
NONMAJOR CAPITAL PROJECTS FUNDS
For the Year Ended December 31, 2011

	Facility IMPROVEMENTS FUND	CAPITAL IMPROVEMENTS FUND	DISTRESSED PUBLIC IMPROVEMENT	PARK IMPROVEMENT FUND	2011 TOTALS
REVENUES:					
Property Taxes	\$0	\$773,306			\$773,306
Excise Taxes			\$1,976,905	\$0	\$1,976,905
Intergovernmental Revenue	844,883	-	-	79,249	\$924,132
Charges for Goods and Services	-	-	-	17,635	\$17,635
Interest Revenue	36	1,455	5,352	340	\$7,183
Other Revenue	-	-	-	-	-
TOTAL REVENUES	844,919	774,761	1,982,257	97,224	3,699,161
EXPENDITURES:					
Current	-	-	-	-	-
Economic Environment			609,883	-	609,883
Culture and Recreation	-	-		76,590	76,590
					-
Capital Outlay	892,652	-	-	128,377	1,021,029
Total Expenditures	892,652	-	609,883	204,967	1,707,502
TOTAL EXPENDITURES	892,652	-	609,883	204,967	1,707,502
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	(47,733)	774,761	1,372,374	(107,743)	1,991,659
OTHER FINANCING SOURCES (USES):					
Issuance of Long Term Debt	-	-	-	-	-
Proceeds of Capital Assets	-	-	-	-	-
Transfers In	1,400,000	-	-	-	1,400,000
Transfers Out	-	(778,440)	(593,259)	-	(1,371,699)
TOTAL OTHER FINANCING SOURCES (USES)	1,400,000	(778,440)	(593,259)	-	28,301
EXCESS (DEFICIENCY) OF REVENUES AND OTHER FINANCING SOURCES OVER EXPENDITURES AND OTHER FINANCING USE	1,352,267	(3,679)	779,115	(107,743)	2,019,960
FUND BALANCES:					
Fund Balance, January 1	(1,147,379)	3,460,600	2,682,636	248,657	5,244,514
FUND BALANCE, DECEMBER 31	\$204,888	\$3,456,921	\$3,461,751	\$140,914	\$7,264,474

SKAGIT COUNTY, WASHINGTON

Facility Improvement

Schedule of Revenues, Expenditures and Changes in Fund Balance

Budget (GAAP Basis) and Actual

For the Year Ended December 31, 2011

	Budgeted Amounts		Actual	Variance with Final Budget
	Original Budget	Final Budget		
Budgeted Fund Balance, January 1	\$ 1,759,660	\$ (536,039)	\$(1,147,379)	
Resources (in-flows)				
Intergovernmental Revenues	894,100	894,100	844,883	(49,217)
Transfers In		1,400,000	1,400,000	-
Interest Revenue			36	36
Other Revenue				-
Total Resources (in-flows)	<u>-</u>	<u>2,294,100</u>	<u>2,244,919</u>	<u>(49,181)</u>
Amounts Available for Appropriation	1,759,660	1,758,061	1,097,540	
Charges to Appropriations (out-flows)				
Salaries and Wages				-
Personnel Benefits				-
Supplies				-
Services and Charges				-
Capital Outlays	1,759,660	1,758,061	892,652	(865,409)
Interfund Payments for Services				-
Transfers Out	-	-	-	-
Amount Charged to Appropriations (out-flows)	<u>1,759,660</u>	<u>1,758,061</u>	<u>892,652</u>	<u>(865,409)</u>
Budgeted Fund Balance, December 31	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 204,888</u>	

SKAGIT COUNTY, WASHINGTON

Capital Improvements

Schedule of Revenues, Expenditures and Changes in Fund Balance

Budget (GAAP Basis) and Actual

For the Year Ended December 31, 2011

	Budgeted Amounts		Actual	Variance with Final Budget
	Original Budget	Final Budget		
Budgeted Fund Balance, January 1	\$ (121,558)	\$ (58,471)	\$ 3,460,600	
Resources (in-flows)				
Property Tax	900,000	900,000	773,306	(126,694)
Interest Revenue			1,455	1,455
Total Resources (in-flows)	900,000	900,000	774,761	(125,239)
Amounts Available for Appropriation	778,442	841,529	4,235,361	
Charges to Appropriations (out-flows)				
Salaries and Wages				-
Personnel Benefits				-
Supplies				-
Services and Charges				-
Capital Outlays				-
Interfund Payments for Services				-
Transfers Out	778,442	841,529	778,440	(63,089)
Amount Charged to Appropriations (out-flows)	778,442	841,529	778,440	(63,089)
 Budgeted Fund Balance, December 31	 \$ -	 \$ -	 \$ 3,456,921	

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, 2011

	<u>Budgeted Amounts</u>			Variance with Final Budget
	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	
Budgeted Fund Balance, January 1	\$ 651,728	\$ 651,728	\$ 2,682,636	
Resources (in-flows)				
Sales and Use Tax	1,700,000	1,700,000	1,976,905	276,905
Interest Revenue	10,000	10,000	5,352	(4,648)
Total Resources (in-flows)	<u>1,710,000</u>	<u>1,710,000</u>	<u>1,982,257</u>	<u>272,257</u>
Amounts Available for Appropriation	2,361,728	2,361,728	4,664,893	
Charges to Appropriations (out-flows)				
Salaries and Wages				-
Personnel Benefits				-
Supplies				-
Services and Charges			75,003	75,003
Capital Outlays				-
Interfund Payments for Services	1,768,468	1,768,468	534,880	(1,233,588)
Transfers Out	593,260	593,260	593,259	(1)
Amount Charged to Appropriations (out-flows)	<u>2,361,728</u>	<u>2,361,728</u>	<u>1,203,142</u>	<u>(1,158,586)</u>
Budgeted Fund Balance, December 31	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 3,461,751</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, 2011

	Budgeted Amounts			Variance with Final Budget
	Original Budget	Final Budget	Actual	
Budgeted Fund Balance, January 1	\$ 421,500	\$ 371,500	\$ 248,657	
Resources (in-flows)				
Intergovernmental Revenue	-	34,983	79,249	44,266
Charges for Goods and Services	18,500	18,500	17,635	(865)
Interest Earnings			340	340
Transfers In	-	63,087		(63,087)
Donations	480,000	480,000		(480,000)
Total Resources (in-flows)	498,500	596,570	97,224	(499,346)
Amounts Available for Appropriation	920,000	968,070	345,881	
Charges to Appropriations (out-flows)				
Salaries and Wages				-
Personnel Benefits				-
Supplies	10,000	10,000	1,886	(8,114)
Services and Charges	85,000	106,200	74,704	(31,496)
Capital Outlays	825,000	851,870	128,377	(723,493)
Interfund Payments for Services				-
Transfers Out				-
Amount Charged to Appropriations (out-flows)	920,000	968,070	204,967	(763,103)
Budgeted Fund Balance, December 31	\$ -	\$ -	\$ 140,914	

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Nonmajor Enterprise Funds



SKAGIT COUNTY, WASHINGTON

NONMAJOR ENTERPRISE FUNDS

For the Year ended December 31,2011, 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, 2011

Assets	Equipment Rental Fund	Insurance Service Fund	Central Services Fund	Unemployment Compensation Fund	2011 Total
Current Assets					
Cash and Cash Equivalents	\$3,722,686	\$7,874,671	\$1,439,147	\$63,012	\$13,099,514
Accounts Receivable	12,973	-	51,675	-	64,648
Due From Other Funds	-	1,445,755	890,755	250,000	2,586,510
Due From Other Governments	-	-	19,699	-	19,699
Inventories and Prepayments	5,472,554	-	-	-	5,472,554
Total Current Assets	9,208,213	9,320,426	2,401,276	313,012	21,242,925
Noncurrent Assets					
Capital Assets					
Buildings	180,888	-	-	-	180,888
Machinery and Equipment	15,122,950	-	1,625,018	-	16,747,968
Less Accumulated Depreciation	(7,737,530)	-	(1,235,554)	-	(8,973,084)
Total noncurrent assets	7,566,308	-	389,464	-	7,955,772
Total Assets	16,774,521	9,320,426	2,790,740	313,012	29,198,697
Liabilities and Fund Equity					
Current Liabilities					
Accounts/Vouchers Payable	186,428	89,462	62,303	72,660	410,853
Claims and Judgements Payable	-	4,414,905	-	-	4,414,903
Accrue Wages Payable	22,470	12,327	78,062	28,176	141,035
Due to other Funds	169,237	35,749	-	-	204,986
Accrued Employee Benefits	4,413	1,524	12,940	-	18,877
Other Accrued Liabilities	7,350	-	-	-	7,350
Total Current Liabilities	389,898	4,553,967	153,305	100,836	5,198,004
Non-Current Liabilities					
Compensated Absences	62,451	10,568	180,491	-	253,510
Environmental Liability	196,511	-	-	-	196,511
Other Accrued Liabilities	-	-	-	-	-
Total Non-Current Liabilities	258,962	10,568	180,491	-	450,021
Total Liabilities	648,860	4,564,535	333,796	100,836	5,648,025
Net Assets					
Invested in capital assets, Net of related debt	7,566,308	-	389,464	-	7,955,770
Unrestricted	8,559,353	4,755,891	2,067,480	212,176	15,594,902
Total net assets	16,125,661	\$4,755,891	\$2,456,944	\$ 212,176	\$23,550,672

SKAGIT COUNTY, WASHINGTON
Combining Statement of Revenues, Expenses and Changes in Fund Net Assets
Internal Service Funds
December 31, 2011

	Equipment Rental Fund	Insurance Services Fund	Central Services Fund	Unemployment Compensation Fund	2011 Total
Operating Revenues:					
Charges For Services	\$5,847,692	\$1,445,755	\$5,355,964	\$317,514	\$12,966,925
Miscellaneous	67,551	10,418,131	0	0	10,485,682
Total Operating Revenue	<u>5,915,243</u>	<u>11,863,886</u>	<u>5,355,964</u>	<u>317,514</u>	<u>23,452,607</u>
Operating Expenses:					
Personal services	720,942	353,793	2,775,872	57,126	3,907,733
Contractual services	-	1,817,332	-	-	1,817,332
Other supplies and expenses	3,619,280	42,209	2,252,050	-	5,913,539
Depreciation	881,186	-	15,449	-	896,635
Payment to Claimants	-	8,396,023	-	261,404	8,657,427
Total Operating Expenses	<u>5,221,408</u>	<u>10,609,357</u>	<u>5,043,371</u>	<u>318,530</u>	<u>21,192,666</u>
Operating Income (Loss)	<u>693,835</u>	<u>1,254,529</u>	<u>312,593</u>	<u>(1,016)</u>	<u>2,259,941</u>
Non-Operating Revenues (Expenses):					
Interest Revenue	10,788	13,431	251	-	24,470
Miscellaneous Revenue	-	71,960	12,151	-	84,111
Gain (Loss) on Fixed Asset Disposal	69,490	-	(189,084)	-	(119,594)
Miscellaneous Expense	-	-	-	-	-
Total non-operating revenues	<u>80,278</u>	<u>85,391</u>	<u>(176,682)</u>	<u>-</u>	<u>(11,013)</u>
Net Income (Loss) Before Operating Transfers Contributions and Special Items	<u>774,113</u>	<u>1,339,920</u>	<u>135,911</u>	<u>(1,016)</u>	<u>2,248,928</u>
Transfers In	-	-	-	250,000	250,000
Transfers Out	-	-	-	-	-
Changes in net assets	<u>774,113</u>	<u>1,339,920</u>	<u>135,911</u>	<u>248,984</u>	<u>2,498,928</u>
Net assets as of January 1	15,351,547	3,415,971	2,375,735	(36,808)	21,106,445
Prior Period Correction	-	-	(54,702)	-	(54,702)
Net assets as of December 31	<u>\$16,125,661</u>	<u>\$4,755,891</u>	<u>2,456,944</u>	<u>\$212,176</u>	<u>23,550,672</u>

SKAGIT COUNTY, WASHINGTON
Combining Statement of Cash Flows
Internal Service Funds
December 31, 2011

	Equipment Rental Fund	Insurance Service Fund	Central Services Fund	Unemployment Compensation Fund	2011 Total
<u>Cash Flows From Operating Activities:</u>					
Receipts from Customers	\$8,822	\$547,458	\$451,582	\$0	\$1,007,862
Receipts from interfund services provided	5,899,241	9,842,954	4,129,629	319,889	20,191,713
Payments to Employees	(717,867)	(354,708)	(2,845,168)	(38,477)	(3,956,220)
Payments to Suppliers	(2,053,240)	(818,810)	(2,211,696)	-	(5,083,746)
Payments to Claimants	0	(8,422,713)	-	(256,481)	(8,679,194)
Payments for interfund services used	(1,814,981)	(1,692)	(17,602)	-	(1,834,275)
Miscellaneous receipts(payments)	(2,345)	99,679	12,151	-	109,485
Net cash provided (used) by operating activities	1,319,630	892,168	(481,104)	24,931	1,755,625
<u>Cash Flows From Non-Capital And Related Financing Activities</u>					
Transfers to Other Funds	(176,936)	-	-	-	(176,936)
Transfers From Other Funds	-	-	-	-	-
Net cash provided (used) by Non-Capital and related financing activities	(176,936)	-	-	-	(176,936)
<u>Cash Flows From Capital And Related Financing Activities</u>					
Capital Grant Received	-	-	-	-	-
Proceeds from sale of capital assets	291,437	-	(189,084)	-	102,353
Purchases of capital assets	(734,501)	-	69,860	-	(664,641)
Net cash provided (used) by capital and related financing activities	(443,064)	-	(119,224)	-	(562,288)
<u>Cash Flows From Investing Activities:</u>					
Interest Received	10,788	13,431	251	-	24,470
Net Cash Provided by Investing Activities	10,788	13,431	251	-	24,470
Net Increase in Cash & Cash Equivalents	710,418	905,599	(600,077)	24,931	1,040,871
Balances as of January 1	3,012,268	6,969,072	2,039,223	38,081	12,058,644
Balances as of December 31	3,722,686	7,874,671	1,439,147	63,012	13,099,515
Operating Income/(Loss)	693,835	1,254,529	312,593	(1,016)	2,259,941

SKAGIT COUNTY, WASHINGTON
Reconciliation of Operating Income to Net Cash Provided
Internal Service Funds
December 31, 2011

	Equipment Rental Fund	Insurance Service Fund	Central Services Fund	Unemployment Compensation Fund	2011 Total
Reconciliation of Operating Income (Loss) to Net Cash Provided (Used) by Operating Activities					
Operating Income (Loss)	\$ 693,835	\$ 1,254,529	\$ 312,593	\$ (1,016)	\$ 2,259,941
Adjustments to Reconcile Operating Income to Net Cash Provided (Used) by Operating Activities:					
Depreciation Expense	881,184		15,449		896,633
Miscellaneous Receipts	(2,345)	71,961	12,149	250,000	331,765
Changes in Assets and Liabilities:					
Receivables, Net	(7,179)	(1,445,755)	(774,753)	(247,626)	(2,475,313)
Prepayables	-	-	(49,367)		(49,367)
Inventories	(312,147)				(312,147)
Accounts and Other Payables	66,282	1,011,433	2,825	23,573	1,104,113
Net Cash Provided (Used) by Operating Activities	<u>\$ 1,319,630</u>	<u>\$ 892,168</u>	<u>\$(481,104)</u>	<u>\$ 24,931</u>	<u>\$ 1,755,625</u>

Agency Funds



SKAGIT COUNTY, WASHINGTON

AGENCY FUNDS

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

Agency Funds Include:

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

**SKAGIT COUNTY, WASHINGTON
COMBINING BALANCE SHEET**

As of December 31, 2011

	TRUST FUNDS	CLEARING FUNDS	STATE FUNDS	NW CLEAN AIR AGENCY FUNDS
ASSETS				
Cash	\$ 285,463	\$ 2,128,858	\$ 1,206,134	\$ 112,625
Investments				2,312,202
Taxes Receivable			1,505,739	
Deposits		406		
TOTAL ASSETS	285,463	2,129,264	2,711,873	2,424,827
LIABILITIES				
Warrants Payable		1,758,211		
Due to Other Funds				
Custodial Accounts	285,463	371,053	2,711,873	2,424,827
TOTAL LIABILITIES	\$ 285,463	\$ 2,129,264	\$ 2,711,873	\$ 2,424,827

	LIBRARY FUNDS	SKAGIT HOUSING FUND	CITIES AND TOWNS FUNDS	PORT OF ANACORTES FUNDS
ASSETS				
Cash	\$ 322,946		\$ 164,984	\$ 819,816
Investments	451,634	695,721		8,946,966
Taxes Receivable	25,664		800,841	15,421
Deposits				
TOTAL ASSETS	800,244	695,721	965,825	9,782,203
LIABILITIES				
Warrants Payable	8,185			308,535
Due to Other Funds				
Custodial Accounts	792,059	695,721	965,825	9,473,668
TOTAL LIABILITIES	\$ 800,244	\$ 695,721	\$ 965,825	\$ 9,782,203

SKAGIT COUNTY, WASHINGTON
COMBINING BALANCE SHEET

As of December 31, 2011

ASSETS	COUNCIL OF GOVERNMENTS FUNDS	FICALGO PARK FUNDS	AFFILIATED HEALTH SERVICES FUNDS
Cash	\$ 374,228	\$ 162,569	\$ 401
Investments			515,440
Taxes Receivable		13,862	
Deposits			
TOTAL ASSETS	374,228	176,431	515,841
LIABILITIES			
Warrants Payable	56,147	50,599	401
Due to Other Funds			
Custodial Accounts	318,081	125,832	515,440
TOTAL LIABILITIES	\$ 374,228	\$ 176,431	\$ 515,841

ASSETS	PORT OF SKAGIT FUNDS	DIKE DISTRICTS FUNDS	SKAGIT TRANSPORTATION FUNDS
Cash	\$ 1,403,590	\$ 4,279,102	
Investments	4,700,397	2,406,939	5,848,348
Taxes Receivable	67,544	319,842	
Deposits			
TOTAL ASSETS	6,171,531	7,005,883	5,848,348
LIABILITIES			
Warrants Payable	38,866	1,072,795	
Due to Other Funds			
Custodial Accounts	6,132,665	5,933,088	5,848,348
TOTAL LIABILITIES	\$ 6,171,531	\$ 7,005,883	\$ 5,848,348

SKAGIT COUNTY, WASHINGTON
COMBINING BALANCE SHEET

As of December 31, 2011

ASSETS	HOSPITAL DISTRICT 1 FUNDS	HOSPITAL DISTRICT 2 FUNDS	HOSPITAL DISTRICT 304 FUNDS	WATER DISTRICT FUNDS
Cash	\$ 3,779,637	\$ 968,024	\$ 846,378	\$ 24,914
Investments	88,126,617	15,152,775	8,372,594	196,527
Taxes Receivable	182,893	93,272	50,578	
Deposits				
TOTAL ASSETS	92,089,147	16,214,071	9,269,550	221,441
LIABILITIES				
Warrants Payable	6,652,218	242,124	716,144	2,183
Due to Other Funds				
Custodial Accounts	85,436,929	15,971,947	8,553,406	219,258
TOTAL LIABILITIES	\$ 92,089,147	\$ 16,214,071	\$ 9,269,550	\$ 221,441

ASSETS	DRAINAGE DISTRICT FUNDS	SCHOOL DISTRICTS FUNDS	CEMETARY DISTRICTS FUNDS	SKAGIT COMMUNITY NETWORK
Cash	\$ 262,871	\$ 9,379,559	\$ 384,148	\$ 1,801
Investments	1,185,704	65,844,426	639,642	
Taxes Receivable	25,611	2,490,055	10,986	
Deposits				
TOTAL ASSETS	1,474,186	77,714,040	1,034,776	1,801
LIABILITIES				
Warrants Payable	57,246	6,122,397	5,393	
Due to Other Funds				
Custodial Accounts	1,416,940	71,591,643	1,029,383	1,801
TOTAL LIABILITIES	\$ 1,474,186	\$ 77,714,040	\$ 1,034,776	\$ 1,801

**SKAGIT COUNTY, WASHINGTON
COMBINING BALANCE SHEET**

As of December 31, 2011

ASSETS	SEWER DISTRICT FUNDS	FIRE DISTRICT FUNDS	NORTH SOUND RSN FUNDS
Cash	\$ 58,633	\$ 2,563,396	\$ 841,824
Investments	3,816,201	3,837,686	22,135,894
Taxes Receivable	24,562	186,860	
Deposits			
TOTAL ASSETS	3,899,396	6,587,942	22,977,718
LIABILITIES			
Warrants Payable	28,601	159,179	7,358,762
Due to Other Funds			
Custodial Accounts	3,870,795	6,428,763	15,618,956
TOTAL LIABILITIES	\$ 3,899,396	\$ 6,587,942	\$ 22,977,718

ASSETS	PUBLIC FACILITIES DISTRICT	SKAGIT EMERGENCY COMM	2011 TOTALS
Cash	\$ 58,342	\$ 485,004	\$ 30,915,247
Investments	1,098,131	518,078	236,801,922
Taxes Receivable			5,813,730
Deposits			406
TOTAL ASSETS	1,156,473	1,003,082	273,531,305
LIABILITIES			
Warrants Payable		15,864	24,653,850
Due to Other Funds			-
Custodial Accounts	1,156,473	987,218	248,877,455
TOTAL LIABILITIES	\$ 1,156,473	\$ 1,003,082	\$ 273,531,305

SKAGIT COUNTY, WASHINGTON
COMBINING STATEMENT OF CHANGES IN ASSETS AND LIABILITIES
Fiscal Year Ended December 31, 2011

TRUST FUNDS	Balance			Balance	
	January 1, 2011	Additions	Deductions	December 31, 2011	
ASSETS					
Cash	\$ 115,906	\$ 8,476,103	\$ 8,306,547	\$ 285,462	
Investments				-	
Taxes Receivable				-	
Deposits				-	
TOTAL ASSETS	115,906	8,476,103	8,306,547	285,462	
LIABILITIES					
Warrants Payable				-	
Due to Other Funds				-	
Custodial Accounts	115,906	8,476,103	8,306,547	285,462	
TOTAL LIABILITIES	\$ 115,906	\$ 8,476,103	\$ 8,306,547	\$ 285,462	

CLEARING FUNDS	Balance			Balance	
	January 1, 2011	Additions	Deductions	December 31, 2011	
ASSETS					
Cash	\$ 5,175,983	\$ 255,566,456	\$ 258,613,582	\$ 2,128,857	
Investments				-	
Taxes Receivable				-	
Deposits		406		406	
TOTAL ASSETS	5,175,983	255,566,862	258,613,582	2,129,263	
LIABILITIES					
Warrants Payable	4,980,575	186,633,156	189,855,520	1,758,211	
Due to Other Funds				-	
Custodial Accounts	195,408	68,933,706	68,758,062	371,052	
TOTAL LIABILITIES	\$ 5,175,983	\$ 255,566,862	\$ 258,613,582	\$ 2,129,263	

STATE FUNDS	Balance			Balance	
	January 1, 2011	Additions	Deductions	December 31, 2011	
ASSETS					
Cash	\$ 1,363,675	\$ 44,718,722	\$ 44,876,263	\$ 1,206,134	
Investments				-	
Taxes Receivable	1,606,108	33,722,664	33,823,033	1,505,739	
Deposits				-	
TOTAL ASSETS	2,969,783	78,441,386	78,699,296	2,711,873	
LIABILITIES					
Warrants Payable				-	
Due to Other Funds				-	
Custodial Accounts	2,969,783	78,441,386	78,699,296	2,711,873	
TOTAL LIABILITIES	\$ 2,969,783	\$ 78,441,386	\$ 78,699,296	\$ 2,711,873	

SKAGIT COUNTY, WASHINGTON
COMBINING STATEMENT OF CHANGES IN ASSETS AND LIABILITIES
Fiscal Year Ended December 31, 2011

NW AIR POLLUTION FUNDS	Balance			Balance	
	January 1, 2011	Additions	Deductions	December 31, 2011	
ASSETS					
Cash	\$ 29,220	\$ 6,433,612	\$ 6,350,207	\$	112,625
Investments	2,785,763	2,616,823	3,090,384		2,312,202
Taxes Receivable					-
Deposits					-
TOTAL ASSETS	2,814,983	9,050,435	9,440,591		2,424,827
LIABILITIES					
Warrants Payable		3,570,000	3,570,000		-
Due to Other Funds					-
Custodial Accounts	2,814,983	5,480,435	5,870,591		2,424,827
TOTAL LIABILITIES	\$ 2,814,983	\$ 9,050,435	\$ 9,440,591	\$	2,424,827

COUNCIL OF GOV'T FUNDS	Balance			Balance	
	January 1, 2011	Additions	Deductions	December 31, 2011	
ASSETS					
Cash	\$ 1,783	\$ 1,108,260	\$ 735,815	\$	374,228
Investments					-
Taxes Receivable					-
Deposits					-
TOTAL ASSETS	1,783	1,108,260	735,815		374,228
LIABILITIES					
Warrants Payable	38,017	225,276	207,146		56,147
Due to Other Funds					-
Custodial Accounts	(36,234)	882,984	528,669		318,081
TOTAL LIABILITIES	\$ 1,783	\$ 1,108,260	\$ 735,815	\$	374,228

LIBRARY FUNDS	Balance			Balance	
	January 1, 2011	Additions	Deductions	December 31, 2011	
ASSETS					
Cash	\$ 213,601	\$ 1,028,289	\$ 918,944	\$	322,946
Investments	444,554	447,605	440,525		451,634
Taxes Receivable	24,789	409,482	408,607		25,664
Deposits					-
TOTAL ASSETS	682,944	1,885,376	1,768,076		800,244
LIABILITIES					
Warrants Payable	9,304	142,985	144,104		8,185
Due to Other Funds					-
Custodial Accounts	673,641	1,742,391	1,623,973		792,059
TOTAL LIABILITIES	\$ 682,945	\$ 1,885,376	\$ 1,768,077	\$	800,244

SKAGIT COUNTY, WASHINGTON
COMBINING STATEMENT OF CHANGES IN ASSETS AND LIABILITIES
Fiscal Year Ended December 31, 2011

SKAGIT HOUSING	Balance				Balance	
	January 1, 2011	Additions	Deductions	December 31, 2011		
ASSETS						
Cash	\$ -	\$ 536,157	\$ 536,157	\$ -		
Investments	552,995	351,873	209,147	695,721		
Taxes Receivable				-		
Deposits				-		
TOTAL ASSETS	552,995	888,030	745,304	695,721		
LIABILITIES						
Warrants Payable				-		
Due to Other Funds				-		
Custodial Accounts	552,995	888,030	745,304	695,721		
TOTAL LIABILITIES	\$ 552,995	\$ 888,030	\$ 745,304	\$ 695,721		
CITIES AND TOWNS FUNDS	Balance				Balance	
	January 1, 2011	Additions	Deductions	December 31, 2011		
ASSETS						
Cash	\$ 255,104	\$ 17,974,577	\$ 18,064,697	\$ 164,984		
Investments				-		
Taxes Receivable	944,723	16,841,081	16,984,963	800,841		
Deposits				-		
TOTAL ASSETS	1,199,827	34,815,658	35,049,660	965,825		
LIABILITIES						
Warrants Payable				-		
Due to Other Funds				-		
Custodial Accounts	1,199,827	34,815,658	35,049,660	965,825		
TOTAL LIABILITIES	\$ 1,199,827	\$ 34,815,658	\$ 35,049,660	\$ 965,825		
PORT OF ANACORTES FUNDS	Balance				Balance	
	January 1, 2011	Additions	Deductions	December 31, 2011		
ASSETS						
Cash	\$ 316,598	\$ 59,644,675	\$ 59,141,457	\$ 819,816		
Investments	16,068,889	17,976,938	25,098,861	8,946,966		
Taxes Receivable	17,007	539,745	541,331	15,421		
Deposits				-		
TOTAL ASSETS	16,402,494	78,161,358	84,781,649	9,782,203		
LIABILITIES						
Warrants Payable	67,211	28,675,162	28,433,838	308,535		
Due to Other Funds				-		
Custodial Accounts	16,335,283	49,486,196	56,347,811	9,473,668		
TOTAL LIABILITIES	\$ 16,402,494	\$ 78,161,358	\$ 84,781,649	\$ 9,782,203		

SKAGIT COUNTY, WASHINGTON
COMBINING STATEMENT OF CHANGES IN ASSETS AND LIABILITIES
Fiscal Year Ended December 31, 2011

PORT OF SKAGIT FUNDS	Balance			Balance	
	January 1, 2011	Additions	Deductions	December 31, 2011	
ASSETS					
Cash	\$ 2,325,426	\$ 22,606,081	\$ 23,527,917	\$	1,403,590
Investments	3,613,410	6,589,280	5,502,293		4,700,397
Taxes Receivable	72,389	1,242,887	1,247,732		67,544
Deposits	10,000	1,349,515	1,359,515		-
TOTAL ASSETS	6,021,225	31,787,763	31,637,457		6,171,531
LIABILITIES					
Warrants Payable	61,207	7,955,336	7,977,677		38,866
Due to Other Funds					-
Custodial Accounts	5,960,018	23,832,427	23,659,780		6,132,665
TOTAL LIABILITIES	\$ 6,021,225	\$ 31,787,763	\$ 31,637,457	\$	6,171,531

FIDALGO PARK FUNDS	Balance			Balance	
	January 1, 2011	Additions	Deductions	December 31, 2011	
ASSETS					
Cash	\$ 176,195	\$ 943,671	\$ 957,297	\$	162,569
Investments		17,006	17,006		-
Taxes Receivable	14,707	471,210	472,055		13,862
Deposits					-
TOTAL ASSETS	190,902	1,431,887	1,446,358		176,431
LIABILITIES					
Warrants Payable	26,605	945,842	921,848		50,599
Due to Other Funds					-
Custodial Accounts	164,297	486,045	524,510		125,832
TOTAL LIABILITIES	\$ 190,902	\$ 1,431,887	\$ 1,446,358	\$	176,431

AFFILIATED HEALTH FUNDS	Balance			Balance	
	January 1, 2011	Additions	Deductions	December 31, 2011	
ASSETS					
Cash	\$ 1,390	\$ 150,693	\$ 151,682	\$	401
Investments	597,577	34,278	116,415		515,440
Taxes Receivable					-
Deposits					-
TOTAL ASSETS	598,967	184,971	268,097		515,841
LIABILITIES					
Warrants Payable	1,389	116,415	117,403		401
Due to Other Funds					-
Custodial Accounts	597,578	68,556	150,694		515,440
TOTAL LIABILITIES	\$ 598,967	\$ 184,971	\$ 268,097	\$	515,841

SKAGIT COUNTY, WASHINGTON
COMBINING STATEMENT OF CHANGES IN ASSETS AND LIABILITIES
Fiscal Year Ended December 31, 2011

HOSPITAL DISTRICT 1 FUNDS	Balance			Balance	
	January 1, 2011	Additions	Deductions	December 31, 2011	
ASSETS					
Cash	\$ 6,364,056	\$ 716,492,075	\$ 719,076,494	\$ 3,779,637	
Investments	92,271,863	390,291,079	394,436,325	88,126,617	
Taxes Receivable	209,555	4,072,487	4,099,149	182,893	
Deposits				-	
TOTAL ASSETS	98,845,474	1,110,855,641	1,117,611,968	92,089,147	
LIABILITIES					
Warrants Payable	6,881,406	166,811,254	167,040,442	6,652,218	
Due to Other Funds				-	
Custodial Accounts	91,964,068	944,044,387	950,571,526	85,436,929	
TOTAL LIABILITIES	\$ 98,845,474	\$ 1,110,855,641	\$ 1,117,611,968	\$ 92,089,147	

HOSPITAL DISTRICT 2 FUNDS	Balance			Balance	
	January 1, 2011	Additions	Deductions	December 31, 2011	
ASSETS					
Cash	\$ 1,949,788	\$ 117,222,031	\$ 118,203,795	\$ 968,024	
Investments	13,867,969	34,687,740	33,402,934	15,152,775	
Taxes Receivable	104,417	3,067,614	3,078,759	93,272	
Deposits				-	
TOTAL ASSETS	15,922,174	154,977,385	154,685,488	16,214,071	
LIABILITIES					
Warrants Payable	770,153	40,766,069	41,294,098	242,124	
Due to Other Funds				-	
Custodial Accounts	15,152,021	114,211,316	113,391,390	15,971,947	
TOTAL LIABILITIES	\$ 15,922,174	\$ 154,977,385	\$ 154,685,488	\$ 16,214,071	

HOSPITAL DISTRICT 304 FUNDS	Balance			Balance	
	January 1, 2011	Additions	Deductions	December 31, 2011	
ASSETS					
Cash	\$ 816,375	\$ 103,717,933	\$ 103,687,930	\$ 846,378	
Investments	8,828,452	43,788,328	44,244,186	8,372,594	
Taxes Receivable	49,634	869,265	868,321	50,578	
Deposits				-	
TOTAL ASSETS	9,694,461	148,375,526	148,800,437	9,269,550	
LIABILITIES					
Warrants Payable	662,794	31,794,280	31,740,930	716,144	
Due to Other Funds				-	
Custodial Accounts	9,031,667	116,581,246	117,059,507	8,553,406	
TOTAL LIABILITIES	\$ 9,694,461	\$ 148,375,526	\$ 148,800,437	\$ 9,269,550	

SKAGIT COUNTY, WASHINGTON
COMBINING STATEMENT OF CHANGES IN ASSETS AND LIABILITIES
Fiscal Year Ended December 31, 2011

DIKE FUNDS	Balance			Balance	
	January 1, 2011	Additions	Deductions	December 31, 2011	
ASSETS					
Cash	\$ 2,176,890	\$ 8,692,872	\$ 6,590,660	\$	4,279,102
Investments	3,586,026	812,458	1,991,545		2,406,939
Taxes Receivable	318,216	5,614,501	5,612,875		319,842
Deposits					-
TOTAL ASSETS	6,081,132	15,119,831	14,195,080		7,005,883
LIABILITIES					
Warrants Payable	147,755	4,270,922	3,345,882		1,072,795
Due to Other Funds					-
Custodial Accounts	5,933,377	10,848,909	10,849,198		5,933,088
TOTAL LIABILITIES	\$ 6,081,132	\$ 15,119,831	\$ 14,195,080	\$	7,005,883

SKAGIT TRANSIT	Balance			Balance	
	January 1, 2011	Additions	Deductions	December 31, 2011	
ASSETS					
Cash	\$ -	\$ 11,204	\$ 11,204	\$	-
Investments	5,837,144	11,204			5,848,348
Taxes Receivable					-
Deposits					-
TOTAL ASSETS	5,837,144	22,408	11,204		5,848,348
LIABILITIES					
Warrants Payable					-
Due to Other Funds					-
Custodial Accounts	5,837,144	22,408	11,204		5,848,348
TOTAL LIABILITIES	\$ 5,837,144	\$ 22,408	\$ 11,204	\$	5,848,348

DRAINAGE DISTRICT FUNDS	Balance			Balance	
	January 1, 2011	Additions	Deductions	December 31, 2011	
ASSETS					
Cash	\$ 236,954	\$ 1,274,627	\$ 1,248,710	\$	262,871
Investments	1,227,609	436,886	478,791		1,185,704
Taxes Receivable	21,067	672,241	667,697		25,611
Deposits					-
TOTAL ASSETS	1,485,630	2,383,754	2,395,198		1,474,186
LIABILITIES					
Warrants Payable	84,305	591,726	618,785		57,246
Due to Other Funds					-
Custodial Accounts	1,401,325	1,792,028	1,776,413		1,416,940
TOTAL LIABILITIES	\$ 1,485,630	\$ 2,383,754	\$ 2,395,198	\$	1,474,186

SKAGIT COUNTY, WASHINGTON
COMBINING STATEMENT OF CHANGES IN ASSETS AND LIABILITIES
Fiscal Year Ended December 31, 2011

SCHOOL DISTRICT FUNDS	Balance			Balance
	January 1, 2011	Additions	Deductions	December 31, 2011
ASSETS				
Cash	\$ 9,273,860	\$ 465,146,941	\$ 465,041,242	\$ 9,379,559
Investments	52,506,213	248,015,926	234,677,713	65,844,426
Taxes Receivable	2,645,338	54,890,138	55,045,421	2,490,055
Deposits				-
TOTAL ASSETS	64,425,411	768,053,005	754,764,376	77,714,040
LIABILITIES				
Warrants Payable	7,563,213	158,669,269	160,110,085	6,122,397
Due to Other Funds				-
Custodial Accounts	56,862,198	609,383,736	594,654,291	71,591,643
TOTAL LIABILITIES	\$ 64,425,411	\$ 768,053,005	\$ 754,764,376	\$ 77,714,040

CEMETERY DISTRICT FUNDS	Balance			Balance
	January 1, 2011	Additions	Deductions	December 31, 2011
ASSETS				
Cash	\$ 258,718	\$ 687,789	\$ 562,359	\$ 384,148
Investments	654,833	340,809	356,000	639,642
Taxes Receivable	9,945	286,107	285,066	10,986
Deposits				-
TOTAL ASSETS	923,496	1,314,705	1,203,425	1,034,776
LIABILITIES				
Warrants Payable	5,674	114,807	115,089	5,392
Due to Other Funds				-
Custodial Accounts	917,822	1,199,898	1,088,336	1,029,384
TOTAL LIABILITIES	\$ 923,496	\$ 1,314,705	\$ 1,203,425	\$ 1,034,776

WATER DISTRICT FUNDS	Balance			Balance
	January 1, 2011	Additions	Deductions	December 31, 2011
ASSETS				
Cash	\$ 40,084	\$ 45,590	\$ 60,760	\$ 24,914
Investments	171,169	25,358		196,527
Taxes Receivable				-
Deposits				-
TOTAL ASSETS	211,253	70,948	60,760	221,441
LIABILITIES				
Warrants Payable	1,440	34,069	33,326	2,183
Due to Other Funds				-
Custodial Accounts	209,813	36,879	27,434	219,258
TOTAL LIABILITIES	\$ 211,253	\$ 70,948	\$ 60,760	\$ 221,441

SKAGIT COUNTY, WASHINGTON
COMBINING STATEMENT OF CHANGES IN ASSETS AND LIABILITIES
Fiscal Year Ended December 31, 2011

SEWER DISTRICT FUNDS	Balance			Balance
	January 1, 2011	Additions	Deductions	December 31, 2011
ASSETS				
Cash	\$ 6,846	\$ 2,228,494	\$ 2,176,707	\$ 58,633
Investments	4,511,274	404,434	1,099,507	3,816,201
Taxes Receivable	47,983		23,421	24,562
Deposits				-
TOTAL ASSETS	4,566,103	2,632,928	3,299,635	3,899,396
LIABILITIES				
Warrants Payable	10,888	1,274,337	1,256,624	28,601
Due to Other Funds				-
Custodial Accounts	4,555,215	1,358,591	2,043,011	3,870,795
TOTAL LIABILITIES	\$ 4,566,103	\$ 2,632,928	\$ 3,299,635	\$ 3,899,396

FIRE DISTRICT FUNDS	Balance			Balance
	January 1, 2011	Additions	Deductions	December 31, 2011
ASSETS				
Cash	\$ 1,798,795	\$ 10,259,691	\$ 9,495,090	\$ 2,563,396
Investments	4,372,776	3,606,117	4,141,207	3,837,686
Taxes Receivable	183,671	4,406,056	4,402,867	186,860
Deposits				-
TOTAL ASSETS	6,355,242	18,271,864	18,039,164	6,587,942
LIABILITIES				
Warrants Payable	177,808	4,424,041	4,442,671	159,178
Due to Other Funds				-
Custodial Accounts	6,177,432	13,847,825	13,596,493	6,428,764
TOTAL LIABILITIES	\$ 6,355,240	\$ 18,271,866	\$ 18,039,164	\$ 6,587,942

NORTH SOUND RSN	Balance			Balance
	January 1, 2011	Additions	Deductions	December 31, 2011
ASSETS				
Cash	\$ 7,181,788	\$ 84,966,435	\$ 91,306,399	\$ 841,824
Investments	11,370,637	29,075,513	18,310,256	22,135,894
Taxes Receivable				-
Deposits				-
TOTAL ASSETS	18,552,425	114,041,948	109,616,655	22,977,718
LIABILITIES				
Warrants Payable	5,298,719	62,118,971	60,058,928	7,358,762
Due to Other Funds				-
Custodial Accounts	13,253,706	51,922,977	49,557,727	15,618,956
TOTAL LIABILITIES	\$ 18,552,425	\$ 114,041,948	\$ 109,616,655	\$ 22,977,718

SKAGIT COUNTY, WASHINGTON
COMBINING STATEMENT OF CHANGES IN ASSETS AND LIABILITIES
Fiscal Year Ended December 31, 2011

SKAGIT EMERGENCY COMM	Balance			Balance	
	January 1, 2011	Additions	Deductions	December 31, 2011	
ASSETS					
Cash	\$ 238,733	\$ 5,174,918	\$ 4,928,647	\$ 485,004	
Investments	517,072	1,006		518,078	
Taxes Receivable				-	
Deposits				-	
TOTAL ASSETS	755,805	5,175,924	4,928,647	1,003,082	
LIABILITIES					
Warrants Payable	29,040	1,427,812	1,440,988	15,864	
Due to Other Funds				-	
Custodial Accounts	726,765	3,748,112	3,487,659	987,218	
TOTAL LIABILITIES	\$ 755,805	\$ 5,175,924	\$ 4,928,647	\$ 1,003,082	

SKAGIT COMMUNITY NETWORK	Balance			Balance	
	January 1, 2011	Additions	Deductions	December 31, 2011	
ASSETS					
Cash	\$ 1,801	\$ -	\$ -	\$ 1,801	
Investments				-	
Taxes Receivable				-	
Deposits				-	
TOTAL ASSETS	1,801	-	-	1,801	
LIABILITIES					
Warrants Payable				-	
Due to Other Funds				-	
Custodial Accounts	1,801			1,801	
TOTAL LIABILITIES	\$ 1,801	\$ -	\$ -	\$ 1,801	

PUBLIC FACILITY DISTRICT	Balance			Balance	
	January 1, 2011	Additions	Deductions	December 31, 2011	
ASSETS					
Cash	\$ 88,498	\$ 2,875,140	\$ 2,905,296	\$ 58,342	
Investments	1,132,845	1,894,480	1,929,194	1,098,131	
Taxes Receivable				-	
Deposits				-	
TOTAL ASSETS	1,221,343	4,769,620	4,834,490	1,156,473	
LIABILITIES					
Warrants Payable		182,219	182,219	-	
Due to Other Funds				-	
Custodial Accounts	1,221,343	4,587,401	4,652,271	1,156,473	
TOTAL LIABILITIES	\$ 1,221,343	\$ 4,769,620	\$ 4,834,490	\$ 1,156,473	

SKAGIT COUNTY, WASHINGTON
COMBINING STATEMENT OF CHANGES IN ASSETS AND LIABILITIES
Fiscal Year Ended December 31, 2011

TRUST AGENCY FUNDS	Balance January 1, 2011	Additions	Deductions	Balance December 31, 2011
ASSETS				
Cash	\$ 40,408,069	\$ 1,937,983,036	\$ 1,947,475,858	\$ 30,915,247
Investments	224,919,075	781,425,141	769,542,289	236,801,922
Taxes Receivable	6,269,543	127,105,478	127,561,297	5,813,730
Deposits	10,000	1,349,921	1,359,515	406
TOTAL ASSETS	271,606,687	2,847,863,576	2,845,938,959	273,531,305
LIABILITIES				
Warrants Payable	26,817,465	700,743,948	702,907,603	24,653,854
Due to Other Funds	-	-	-	-
Custodial Accounts	244,789,222	2,147,119,630	2,143,031,357	248,877,451
TOTAL LIABILITIES	\$ 271,606,687	\$ 2,847,863,578	\$ 2,845,938,960	\$ 273,531,305

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.

<u>Contents</u>	<u>Page</u>
Financial Trends These schedules contain trend information to help the reader understand how the County's financial performance has changed over time.	166
Revenue Capacity These schedules contain information to help the reader assess the County's most significant local revenue source, property taxes.	178
Debt Capacity These schedules present information to help the reader assess the affordability of the County's current levels of outstanding debt and the County's ability to issue additional debt in the future.	183
Demographic and Economic Information These schedules offer demographic and economic indicators to help the reader understand the environment in which the County's financial activities take place.	189
Operating Information These schedules contain service and infrastructure data to help the reader understand how the information in the County's financial statements relate to the services the County provides and the activities it performs.	194

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

	Fiscal Year			
	2003	2004	2005	2006
Government Activities				
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
Total Governmental Activities Net Assets	441,882,078	428,597,290	412,855,424	408,716,335
Business-Type Activities				
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
Total Business-Type Activities Net Assets	1,985,256	3,580,621	3,883,165	4,742,063
Primary Government				
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
Total Primary Government Net Assets	\$ 443,867,334	\$ 432,177,911	\$ 416,738,589	\$ 413,458,398

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 Nine Fiscal years
(Accrual Basis of Accounting)

	Fiscal Year				
	2007	2008	2009	2010	2011
Government Activities					
Invested in Capital Assets, Net of Related Debt	\$ 357,149,388	\$ 348,749,188	\$ 369,397,842	\$ 359,956,151	\$ 327,995,991
Restricted	31,094,299	33,205,191	24,794,518	27,543,125	29,091,499
Unrestricted	19,336,537	14,966,923	14,514,433	16,234,084	24,183,225
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>	<u>381,270,715</u>
Business-Type Activities					
Invested in Capital Assets, Net of Related Debt	367,220	1,183,845	592,025	3,843,894	4,669,373
Restricted	-	-	-	-	-
Unrestricted	1,760,885	285,705	2,293,537	(2,267,094)	(1,589,457)
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>	<u>3,079,916</u>
Primary Government					
Invested in Capital Assets, Net of Related Debt	357,516,608	349,933,033	369,989,867	363,800,045	332,665,364
Restricted	31,094,299	33,205,191	24,794,518	27,543,125	29,091,499
Unrestricted	21,097,422	15,252,628	16,807,970	13,966,990	22,593,768
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>	<u>\$ 384,350,631</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 Nine Fiscal Years

(Accrual Basis of Accounting)

	Fiscal Year			
	2003	2004	2005	2006
Expenses				
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>
Program Revenues				
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		
Gain (Loss) from Sale of Capital Assets				
Total Business-Type Activities Program Revenue	<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 2009

SKAGIT COUNTY, WASHINGTON

Changes in Net Assets by Function

Last Nine Fiscal Years

(Accrual Basis of Accounting)

	Fiscal Year				
	2007	2008	2009	2010	2011
Expenses					
Governmental Activities					
General Government	\$ 23,993,651	\$ 34,187,307	\$ 32,293,073	\$ 30,411,707	\$ 29,694,591
Judicial	-	6,385,303	6,786,074	6,281,910	6,528,192
Public Safety	24,872,632	22,665,563	24,713,361	20,015,584	20,622,410
Physical Environment	3,509,248	3,008,208	2,185,797	3,560,748	2,672,643
Transportation	32,079,278	28,136,224	27,080,176	27,144,427	29,952,995
Economic Environment	5,763,176	5,947,702	5,348,995	3,467,987	3,162,607
Health and Human Services	9,293,864	12,606,481	11,340,490	10,134,616	10,387,711
Culture and Recreation	3,020,552	2,782,984	2,573,312	2,566,016	1,642,170
Interest on Long-Term Debt	708,941	687,761	660,210	559,293	516,260
Total Government Activities	<u>103,241,342</u>	<u>116,407,533</u>	<u>112,981,488</u>	<u>104,142,288</u>	<u>105,179,579</u>
Business-Type Activities					
Solid Waste	8,775,500	8,216,764	7,723,823	8,705,787	7,252,470
Drainage Utility	787,587	905,641	1,626,049	1,240,898	1,412,499
Total Business-Type Activities	<u>9,563,087</u>	<u>9,122,405</u>	<u>9,349,872</u>	<u>9,946,685</u>	<u>8,664,969</u>
Total Primary Government	<u><u>112,804,429</u></u>	<u><u>125,529,938</u></u>	<u><u>122,331,360</u></u>	<u><u>114,088,973</u></u>	<u><u>113,844,548</u></u>
Program Revenues					
Governmental Activities					
Property Tax	34,519,624	37,192,117	38,020,570	40,839,173	40,612,732
Sales and Other Tax	22,179,773	20,586,592	17,367,314	15,939,206	18,124,427
Interest and Investments	4,578,687	3,040,686	1,432,797	1,104,621	781,032
Charges for Services					
General Government	6,116,977	10,110,482	7,888,910	8,468,108	9,081,343
Judicial	-	2,515,475	3,931,874	3,922,658	3,962,902
Public Safety	1,449,743	3,408,760	3,577,904	3,268,388	3,590,375
Physical Environment	440,067	521,983	89,253	113,852	125,144
Transportation	3,918,644	7,693,881	6,188,799	6,227,702	6,354,529
Economic Environment	2,576,391	1,788,532	1,424,780	1,195,078	894,872
Health and Human Services	1,691,416	3,999,141	3,555,103	3,057,962	3,322,591
Culture and Recreation	931,713	935,070	719,082	884,659	894,709
Operating Grants and Contributions	22,093,519	9,659,021	11,271,785	10,628,645	8,961,787
Capital Grants and Contributions	2,667,303	1,496,744	3,384,760	3,471,716	5,685,601
Gain (Loss) from Sale of Capital Assets		(82,021)	(59,262)	14,837	(118,394)
Total Governmental Activities Program Revenues	<u>103,163,857</u>	<u>102,866,463</u>	<u>98,793,669</u>	<u>99,136,605</u>	<u>102,273,650</u>
Business-Type Activities					
Interest and Investments	266,841	138,581	44,502	21,111	(545,115)
Charges for Services					
Solid Waste	9,231,853	8,531,366	7,809,298	8,253,739	8,194,581
Drainage Utility	1,028,099	1,353,038	1,752,753	1,670,508	1,544,370
Operating Grants and Contributions	203,909	266,239	485,717	303,245	397,974
Capital Grants and Contributions					71,451
Gain (Loss) from Sale of Capital Assets					700
Total Business-Type Activities Program Revenue	<u>10,730,702</u>	<u>10,289,224</u>	<u>10,092,270</u>	<u>10,248,603</u>	<u>9,663,961</u>
Total Primary Government Program Revenues	<u><u>113,894,559</u></u>	<u><u>113,155,687</u></u>	<u><u>108,885,939</u></u>	<u><u>109,385,208</u></u>	<u><u>111,937,611</u></u>
Net (Expense) Revenue					
Governmental Activities	(77,485)	(13,541,070)	(14,187,819)	(5,005,683)	(2,905,929)
Business-Type Activities	1,167,615	1,166,819	742,398	301,918	998,992
Total Primary Government Net Expense	<u><u>\$ 1,090,131</u></u>	<u><u>\$ (12,374,251)</u></u>	<u><u>\$ (13,445,421)</u></u>	<u><u>\$ (4,703,765)</u></u>	<u><u>\$ (1,906,937)</u></u>

Note: The County began separating out Judicial in

SKAGIT COUNTY, WASHINGTON

Changes in Net Assets Last Nine Fiscal Years (Accrual Basis of Accounting)

	Fiscal Year			
	2003	2004	2005	2006
General Revenues and Other Changes in Net Assets				
Governmental Activities				
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
Changes in Net Assets				
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 Nine Fiscal Years (Accrual Basis of Accounting)

	Fiscal Year			
	2007	2008	2009	2010
General Revenues and Other Changes in Net Assets				
Governmental Activities				
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	1,104,621
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	<u>48,530,145</u>	<u>55,064,948</u>	<u>61,410,007</u>	<u>57,813,829</u>
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	<u>134,918</u>	<u>(15,494)</u>	<u>128,447</u>	<u>105,119</u>
Total Primary Government	<u>61,544,925</u>	<u>60,875,955</u>	<u>56,805,921</u>	<u>57,918,948</u>
Changes in Net Assets				
Government Activities	54,439	(13,386,995)	(14,271,764)	(5,089,691)
Busine Charges for Services	1,035,692	1,012,744	826,343	385,926
Total Primary Government	<u>\$ 1,090,131</u>	<u>\$ (12,374,251)</u>	<u>\$ (13,445,421)</u>	<u>\$ (4,703,765)</u>

* 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 Nine Fiscal Years

(Accrual Basis of Accounting)

	2011
General Revenues and Other Changes in Net Assets	
Governmental Activities	
Property Taxes	\$ 40,612,732
Sales/Use Tax	15,478,629
Other Tax	2,645,798
Interest and Investment Earnings	781,032
Gain (Loss) From Sale of Assets	(118,394)
Special Item	
Transfers	9,142
Total Governmental Activities	59,408,939
Interest on Long-Term Debt	(545,115)
Gain (Loss) From Sale of Assets	700
Transfers	(9,142)
Total Business-Type Activities	(553,557)
Total Primary Government	58,855,382
 Changes in Net Assets	
Government Activities	(2,896,787)
Busine Charges for Services	989,850
Total Primary Government	\$ (1,906,937)

* 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 Nine Fiscal Years

(Modified Accrual Basis of Accounting)

	2003	2004	2005	2006
General Fund*				
Nonspendable				
Restricted				
Committed				
Assigned				
Unassigned				
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	8,893,355	7,062,536	4,054,591	5,014,784
All Other Governmental Funds*				
Nonspendable				
Restricted				
Committed				
Assigned				
Unassigned				
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	\$ 28,132,530	\$ 26,818,590	\$ 25,782,606	\$ 34,890,053

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

SKAGIT COUNTY, WASHINGTON

Fund Balances of Government Funds

Last Nine Fiscal Years

(Modified Accrual Basis of Accounting)

	2007	2008	2009	2010	2011
General Fund*					
Nonspendable					
Restricted					
Committed					350,000
Assigned					
Unassigned					10,349,381
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>	<u>10,699,381</u>
All Other Governmental Funds*					
Nonspendable					60,685
Restricted					31,305,595
Committed					3,480,815
Assigned					10,349,381
Unassigned					
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>	<u>\$ 45,196,476</u>

* Fund Balances for fiscal year 2011

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

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

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

	2006	2007	2008
Revenues			
Property Tax	\$ 30,751,030	\$ 34,665,358	\$ 37,029,198
Sales/Use Tax	14,454,242	16,628,142	15,301,986
Other Tax	5,981,382	5,551,631	5,284,606
License and Permits	1,729,005	1,754,547	1,390,282
Intergovernmental	22,413,705	24,423,925	24,288,227
Charges for Services	11,355,353	12,391,649	11,052,341
Fines and Forfeits	1,976,925	2,205,135	2,101,195
Interest Earnings	3,028,179	4,340,981	3,140,914
Donations	406,731	454,780	431,841
Other Revenues	904,179	1,031,830	1,548,852
Total Revenues	93,000,731	103,447,978	101,569,442
Expenditures			
General Government	22,490,341	23,366,301	18,227,332
Judicial	-	-	7,321,077
Public Safety	22,754,680	25,096,699	26,163,388
Physical Environment	2,216,002	3,304,072	3,928,950
Transportation	21,691,759	18,143,040	17,147,101
Economic Environment	6,156,994	5,856,721	6,657,659
Health and Human Services	8,400,558	9,351,952	13,428,834
Culture and Recreation	2,776,941	2,954,850	3,040,439
Debt Service			
Principal	574,151	960,427	2,308,099
Interest	503,345	685,115	679,353
Capital Outlay	3,600,769	4,961,542	10,469,357
Total Expenditures	91,165,540	94,680,719	109,371,589
Excess (deficiency) of Revenues over (under) Expenditures	<u>1,835,191</u>	<u>8,767,259</u>	<u>(7,802,147)</u>
Other Financial Sources (Uses)			
Proceeds of Long Term Debt	8,132,222	430,284	990,768
Proceeds from Sale of Capital Assets	674	-	3,226
Transfers In	7,299,234	8,604,266	8,597,666
Transfers Out	(7,118,473)	(8,472,343)	(8,656,869)
Total Other Financing Sources (Uses)	8,313,657	562,207	934,791
Net Change in Fund Balance	<u>\$ 10,148,848</u>	<u>\$ 9,329,466</u>	<u>\$ (6,867,356)</u>
Debt Service as a percentage of noncapital Expenditures	1.2%	1.8%	3.0%

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

	2009	2010	2011
Revenues			
Property Tax	\$ 37,752,796	\$ 39,891,962	\$ 40,654,187
Sales/Use Tax	13,850,662	13,065,954	15,478,629
Other Tax	3,516,652	2,873,252	2,645,798
License and Permits	1,173,469	1,104,621	970,105
Intergovernmental	24,406,041	25,397,870	26,894,695
Charges for Services	10,705,767	9,757,448	10,019,437
Fines and Forfeits	1,992,299	1,957,965	2,285,628
Interest Earnings	1,405,561	919,121	756,562
Donations	490,959	524,932	350,297
Other Revenues	1,399,883	1,707,960	1,299,538
Total Revenues	96,694,089	97,201,085	101,354,876
Expenditures			
General Government	17,571,572	16,556,020	16,633,997
Judicial	7,841,920	7,479,340	7,823,116
Public Safety	28,240,870	24,420,953	24,533,549
Physical Environment	3,317,183	4,394,408	3,467,079
Transportation	18,775,959	17,027,304	17,585,104
Economic Environment	6,044,992	3,949,022	3,606,739
Health and Human Services	12,124,090	11,261,219	11,617,447
Culture and Recreation	2,707,825	3,209,727	2,016,505
Debt Service			
Principal	1,017,081	1,058,134	1,116,572
Interest	627,364	589,480	600,115
Capital Outlay	7,673,632	4,704,095	5,750,727
Total Expenditures	105,942,488	94,649,702	94,750,950
Excess (deficiency) of Revenues over (under) Expenditures	<u>(9,248,399)</u>	<u>2,551,383</u>	<u>6,603,926</u>
Other Financial Sources (Uses)			
Proceeds of Long Term Debt	389,607	415,042	201,035
Proceeds from Sale of Capital Assets	43,988		1,200
Transfers In	8,967,747	8,622,743	8,588,548
Transfers Out	(9,242,081)	(8,706,751)	(8,829,405)
Total Other Financing Sources (Uses)	159,261	331,034	(38,622)
Net Change in Fund Balance	<u>\$ (9,089,138)</u>	<u>\$ 2,882,417</u>	<u>\$ 6,565,304</u>
Debt Service as a percentage of noncapital Expenditures	1.7%	1.9%	2.0%

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

Year	Real Property Assessed Value	Personal Property Assessed Value	Total Assessed Value	Total Direct Tax Rate
2000	\$ 6,716,745,926	\$ 744,570,716	\$ 7,461,316,642	\$ 4.02
2001	7,103,186,348	780,836,645	7,884,022,993	4.04
2002	7,805,819,286	794,696,921	8,600,516,207	3.88
2003	8,271,017,360	838,169,892	9,109,187,252	3.83
2004	8,735,243,216	900,051,468	9,635,294,684	3.84
2005	9,255,714,763	965,923,623	10,221,638,386	3.78
2006	10,622,301,046	972,398,736	11,594,699,782	3.51
2007	12,954,570,410	1,049,853,451	14,004,423,861	3.24
2008	15,019,067,448	1,147,615,059	16,166,682,507	2.98
2009	15,696,268,675	1,171,931,494	16,868,200,169	2.90
2010	14,123,251,945	1,087,219,836	15,210,471,781	3.32
2011	13,630,153,404	864,518,340	14,494,671,744	3.52

Source: Skagit County Assessors Office

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

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

	2000	2001	2002	2003	2004	2005
General Fund	1.65	1.64	1.60	1.58	1.57	1.55
Special Revenue Fund	2.37	2.40	2.28	2.25	2.27	2.23
Total	4.02	4.04	3.88	3.83	3.84	3.78
School Districts	33.39	34.08	35.60	35.89	36.29	35.34
Fire Districts	15.36	15.42	15.18	16.14	15.26	14.42
Cemetary Districts	0.49	0.43	0.41	0.39	0.39	0.37
Port Districts	0.37	0.35	0.31	0.28	0.25	0.22
Cities and Towns	21.29	22.40	21.78	21.36	21.39	20.02
State of Washington	3.24	3.09	2.85	2.82	2.78	2.71
Special Assessment Districts	-	-	-	-	-	-
Hospitals	0.92	0.91	0.84	0.81	0.73	2.07
Parks and Recreation	0.14	0.13	0.12	0.11	0.10	0.10
Dike and Drainage Districts	119.18	115.60	109.94	120.74	124.05	103.67
Library Districts	0.81	0.84	0.83	1.30	1.46	1.37
Total	199.21	197.29	191.74	203.67	206.54	184.07

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 Twelve Year Period

	2006	2007	2008	2009	2010	2011
General Fund	1.52	1.32	1.21	1.24	1.45	1.55
Special Revenue Fund	1.99	1.92	1.77	1.66	1.87	1.97
Total	3.51	3.24	2.98	2.90	3.32	3.52
School Districts	32.05	27.64	24.83	27.91	31.39	39.90
Fire Districts	14.25	12.48	11.04	13.01	13.01	13.83
Cemetary Districts	0.35	0.21	0.29	0.29	0.34	0.35
Port Districts	0.24	0.20	0.20	0.20	0.20	0.30
Cities and Towns	18.89	17.00	16.72	15.12	17.26	18.09
State of Washington	2.51	2.17	2.01	1.96	2.21	2.37
Special Assessment Districts	-	-	-	-	-	-
Hospitals	2.08	2.17	2.01	2.06	1.80	1.93
Parks and Recreation	0.09	0.08	0.07	0.07	0.11	0.11
Dike and Drainage Districts	109.42	115.50	115.53	106.39	110.89	122.14
Library Districts	1.35	1.30	-	1.05	1.25	1.31
Total	184.74	181.99	175.68	170.96	181.78	203.86

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

Fiscal Year	Total Tax Levy	Current Tax Collections	(2) Percent of Levy Collected	(1) Delinquent Tax Collections	Total Tax Collections	Percent of Total Tax Collection To Tax Levy	(3) Outstanding Delinquent Taxes	Percent of Delinquent Taxes to Tax Levy
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%
2011	168,555,708	163,942,409	97.26%	4,594,609	168,537,018	99.99%	7,664,747	4.55%

- (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 Seventeen Year Period

Year	Assessment Receivable January 1	Additions	Collections	Assessment Receivable December 31
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
2011	73,958	1,459,849	1,430,920	102,887

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 Twelve Year Period

<u>Year</u>	<u>Population</u>	<u>Assessed Value</u>	<u>Net Bonded Debt</u>	<u>Ratio of Net Bonded Debt to Assessed Value</u>	<u>Debt Per Capita (restated)</u>
2000	103,478	7,461,316,642	18,735,754	0.2511%	181
2001	106,000	7,884,022,993	17,080,000	0.2166%	161
2002	105,100	8,600,516,207	16,965,000	0.1973%	161
2003	106,700	9,109,187,252	12,785,000	0.1404%	120
2004	108,800	9,635,294,684	12,015,000	0.1247%	110
2005	110,900	10,221,638,386	14,740,000	0.1442%	133
2006	113,100	11,594,699,782	21,690,000	0.1871%	192
2007	115,300	14,004,423,861	21,025,000	0.1501%	182
2008	117,500	16,166,682,507	19,485,000	0.1205%	166
2009	118,900	16,868,200,169	17,880,000	0.1060%	150
2010	116,901	15,210,471,781	25,945,000	0.1706%	222
2011	117,400	14,494,671,744	24,210,000	0.1670%	206

SKAGIT COUNTY, WASHINGTON
Limitation of Indebtedness
Last Ten Fiscal Years

	2002	2003	2004	2005	2006
Total Taxable Property Value	\$ 8,600,516,207	\$ 9,109,187,252	\$ 9,635,294,684	\$ 10,221,638,386	\$ 11,594,699,782
Indebtedness for General Purpose Without a Vote					
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	8,793,995	12,592,445	11,868,644	7,744,883	9,163,481
Total Debt Applicable to Limit	9,122,567	7,240,235	6,933,287	10,055,392	13,101,519
Remaining Debt Capacity Without a Vote	119,885,176	129,397,574	137,596,133	143,269,184	160,818,978
Indebtedness for General Purpose With a Vote					
Debt Limit - 2.5% of Total Assessed Value	227,729,681	240,882,367	255,540,960	289,867,495	350,110,597
Remaining Debt Capacity Including Voted Debt	\$ 98,721,938	\$ 104,244,558	\$ 111,011,539	\$ 136,542,919	\$ 176,190,100
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 Ten Fiscal Years

	2007	2008	2009	2010	2011
Total Taxable Property Value	\$ 14,004,423,861	\$ 16,166,682,507	\$ 16,868,200,169	\$ 15,210,471,781	\$ 14,494,671,744
Indebtedness for General Purpose Without a Vote					
Debt Limit - 1.5% of Total Assessed Value	210,066,358	242,500,238	253,023,003	228,157,077	217,420,076
Debt Applicable to Limit:					
Outstanding Debt	21,025,000	19,485,000	17,880,000	25,945,000	24,210,000
Add Assets Available	9,145,795	9,636,104	6,735,282	11,324,248	16,395,142
Total Debt Applicable to Limit	11,879,205	9,848,896	11,144,718	14,620,752	7,814,858
Remaining Debt Capacity Without a Vote	198,187,153	232,651,342	241,878,285	213,536,325	209,605,218
Indebtedness for General Purpose With a Vote					
Debt Limit - 2.5% of Total Assessed Value	404,167,063	421,705,004	421,705,004	380,261,795	362,366,794
Remaining Debt Capacity Including Voted Debt	\$ 194,100,705	\$ 179,204,767	\$ 168,682,002	\$ 152,104,718	\$ 144,946,717
Total net debt applicable to the limit as a percentage of debt limit	5.65%	4.06%	4.40%	6.41%	3.59%

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

Fiscal Year	<u>Governmental Activities</u>	<u>Business-Type Activities</u>	Total Primary Government	Percentage of Personal Income	Per Capita
	General Obligation Bonds	General Obligation Bonds			
2003	\$ 10,395,000	\$ 7,985,000	\$ 18,380,000	0.70%	\$ 209
2004	9,960,000	7,225,000	17,185,000	0.63%	195
2005	9,655,000	6,450,000	16,105,000	0.56%	172
2006	16,785,000	5,480,000	22,265,000	0.67%	238
2007	16,355,000	4,670,000	21,025,000	0.65%	248
2008	15,525,000	3,960,000	19,485,000	0.69%	265
2009	14,655,000	3,225,000	17,880,000	0.68%	247
2010	13,745,000	12,200,000	25,945,000	0.57%	222
2011	12,800,000	11,410,000	24,210,000	0.53%	206

SKAGIT COUNTY, WASHINGTON
STATISTICAL TABLES
COMPUTATION OF DIRECT & OVERLAPPING DEBT
FOR THE YEAR ENDED DECEMBER 31, 2011

JURISDICTION	NET DEBT OUTSTANDING	PERCENTAGE APPLICABLE TO SKAGIT COUNTY	AMOUNT APPLICABLE TO SKAGIT COUNTY
Direct Debt			
Skagit County	\$12,800,000	100%	\$12,800,000
Total Direct Debt	<u>12,800,000</u>		<u>12,800,000</u>
Overlapping debt			
Port Districts	33,650,000	100%	33,650,000
Hospital Districts	197,667,398	100%	197,667,398
School Districts	172,189,685	100%	172,189,685
Library Districts	58,578	100%	58,578
Cities in Skagit County	20,487,370	100%	20,487,370
Dike Districts	1,997,371	100%	1,997,371
Fire Districts	3,020,317	100%	3,020,317
Public Facilities District	8,418,504	100%	8,418,504
Total Overlapping Debt	<u>437,489,223</u>		<u>437,489,223</u>
Total Direct & Overlapping Debt	<u><u>\$450,289,223</u></u>		<u><u>\$450,289,223</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 TWELVE YEAR PERIOD

Year	Principal	Interest and Fiscal Charges	Total* Debt Service	Total** General Expenditures	Ratio of Net Bonded Debt to Assessed Value
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%
2011	1,116,572	600,115	1,716,687	87,283,536	1.97%

* Does not include Enterprise Funds

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

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

	2000	2001	2002	2003	2004	2005
Unincorporated	48,635	49,820	45,205	45,830	46,455	47,250
Incorporated	54,843	56,180	59,895	60,870	62,345	63,650
Totals	103,478	106,000	105,100	106,700	108,800	110,900
Income Per Capita	\$27,782	\$29,269	\$29,716	\$30,126	\$30,947	\$32,288
Unemployment Rate	6.5%	7.4%	9.1%	8.6%	7.9%	6.4%
School Enrollment	18,778	18,916	18,185	19,280	18,932	19,332

SOURCE: Office of
Financial
Management, Forecasting
Division, State of
Washington
Employment Security
Department, State of
Washington, Educational
Service District #189,
State of Washington,
Office of Superintendent
of Public Instruction
** Data for 2011 is not
yet available.

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

	2006	2007	2008	2009	2010	2011
Unincorporated	47,886	48,640	49,720	49,915	48,112	48,255
Incorporated	65,214	66,660	67,780	68,985	68,789	69,145
Totals	113,100	115,300	117,500	118,900	116,901	117,400
Income Per Capita	\$35,422	\$37,289	\$37,989	\$37,076	\$26,925	\$38,225
Unemployment Rate	5.5%	4.8%	5.6%	10.2%	10.7%	10.2%
School Enrollment	19,233	19,249	19,296	18,723	18,878	18,668

SOURCE: Office of
Financial
Management, Forecast
Division, State of
Washington
Employment Security
Department, State of
Washington, Education
Service District #189,
State of Washington,
Office of Superintendent
of Public Instruction
** Data for 2011 is not
yet available.

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

Taxpayer	2011			2001		
	Taxable Assessed Value	Rank	Percentage of Total Taxable Assessed Value	Taxable Assessed Value	Rank	Percentage of Total Taxable Assessed Value
Equilon Enterprises LLC	\$471,686,200	1	3.25%	\$ 259,200,529	1	3.01%
Tesoro Refining and Marketing Corp	265,632,000	2	1.83%	181,502,277	2	2.11%
Puget Sound Energy/Electric	161,880,527	3	1.12%	129,518,534	3	1.51%
Sierra Pacific Industries	70,555,700	4	0.49%			
Frontier Property Tax Dept	66,162,796	5	0.46%			
Pacific Woodtech Corporation	48,838,400	6	0.34%	41,476,500	6	0.48%
PACCAR Inc Truck Testing	39,955,800	7	0.28%	22,385,118	8	0.26%
NW Pipeline Corp	36,260,199	8	0.25%			
PPR Cascade LLC	34,046,700	9	0.23%	29,309,700	7	0.34%
Cascade Natural Gas Corp	27,133,026	10	0.19%	22,339,276	9	0.26%
	1,222,151,348		8.43%			7.97%
Total County Assessed Value	\$ 14,494,671,744			\$ 8,600,516,207		

Source: Skagit County Assessor

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

Employer	2011			2001		
	Number of Employees	Rank	Percentage of Total Labor Force	Number of Employees	Rank	Percentage of Total Labor Force
Skagit Valley Hospital	1,788	1	3.04%	1,039	3	2.03%
Skagit Valley College	701	2	1.19%			
Mount Vernon School District	868	3	1.48%			
Skagit County Government	616	4	1.05%	1,125	2	2.19%
Janicki Machines	526	5	0.89%			
Sedro-Woolley School District	525	6	0.69%			
Burlington-Edison School District	544	7	0.92%			
Regence Blue Shield	472	8	0.68%			
Draper Valley Farms	403	9	0.89%	588	4	1.15%
Wal Mart	400	10	0.80%			
Total Top Ten Employees	<u>6,843</u>		<u>11.63%</u>	<u>2,752</u>		<u>5.37%</u>
Total County Labor Force	<u>58,830</u>			<u>51,280</u>		

Source: NW Business Monthly
Various Company Payroll Departments

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

Function	Full-Time Equivalent Employees as of December 31								
	2003	2004	2005	2006	2007	2008	2009	2010	2011
General Government	154	158	165	163	174	182	175	202	216
Judicial	52	53	54	53	53	58	57	57	96
Public Safety	165	162	168	169	178	182	162	147	75
Utilities	36	37	36	34	39	39	37	40	30
Transportation	118	119	124	128	130	133	127	122	77
Natural & Economic Environment	122	57	59	58	57	55	44	25	34
Social Services	52	53	60	62	71	74	45	45	79
Culture and Recreation	27	24	27	28	24	27	17	9	9
Total	726	663	693	695	726	750	664	647	616

Source: Skagit County Auditor

SKAGIT COUNTY, WASHINGTON
MISCELLANEOUS STATISTICAL REPORT
For a Twelve 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 Twelve Year Period

	<u>2006</u>	<u>2007</u>	<u>2008</u>	<u>2009</u>	<u>2010</u>	<u>2011</u>
(A) MILES OF ROAD						
Roads, paved	757	757	756	758	761	761
Roads, unpaved	39	38	41	41	41	41
(B) BUILDING PERMITS						
Permits issued	988	927	632	547	414	416
Value of buildings	\$ 110,000,000	\$ 106,903,097	\$ 48,838,303	\$ 41,441,249	\$ 42,538,000	\$ 38,893,281
(C) FIRE PROTECTION						
Number of districts	17	17	17	18	18	18
Number of paid firefighters	60	65	67	66	65	65
Number of volunteer firefighters	523	515	509	550	585	568
(D) POLICE PROTECTION						
Number of employees, commissioned	59	59	61	62	58	46
Number of employees, civilian and limited commission	56	56	57	58	53	53
Average daily jail population	233	240	241	275	243	196
Police patrol units, vehicle	60	60	61	62	54	49
Police patrol units, boats	3	3	3	4	4	5
(E) RECREATIONAL FACILITIES						
Number of parks	33	34	34	35	36	26
Park acreage	1,827	2,227	2,227	2,240	2,255	2,300
(F) GENERAL ELECTIONS						
Number of registered voters	67,167	63,604	69,335	68,119	68,936	\$ 68,996
Number of votes cast	41,641	33,455	56,632	36,160	48,960	\$ 38,256
Percentage voting	62%	53%	82%	53%	71%	59%
(G) PUBLIC EDUCATION						
Elementary	25	25	25	25	25	25
Middle/Junior High	6	6	5	5	5	5
High	8	8	8	9	9	6
Community College	1	1	1	1	1	1
Alternative	7	7	6	4	4	6
Special Education	4	5	5	5	4	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, 2011

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	10.069	CREP 2003 0054		525.00		1
Department of Agriculture Farm Service Agency	Conservation Reserve Program	10.069	CREP 2003 0055		212.00		1
Department of Agriculture Farm Service Agency	Conservation Reserve Program	10.069	CREP 2005 0072		5,042.53		1
Department of Agriculture Farm Service Agency		10.069				\$5,779.53	
Department of Agriculture Natural Resources Conservation Service	Farm and Ranch Lands Protection Program	10.913	73-054611-003		375,250.00		1,2
Department of Agriculture Natural Resources Conservation Service		10.913				375,250.00	
Department of Agriculture Food and Nutrition Service	Special Supplemental Nutrition Program for Women, Infants and Children	10.557	C14962(33)	4,612.00			1
Department of Agriculture Food and Nutrition Service	Special Supplemental Nutrition Program for Women, Infants and Children	10.557	C14962(33)	99,576.00			1
Department of Agriculture Food and Nutrition Service	Special Supplemental Nutrition Program for Women, Infants and Children	10.557				104,188.00	
Department of Agriculture Food and Nutrition Service	WIC Farmers Market Nutrition Program (FMNP)	10.572	C14962(33)	165.00			1
Department of Agriculture Food and Nutrition Service	WIC Farmers Market Nutrition Program (FMNP)	10.572				\$165.00	
Department of Agriculture Food and Nutrition Service	Senior Farmers Market Nutrition Program	10.576	123009-NUTR(01)	\$5,417.00			1
Department of Agriculture Food and Nutrition Service	Senior Farmers Market Nutrition Program	10.576				5,417.00	
Department of Agriculture Forest Service	Schools and Roads - Grants to States	10.665	Title III Forest Yield		295,112.93		1
Department of Agriculture Forest Service	Schools and Roads - Grants to States	10.665	USC Title 16 Sec 500		48,610.97		1
Department of Agriculture Forest Service	Schools and Roads - Grants to States	10.665				343,723.90	
Department of Commerce National Oceanic and Atmospheric Administration (NOAA)	Coastal Zone Management Administrative Awards	11.419	G1000022	\$102,773.29			1

SKAGIT COUNTY, WASHINGTON
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
For the Year Ended December 31, 2011

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 Commerce National Oceanic and Atmospheric Administration (NOAA)	Coastal Zone Management Administrative Awards	11.419	G1200005	\$23,603.91			1
Department of Commerce National Oceanic and Atmospheric Administration (NOAA)	Coastal Zone Management Administrative Awards	11.419				126,377.20	
Department of Housing and Urban Development/Office of Community Planning and Development	Community Development Block Grants/State's program and Non-entitlement Grants in Hawaii	14.228	08-64008-027	\$774,125.09			1
Department of Housing and Urban Development/Office of Community Planning and Development	Community Development Block Grants/State's program and Non-entitlement Grants in Hawaii	14.228				774,125.09	
Department of Justice Drug Enforcement Administration	Law Enforcement Assistance Narcotics and Dangerous Drugs Laboratory Analysis	16.001	C110862FED		19,774.84		1
Department of Justice Drug Enforcement Administration	Law Enforcement Assistance Narcotics and Dangerous Drugs Laboratory Analysis	16.001				19,774.84	
Department of Justice Office of Juvenile Justice and Delinquency Prevention	Juvenile Accountability Block Grant	16.523	0663-98417	10,447.00			1,2
Department of Justice Office of Juvenile Justice and Delinquency Prevention	Juvenile Accountability Block Grant	16.523	0663-98417	10,580.00			1,2
Department of Justice Office of Juvenile Justice and Delinquency Prevention	Juvenile Accountability Block Grant	16.523				21,027.00	
Department of Justice Office of Juvenile Justice and Delinquency Prevention	Juvenile Justice and Delinquency Prevention Allocation to States	16.540	I-100-00110	\$5,030.86			1,5
Department of Justice Office of Juvenile Justice and Delinquency Prevention	Juvenile Justice and Delinquency Prevention Allocation to States	16.540	I-501-00110	\$8,262.70			1,5

SKAGIT COUNTY, WASHINGTON
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
For the Year Ended December 31, 2011

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 Office of Juvenile Justice and Delinquency Prevention	Juvenile Justice and Delinquency Prevention Allocation to States	16.540				13,293.56	
Department of Justice Office of Juvenile Justice and Delinquency Prevention	Title V_Delinquency Prevention Program	16.548	1-200-00110 FJ4	\$6,172.14			1,2
Department of Justice Office of Juvenile Justice and Delinquency Prevention	Title V_Delinquency Prevention Program	16.548				6,172.14	
Department of Justice Office of Victims of Crime	Crime Victims Assistance	16.575	S1131102-526	\$10,158.84			1
Department of Justice Office of Victims of Crime	Crime Victims Assistance	16.575	SWV0000323-06	\$17,720.24			1
Department of Justice Office of Victims of Crime	Crime Victims Assistance	16.575				27,879.08	
Department of Justice Violence Against Women Office	ARRA-Violence Against Women Formula Grant	16.588	2010-WF-AX-0021		17,480.72		1,2,6
Department of Justice Violence Against Women Office	ARRA-Violence Against Women Formula Grant	16.588				17,480.72	
Department of Justice Bureau of Justice Assistance	Residential Substance Abuse Treatment for State Prisoners	16.593	106-10827		115,211.69		1,2
Department of Justice Bureau of Justice Assistance	Residential Substance Abuse Treatment for State Prisoners	16.593	1163-38470		24,600.00		1,2
Department of Justice Bureau of Justice Assistance	Residential Substance Abuse Treatment for State Prisoners	16.593				139,811.69	
Department of Justice Bureau of Justice Assistance	State Criminal Alien Assistance Program	16.606	2011-H3010-WA-AP		34,726.00		1
Department of Justice Bureau of Justice Assistance	State Criminal Alien Assistance Program	16.606				34,726.00	
Department of Justice Bureau of Justice Assistance	Bulletproof Vest Partnership Program	16.607	www.vests.ojp.gov		1,825.28		1,2
Department of Justice Bureau of Justice Assistance	Bulletproof Vest Partnership Program	16.607				1,825.28	
Department of Justice Office of Community Oriented Policing Services	Public Safety Partnership and Community Policing Grants	16.710	2009CKWX0394		2,498.34		1

SKAGIT COUNTY, WASHINGTON
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
For the Year Ended December 31, 2011

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 Office of Community Oriented Policing Services	Public Safety Partnership and Community Policing Grants	16.710	2008CKWX0831		15,383.74		1
Department of Justice Office of Community Oriented Policing Services	Public Safety Partnership and Community Policing Grants	16.710				17,882.08	
Department of Justice Bureau of Justice Assistance	Edward Byrne Memorial Justice Assistance Grant Program	16.738	2010-DJ-BX-0625	\$12,763.00			1,5
Department of Justice Bureau of Justice Assistance	Edward Byrne Memorial Justice Assistance Grant Program	16.738	2011-DJ-BX-2692	\$852.30			1,5
Department of Justice Bureau of Justice Assistance	Edward Byrne Memorial Justice Assistance Grant Program	16.738	2009-DJ-BX-1035		186.10		1
Department of Justice Bureau of Justice Assistance	Edward Byrne Memorial Justice Assistance Grant Program	16.738	M11-34021-014		112,961.15		1
Department of Justice Bureau of Justice Assistance	Edward Byrne Memorial Justice Assistance Grant Program	16.738	M10-34021-014		95,202.18		1
Department of Justice Bureau of Justice Assistance	Edward Byrne Memorial Justice Assistance Grant Program	16.738				221,964.73	
Department of Justice Bureau of Justice Assistance	Criminal and Juvenile Justice and Mental Health Collaboration Program	16.745	2009-MO-BX-0034		83,695.22		1
Department of Justice Bureau of Justice Assistance	Criminal and Juvenile Justice and Mental Health Collaboration Program	16.745				83,695.22	1,2,5
Department of Justice	ARRA-Edward Bryne Memorial Justice Assistance Grant (JAG) Program/Grants to Units of Local Government	16.803	F09-34721-505	\$78,125.00			1,5,6

SKAGIT COUNTY, WASHINGTON
 SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
 For the Year Ended December 31, 2011

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	ARRA-Edward Bryne Memorial Justice Assistance Grant (JAG) Program/Grants to Units of Local Government	16.803				78,125.00	
Department of Justice	ARRA-Edward Bryne Memorial Justice Assistance Grant (JAG) Program/Grants to Units of Local Government	16.804	2009-SB-B9-0530	\$17,473.48			1,5,6
Department of Justice	ARRA-Edward Bryne Memorial Justice Assistance Grant (JAG) Program/Grants to Units of Local Government	16.804				17,473.48	
Department of Transportation Federal Highway Administraton (FHWA)	Highway Planning and Construction	20.205	LA6652	\$38,058.26			1
Department of Transportation Federal Highway Administraton (FHWA)	Highway Planning and Construction	20.205	LA6843	\$965,021.12			1
Department of Transportation Federal Highway Administraton (FHWA)	Highway Planning and Construction	20.205	LA6651	\$995,050.21			1
Department of Transportation Federal Highway Administraton (FHWA)	Highway Planning and Construction	20.205	LA6690	\$439,120.37			1
Department of Transportation Federal Highway Administraton (FHWA)	Highway Planning and Construction	20.205	LA6689	\$614,210.20			1
Department of Transportation Federal Highway Administraton (FHWA)	Highway Planning and Construction	20.205	LA6955	\$14,144.44			1
Department of Transportation Federal Highway Administraton (FHWA)	Highway Planning and Construction	20.205	LA7086	\$8,784.54			1
Department of Transportation Federal Highway Administraton (FHWA)	ARRA-Highway Planning and Conctruction	20.205	LA7060	\$5,000.00			1,6

SKAGIT COUNTY, WASHINGTON
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
For the Year Ended December 31, 2011

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 Federal Highway Administraton (FHWA)	Highway Planning and Construction	20.205	LA7466	\$32,024.22			1
Department of Transportation Federal Highway Administraton (FHWA)	Highway Planning and Construction	20.205	LA7489	\$45,334.78			1
Department of Transportation Federal Highway Administraton (FHWA)	Highway Planning and Construction	20.205				3,156,748.14	
Department of Transportation National Highway Traffic Safety Administration (NHTSA)	State and Community Highway Safety	20.600	011OST11		6,048.90		1
Department of Transportation National Highway Traffic Safety Administration (NHTSA)	State and Community Highway Safety	20.600	011OST11		15,033.46		1
Department of Transportation National Highway Traffic Safety Administration (NHTSA)	State and Community Highway Safety	20.600				21,082.36	
Department of Transportation National Highway Traffic Safety Administration (NHTSA)	Alcohol Imparied Driving Countermeasures Incentive Grants I	20.601	CP12-03	\$673.11			1
Department of Transportation National Highway Traffic Safety Administration (NHTSA)	Alcohol Imparied Driving Countermeasures Incentive Grants I	20.601	011OST11	\$2,038.63			1
Department of Transportation National Highway Traffic Safety Administration (NHTSA)	Alcohol Imparied Driving Countermeasures Incentive Grants I	20.601				2,711.74	
Department of Transportation Pipeline and Hazardous Materials Safety Administration	Technical Assistance Grant	20.710	DTPH56-10-G- PHPT12		38,962.63		1
Department of Transportation Pipeline and Hazardous Materials Safety Administration	Technical Assistance Grant	20.710				38,962.63	
Environmental Protection Agency Region 10	Puget Sound Watershed Management Assistance	66.120	PO00J09601		322,022.11		1,5
Environmental Protection Agency Region 10	Puget Sound Watershed Management Assistance	66.120	PO00J08201		361,933.67		1

SKAGIT COUNTY, WASHINGTON
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
For the Year Ended December 31, 2011

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	
Environmental Protection Agency Region 10	Puget Sound Watershed Management Assistance	66.120				683,955.78	
Environmental Protection Agency Region 10	Puget Sound Action Agenda: Technical Investigations and Implementation Assistance Program	66.123	C14962 (33)	\$6,864.05			1
Environmental Protection Agency Region 10	Puget Sound Action Agenda: Technical Investigations and Implementation Assistance Program	66.123				6,864.05	
Environmental Protection Agency Office of Water	Targeted Watersheds Grants	66.439	WS - 96082901-0		24,638.80		1,2,4(c)
Environmental Protection Agency Office of Water	Targeted Watersheds Grants	66.439				24,638.80	
Environmental Protection Agency Office of Water	Capitalization Grants for Drinking Water State Revolving Funds	66.468	C14962 (33)	\$2,250.00			1
Environmental Protection Agency Office of Water	Capitalization Grants for Drinking Water State Revolving Funds	66.468				2,250.00	
Department of Energy	ARRA -Energy Efficiency & Conservation Block Grant Program (EECBG)	81.128	DE-SC0003098		185,953.05		1,2,5,6
Department of Energy	ARRA -Energy Efficiency & Conservation Block Grant Program (EECBG)	81.128	F10-52110-065		36,115.16		1,5,6
Department of Energy	ARRA -Energy Efficiency & Conservation Block Grant Program (EECBG)	81.128				222,068.21	
U.S. Election Assistance Commission	Help America Vote Act Requirements Payments	90.401	OSOS No. G-2855		27,038.40		1
U.S. Election Assistance Commission	Help America Vote Act Requirements Payments	90.401				27,038.40	

SKAGIT COUNTY, WASHINGTON
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
For the Year Ended December 31, 2011

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 Office of the Secretary	Medical Reserve Corps Small Grant Program	93.008	IMRCSG101005-01	\$5,000.00			1,4(b)
Department of Health and Human Services Office of the Secretary	Medical Reserve Corps Small Grant Program	93.008	IMRCSG101005-01	\$5,000.00			1,4(b)
Department of Health and Human Services Office of the Secretary	Medical Reserve Corps Small Grant Program	93.008				10,000.00	
Department of Health and Human Service Administration on Aging	Special Programs for the Aging Title III Part C Nutrition Services	93.045	123009-NUTR(01)	\$186,147.00			1,2
Department of Health and Human Service Administration on Aging	Special Programs for the Aging Title III Part C Nutrition Services	93.045				186,147.00	
Department of Health and Human Service Administration on Aging	Nutrition Services Incentive Program	93.053			100,983.00		1
Department of Health and Human Service Administration on Aging	Nutrition Services Incentive Program	93.053				100,983.00	
Department of Health and Human Services Centers for Disease Control and Prevention	Public Health Emergency Preparedness	93.069	C14962 (33)	\$61,031.36			1
Department of Health and Human Services Centers for Disease Control and Prevention	Public Health Emergency Preparedness	93.069	C14962 (33)	\$53,893.28			1
Department of Health and Human Services Centers for Disease Control and Prevention	Public Health Emergency Preparedness	93.069				114,924.64	
Department of Health and Human Services Centers for Disease Control and Prevention	Immunization Grants	93.268	C14962 (30)	\$23,170.22			1,7
Department of Health and Human Services Centers for Disease Control and Prevention	Immunization Grants	93.268	C14962 (33)	\$6,615.00			1,7
Department of Health and Human Services Centers for Disease Control and Prevention	Immunization Grants	93.268	C14962 (33)	\$31,781.00			1,7
Department of Health and Human Services Centers for Disease Control and Prevention	Immunization Grants	93.268	C14962(27)	\$45,413.36			1,3

SKAGIT COUNTY, WASHINGTON
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
For the Year Ended December 31, 2011

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	Immunization Grants	93.268	C14962 (33)	\$105,761.11			1,3
Department of Health and Human Services Centers for Disease Control and Prevention	Immunization Grants	93.268				212,740.69	
Department of Health and Human Services Administration for Children and Families	Child Support Enforcement	93.563	75-1501-0-1-609/2110-80608	\$127,976.00			1,2
Department of Health and Human Services Administration for Children and Families	Child Support Enforcement	93.563	75-1501-0-1-609/2110-80608	\$424,548.00			1,2
Department of Health and Human Services Administration for Children and Families	Child Support Enforcement	93.563	0763-15102-01	\$23,364.00			1,2
Department of Health and Human Services Administration for Children and Families	Child Support Enforcement	93.563				575,888.00	
Department of Health and Human Services Administration for Children and Families	Child Care and Development Block Grant	93.575		\$1,694.71			1
Department of Health and Human Services Administration for Children and Families	Child Care and Development Block Grant	93.575				1,694.71	
Department of Health and Human Services Centers for Disease Control and Prevention	ARRA-Prevention and Wellness-State, Territories and Pacific Islands	93.723	C14962(29)		35,007.26		1,5,6
Department of Health and Human Services Centers for Disease Control and Prevention	ARRA-Prevention and Wellness-State, Territories and Pacific Islands	93.723				35,007.26	
Department of Health and Human Services Administration on Aging	ARRA-Communities Putting Prevention to Work: Chronic Disease Self-Management Program	93.725	990136-CDSMP	\$6,600.00			1,6
Department of Health and Human Services Administration on Aging	ARRA-Communities Putting Prevention to Work: Chronic Disease Self-Management Program	93.725				6,600.00	

SKAGIT COUNTY, WASHINGTON
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
For the Year Ended December 31, 2011

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 Medicare and Medicaid Services	Medical Assistance Program	93.778	1163-35474	\$64,566.64			1
Department of Health and Human Services Centers for Medicare and Medicaid Services	Medical Assistance Program	93.778	0963-53356	\$61,036.11			1
Department of Health and Human Services Centers for Medicare and Medicaid Services	#REF!	93.778				125,602.75	
Department of Health and Human Service Office of the Secretary	National Bioterrorism Hospital Preparedness Program	93.889	U3REP090228-020-00		467.55		1
Department of Health and Human Service Office of the Secretary	National Bioterrorism Hospital Preparedness Program	93.889				467.55	
Department of Health and Human Services Substance Abuse and Mental Health Services Administration	Block Grants for Community Mental Health Service	93.958	FBG-10-11		39,046.77		1
Department of Health and Human Services Substance Abuse and Mental Health Services Administration	Block Grants for Community Mental Health Service	93.958	FBG-11-12		14,176.80		1
Department of Health and Human Services Substance Abuse and Mental Health Services Administration	Block Grants for Community Mental Health Service	93.958				53,223.57	
Department of Health and Human Services Substance Abuse and Mental Health Services Administration	Block Grants for Prevention and Treatment of Substance Abuse	93.959	1163-27323		112,555.10		1
Department of Health and Human Services Substance Abuse and Mental Health Services Administration	Block Grants for Prevention and Treatment of Substance Abuse	93.959	0963-68059(07)		40,163.78		1
Department of Health and Human Services Substance Abuse and Mental Health Services Administration	Block Grants for Prevention and Treatment of Substance Abuse	93.959	1163-27323		15,152.43		1

SKAGIT COUNTY, WASHINGTON
 SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
 For the Year Ended December 31, 2011

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 Substance Abuse and Mental Health Services Administration	Block Grants for Prevention and Treatment of Substance Abuse	93.959				167,871.31	
Department of Health and Human Services Health Resources and Services Administration Washington State Department of Health	Maternal and Child Health Services Block Grant to the States	93.994	C14962 (28)		121,559.00		1
Department of Health and Human Services Health Resources and Services Administration Washington State Department of Health	Maternal and Child Health Services Block Grant to the States	93.994				121,559.00	
Department of Homeland Security	Boating Safety Financial Assistance	97.012	LE911-231	\$26,434.39			1
Department of Homeland Security	Boating Safety Financial Assistance	97.012		\$45,516.43			1
Department of Homeland Security	Boating Safety Financial Assistance	97.012				71,950.82	
Department of Homeland Security	Disaster Grants-Public Assistance(Presidentially Declared Disasters)	97.036	D11-015	\$100.00			1
Department of Homeland Security	Disaster Grants-Public Assistance(Presidentially Declared Disasters)	97.036	D11-015	\$19,644.62			1
Department of Homeland Security	Disaster Grants-Public Assistance(Presidentially Declared Disasters)	97.036	D11-015	\$24,559.67			1
Department of Homeland Security	Disaster Grants-Public Assistance(Presidentially Declared Disasters)	97.036	D11-015	\$32,136.23			1
Department of Homeland Security	Disaster Grants-Public Assistance(Presidentially Declared Disasters)	97.036	D11-015	\$5,346.20			1
Department of Homeland Security	Disaster Grants-Public Assistance(Presidentially Declared Disasters)	97.036	D11-015	\$43,150.33			1

SKAGIT COUNTY, WASHINGTON
 SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
 For the Year Ended December 31, 2011

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	Disaster Grants-Public Assistance(Presidentially Declared Disasters)	97.036				124,937.05	
Department of Homeland Security	Port Security Grant Program	97.056	2010-PU-T0-K033-22	\$253,315.20			1
Department of Homeland Security	Port Security Grant Program	97.056				253,315.20	
Department of Homeland Security	Homeland Security Grant Program	97.067	E10-206	\$100,065.19			1
Department of Homeland Security	Homeland Security Grant Program	97.067	E11-093	\$4,727.52			1
Department of Homeland Security	Homeland Security Grant Program	97.067	K-691 CCP	\$3,595.42			1
Department of Homeland Security	Homeland Security Grant Program	97.067	E09-181	\$655.43			1
Department of Homeland Security	Homeland Security Grant Program	97.067				109,043.56	
				\$6,149,276.20	\$2,745,156.56	\$8,894,432.76	

SKAGIT COUNTY, WASHINGTON

NOTES TO THE SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS

For the year ended December 31, 2011

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 2011 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) 7.425% (b) 10.00%, (c) 14.74%, (d) 16.28%, (e) 43.50%

NOTE 5 – AMOUNTS AWARDED TO SUBRECIPIENT

Included in the total amount expended for this program are dollars passed through to a sub recipient 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 \$61,566.22 received as program income.

SKAGIT COUNTY, WASHINGTON
 SCHEDULE OF STATE AND LOCAL FINANCIAL ASISTANCE
 For the Year Ending December 31, 2011

Grantor/Program Title	Identification Number	Current Year Expenditures
Washington State Conservation Commission Technical Assistance Block Grant	11-SKAGITOPF-04	\$24,433.29
<u>Total Washington State Conservation Commission</u>		\$24,433.29
Department of Social & Health Services NSMHA-SKAGIT-ADMIN-11	n/a	\$52,056.00
<u>Total Department of Social & Health Services</u>		\$52,056.00
State of Washington Elected Official Salary Match	RCW 36.17.020	\$74,415.96
<u>Total State of Washington</u>		\$74,415.96
State Treasurer 40% Autopsy Reimbursement	RCW 68.08.104	\$27,881.22
<u>Total State Treasurer</u>		\$27,881.22
Washington Association of Sheriffs & Police Chiefs Registered Sex Offender Address & Residency Verification Program	n/a	\$107,690.73
<u>Total Washington Association of Sheriffs & Police Chiefs</u>		\$107,690.73
Administrative Office of the Courts Witness Fees	RCW 10.46.230	\$4,517.50
Interpreter Fee	ICA11090	\$5,835.50
Interpreter Fee	IAA12191	\$6,775.00
Becca Bill	IAA10183	\$101,831.76
Becca Bill	IAA12046	\$131,494.44
<u>Total Administrative Office of the Courts</u>		\$250,454.20
Office Of Public Defense Parent's Representation Program	CSV10055	\$124,235.32
<u>Total Office Of Public Defense</u>		\$124,235.32
Washington State Military Department Professional Development & Operational E911	E12-002	\$15,077.33
State Enhanced 911 Funds	E11-181	\$36,140.16
Emergency Protective Measures	D11-015	\$891.03
County Wide Debris Removal	D11-015	\$4,093.28
Embankment & Shoulder Repair	D11-015	\$5,356.04
Baker River Road	D11-015	\$7,191.72
<u>Total Washington State Military Department</u>		\$68,749.56

SKAGIT COUNTY, WASHINGTON
 SCHEDULE OF STATE AND LOCAL FINANCIAL ASISTANCE
 For the Year Ending December 31, 2011

Grantor/Program Title	Indentification Number	Current Year Expenditures
Department of Agriculture Spartina Program	K724	\$15,001.95
<u>Total Department of Agriculture</u>		\$15,001.95
Recreation and Conservation Office Memorial Field Renovation	RCO #8-1299D	\$79,249.30
<u>Total Recreation and Conservation Office</u>		\$79,249.30
Department of Ecology		
Big Lake Water Reclamation Project	G0800577	\$2,262.70
Waste Tire Disposal	C1200107	\$2,873.92
Community Litter Cleanup Program	C1000011	\$3,509.00
Waste Tire Disposal	C1100015	\$4,195.36
Reducing Fecal Coliform from Recreational Users	G1200104	\$5,285.22
Well Delegation	CO900012	\$6,675.50
On Site Septic Grant with Loan	G0700153	\$7,699.71
Community Litter Cleanup Program	C1200012	\$17,500.00
Samish Bay Watershed	C1100185	\$22,430.88
Hansen Creek/Rd Creek Restoration Project	G0700243	\$56,452.96
Coordinated Prevention Grant	G1000459	\$56,958.75
Natural Resources Stewardship Program	G09000062	\$81,586.28
Skagit Flood Risk Management Project	G1000163	\$98,228.21
Coordinated Prevention Grant	G1000462	\$177,805.87
Shoreline Master Program Update	G1100205	\$255,085.05
Municipal Stormwater Capacity Grant Program	G11000097	\$71,450.87
Site Hazard Assessment	G1000136	\$10,024.13
Site Hazard Assessment	G1200170	\$21,971.47
Local Source Contol Partnership	C1200058	\$44,421.62
Local Source Contol Partnership	C1000082	\$59,800.44
<u>Total Department of Ecology</u>		\$1,006,217.94
Parks Conservation Commission	08-1299D	\$10,672.00
<u>Total Parks Conservation Commission</u>		\$10,672.00
Traffic Safety Commission		
Fairgrounds Booth Rental	n/a	\$687.50
Local Source Contol Partnership	n/a	\$7,500.00
SK CO DUI Safety Belt Task Force	11ST-11	\$21,440.00
SK CO DUI Safety Belt Task Force	13ST-11	\$21,450.00
<u>Total Traffic Safety Commission</u>		\$51,077.50

SKAGIT COUNTY, WASHINGTON
 SCHEDULE OF STATE AND LOCAL FINANCIAL ASISTANCE
 For the Year Ending December 31, 2011

Grantor/Program Title	Indentification Number	Current Year Expenditures
State of Washington County Program Francis Road	2909-01	\$31,361.01
<u>Total State of Washington County Program</u>		\$31,361.01
County Road Administration Board County Roads - Arterial Preservation	n/a	\$419,136.79
<u>Total County Road Administration Board</u>		\$419,136.79
Department of Community Trade and Economic Development Homeless Grant Assistance Program	07A-46108-012	\$120,020.41
<u>Total Department of Community Trade and Economid Development</u>		\$120,020.41
Department of Social & Health Services		
Office of Juvenile Justice	I-501-00509	\$34,081.43
Child Support Enforcement	0	\$3,867.00
Juvenile Rehabilitation Administration-Diagnostics	1063-94656	\$5,950.00
Juvenile Rehabilitation Administration-Intensive Diversion	1063-94656	\$9,763.99
Juvenile Rehabilitation Administration-Intensive Diversion	1063-94656	\$13,934.49
Juvenile Rehabilitation Administration-Diagnostics	1063-94656	\$15,520.00
Child Support Enforcement Reimbursement	2110-80608	\$21,125.00
Child Support Enforcement Reimbursement	75-1501-0-01-0609/2110-80608	\$190,612.00
Juvenile Rehabilitation Administration-CJAA Exp	1163-35702	\$21,528.05
Juvenile Rehabilitation Administration-HB3900	1163-33536	\$23,059.50
Juvenile Rehabilitation Administration-HB3900	1063-94656	\$23,642.00
Juvenile Rehabilitation Administration-CJAA Exp	1063-94656	\$30,212.15
Juvenile Rehabilitation Administration-CJAA	1163-33536	\$36,076.83
Juvenile Rehabilitation Administration-CJAA	1063-94656	\$36,593.82
Juvenile Rehabilitation Administration-CJS At-Risk	1063-94656	\$48,155.84
Juvenile Rehabilitation Administration-CJS At-Risk	1163-33536	\$51,492.18
WA-CARES	116-24773	\$80,196.20
NSMHA Jail Services	11-13	\$40,841.63
NSMHA Jail Services	09-11	\$82,772.55
Early Family Support Services	1163-30443	\$5,323.00
Early Intervention Program (EIP)	1063-95478	\$25,506.06
Substance Abuse Service Treatment	1163-27323	\$411,874.19
Substance Abuse Service Treatment	0963-68059	\$715,083.26
Civil Commitment Costs	RCW.71.09.110 WAC388-885-010	\$155,676.30
<u>Total Department of Social & Health Services</u>		\$2,082,887.47

SKAGIT COUNTY, WASHINGTON
 SCHEDULE OF STATE AND LOCAL FINANCIAL ASSISTANCE
 For the Year Ending December 31, 2011

Grantor/Program Title	Identification Number	Current Year Expenditures
Department of Health		
Sexual Predator Reimbursement	n/a	\$333.56
HIV Prevention Services Need Exchange	C14962(33)	\$24,991.00
Local Capacity GFS & HSA	C14962 (33)	\$133,086.00
Shellfish Consolidation Contract	C14962(33)	\$2,375.00
PS OSS MLP Implementation Clearing	C14962 (33)	\$44,272.00
Small On-Site LHJ Contracts	C14962 (33)	\$78,519.70
Blue Ribbon Local Health Funds	C14962 (33)	\$158,921.00
<u>Total Department of Health</u>		\$442,498.26
Office of Superintendent of Public Instruction		
Readiness to Learn	678011	\$82,293.19
Readiness to Learn	678011	\$90,384.02
<u>Total Office of Superintendent of Public Instruction</u>		\$172,677.21
Northwest Clean Air Agency		
Cooperative Outdoor Burning Program	n/a	\$17,450.00
<u>Total Northwest Clean Air Agency</u>		\$17,450.00
Upper Skagit Indian Tribe		
Knotweed Control	n/a	\$5,910.35
<u>Total Upper Skagit Indian Tribe</u>		\$5,910.35
Samish Indian Nation		
Knotweed Control	n/a	\$10,456.44
<u>Total Samish Indian Nation</u>		\$10,456.44
<u>TOTAL STATE AND LOCAL GRANTS</u>		\$5,194,532.91

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