

Skagit County Washington Comprehensive Annual Financial Report

**Fiscal Year Ending
December 31, 2012**



SKAGIT COUNTY WASHINGTON

COMPREHENSIVE ANNUAL FINANCIAL REPORT

FISCAL YEAR ENDED DECEMBER 31, 2012

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SKAGIT COUNTY WASHINGTON COMPREHENSIVE ANNUAL FINANCIAL REPORT

Year Ended December 31, 2012

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About Skagit County

(pronounced "skäjet")

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



Jeanne Youngquist
Auditor

Barbara Leander
Chief Deputy

June 27, 2013

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, 2012 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, 2012, 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, 2012 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 support backpacking, hiking and camping as well as the festivals,

tours and special events continue to attract tourists to the area. Skagit County is known for its festivals, including the famous annual Tulip 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 funds are required to submit requests for appropriations to the County Auditor's Office by the second Monday in August. A compilation of the requests is submitted to the Board of County Commissioners by the first Tuesday in September. The Commissioners schedule a budget hearing, which must begin between the first Monday in October and the first Monday in December. The hearing may be continued from day to day for no more than five days. At the conclusion of the hearing, the Commissioners adopt the budget.

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

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

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

1. The General Fund budget shall be balanced within available revenue sources. A minimum reserve balance of 12% shall be targeted for the General Fund.
2. The Insurance Services Fund shall be managed to maintain the County's self-insured status. A minimum reserve balance of 25% shall be targeted 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 2012, the County's unemployment rate was 9.2%, down from 10.2% in December 2011.

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 \$1.2 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. In 2011, the non-paid closure days were reduced to 9, which continued in 2012. 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

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 included construction of a new, pre-engineered, 23,000 square foot metal building for solid waste transfer operations. It also included new maintenance and staff facilities as well as a new scale plaza. The new facility was constructed at the same site of the previous transfer station. The County completed the project 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.

In 2005, the County entered into an Interlocal agreement with the city of Mount Vernon to build a new arterial roadway, connecting the Anderson Road/I-5 freeway interchange to South LaVenture Road. The project will provide an alternative route to access the rapidly developing portions of eastern Mount Vernon to the surrounding County areas. Funded in part by the County, by the City of Mount Vernon, and by federal, state and local grant funding, the project was near the completion phase at the end of 2012.

The Drainage Utility successfully completed several projects during 2012 with a total value of about \$1.2 million. These projects included 5 culvert replacements, the widening of 2 Sloughs, the removal of a log jam, and the addition of a bioswale infiltration system. These projects were geared to accommodate fish passages and mitigate flooding.

Acknowledgements

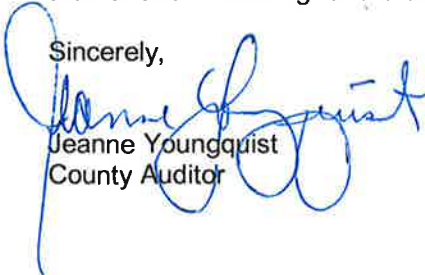
The Government Finance Officers Association of the United States and Canada (GFOA) awarded the Certificate of Achievement for Excellence in financial reporting to Skagit County for its Comprehensive Annual report for the fiscal year ended December 31, 2011. In order to be awarded a Certificate of Achievement, the County must publish an easily readable and efficiently organized comprehensive annual report. This report must satisfy both generally accepted accounting principles and applicable legal requirements.

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

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

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

Sincerely,



Jeanne Youngquist
County Auditor

Certificate of Achievement for Excellence in Financial Reporting

Presented to

Skagit County
Washington

For its Comprehensive Annual
Financial Report
for the Fiscal Year Ended
December 31, 2011

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



Christopher P. Morill

President

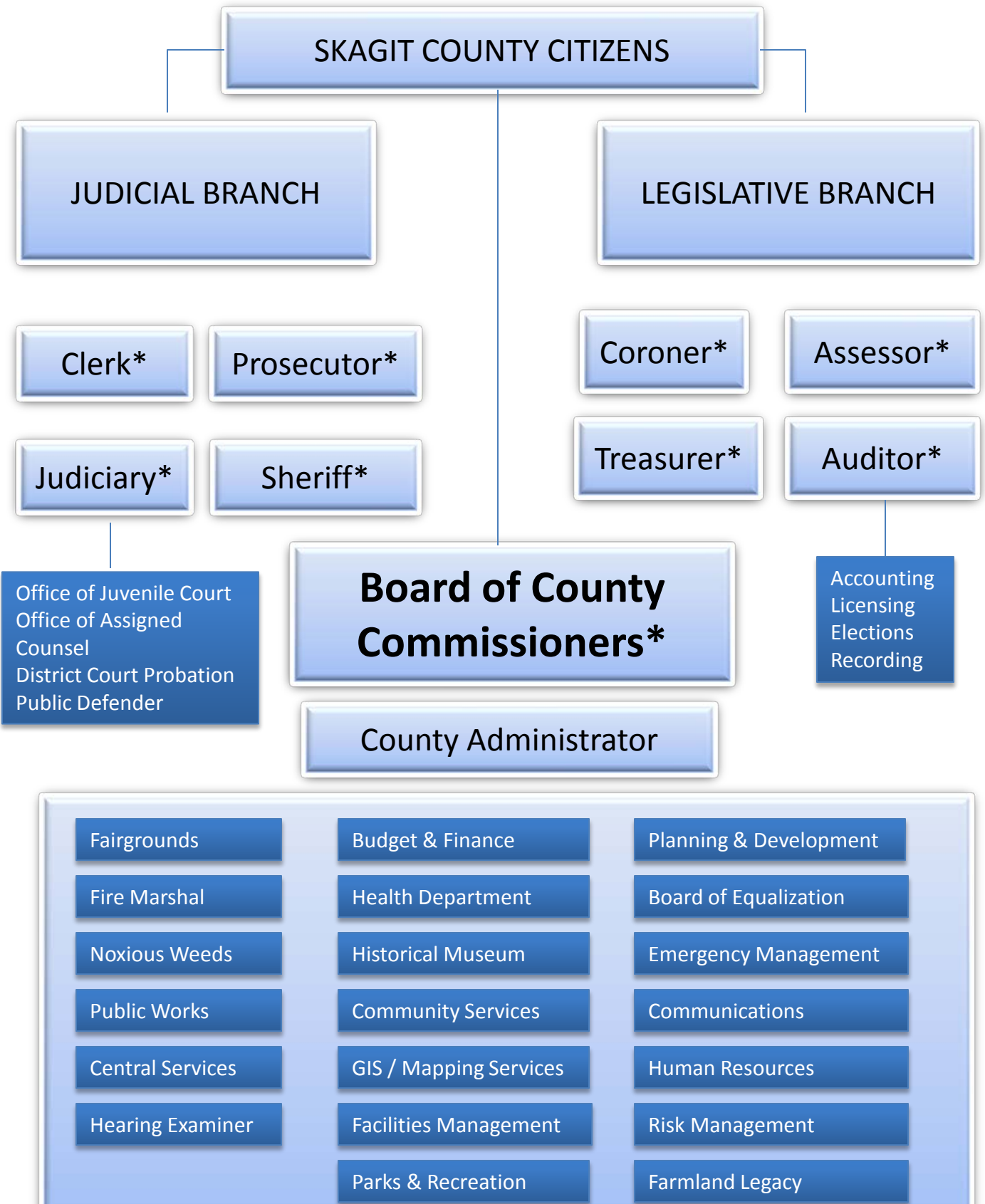
Jeffrey R. Emer

Executive Director

SKAGIT COUNTY, WASHINGTON ELECTED OFFICIALS

	TERM EXPIRES
COUNTY COMMISSIONERS	
DISTRICT NUMBER 1	RON WESEN DECEMBER 2016
DISTRICT NUMBER 2	KENNETH DAHLSTEDT DECEMBER 2016
DISTRICT NUMBER 3	SHARON DILLON DECEMBER 2014
SUPERIOR COURT JUDGES	
SUSAN COOK	DECEMBER 2016
MICHAEL RICKERT	DECEMBER 2016
JOHN MEYER.....	DECEMBER 2016
DAVE NEEDY	DECEMBER 2016
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

- | | | |
|------------------|------------------------|------------------------|
| Fairgrounds | Budget & Finance | Planning & Development |
| Fire Marshal | Health Department | Board of Equalization |
| Noxious Weeds | Historical Museum | Emergency Management |
| Public Works | Community Services | Communications |
| Central Services | GIS / Mapping Services | Human Resources |
| Hearing Examiner | Facilities Management | Risk Management |
| | Parks & Recreation | Farmland Legacy |

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Financial Section





**Washington State Auditor
Troy Kelley**

INDEPENDENT AUDITOR'S REPORT

June 27, 2013

Board of Commissioners
Skagit County
Mount Vernon, Washington

REPORT ON FINANCIAL STATEMENTS

We have audited the accompanying financial statements of the governmental activities, the business-type activities, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information of Skagit County, Washington, as of and for the year ended December 31, 2012, and the related notes to the financial statements, which collectively comprise the County's basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express opinions on these financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the County's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the County's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

Opinion

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information of Skagit County, Washington, as of December 31, 2012, and the respective changes in financial position and, where applicable, cash flows thereof, and the respective budgetary comparison for the General and County Road funds for the year then ended in accordance with accounting principles generally accepted in the United States of America.

As described in Note 1, during the year ended December 31, 2012, the County has implemented the Governmental Accounting Standards Board Statement No. 61, The financial Reporting Entity: Omnibus - an amendment of GASB Statements No. 14 and No. 34. Our opinion is not modified with respect to this matter.

Other Matters

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis on pages 3 through 13 be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Supplementary and Other Information


Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the County's basic financial statements as a whole. The accompanying information listed as combining financial statements and supplementary information and the Schedule of Expenditures of Federal Awards and Notes to Schedule of Expenditures of Federal Awards on pages 68 through 162, and 193 to 205 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 Section, the Statistical Section and the Schedule of State and Local Financial Assistance on pages 163 to 192, and 206 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.

OTHER REPORTING REQUIRED BY GOVERNMENT AUDITING STANDARDS

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

Sincerely,



TROY KELLEY
STATE AUDITOR

This discussion and analysis provides a narrative overview of Skagit County's financial activities for the fiscal year ended December 31, 2012. 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, 2012, total assets of the County exceeded total liabilities by \$386.7 million. Net invested in capital assets (net of depreciation and related debt) account for 86% of this amount, at \$330.5 million. Of the remaining Net Position, \$28.2 million was restricted for specific purposes and \$27 million was unrestricted.
- Ending net position for governmental activities was \$382.4 million. Of that amount, \$324.9 million was invested in capital assets, \$28.1 million was restricted, and \$29 million was unrestricted.
- Ending unassigned fund balance for the General Fund was \$11.9 million, an increase of \$1.2 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 \$6.5 million, a decrease of \$1.5 million over the previous year. This was mainly due to an increase in maintenance activities.
- Total long-term liabilities of the County were \$36.3 million at December 31, 2012.

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 Position 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 Position presents all of Skagit County's assets and liabilities, with the difference between the two reported as net position. Over time, changes in net position 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 position 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 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.

**Skagit County, Washington
Management's Discussion and Analysis
December 31, 2012**

Notes to the Financial Statements

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

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

GOVERNMENT-WIDE FINANCIAL ANALYSIS

Statement of Net Position

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

	Governmental		Business-Type		Total		% Change
	Activities		Activities				
	2012	2011	2012	2011	2012	2011	
ASSETS							
Current and Other Assets	\$80,160,553	\$76,307,640	\$5,424,307	\$9,081,818	\$85,584,860	\$85,389,458	0.23%
Capital Assets and							
Construction in Progress (Net of Depreciation)	332,647,756	336,314,212	16,686,185	12,867,395	349,333,941	349,181,607	0.04%
Total Assets	<u>412,808,309</u>	<u>\$412,621,852</u>	<u>22,110,492</u>	<u>\$21,949,213</u>	<u>434,918,801</u>	<u>434,571,065</u>	0.08%
LIABILITIES							
Long-Term Liabilities	19,280,981	20,233,275	17,032,112	18,001,940	36,313,093	38,235,215	-5.03%
Other Liabilities	11,073,169	11,117,862	797,339	867,357	11,870,508	11,985,219	-0.96%
Total Liabilities	<u>30,354,150</u>	<u>31,351,137</u>	<u>17,829,451</u>	<u>18,869,297</u>	<u>48,183,601</u>	<u>50,220,434</u>	-4.06%
NET POSITION							
Net Investments in Capital Assets	324,989,837	327,995,991	6,207,740	4,669,373	331,197,577	332,665,364	-0.44%
Restricted	28,152,145	29,091,499	-	-	28,152,145	29,091,499	-3.23%
Unrestricted	29,312,177	24,183,225	(1,926,699)	(1,589,457)	27,385,478	22,593,768	21.21%
Total Net Position	<u>\$382,454,159</u>	<u>381,270,715</u>	<u>\$4,281,041</u>	<u>3,079,916</u>	<u>\$386,735,200</u>	<u>\$384,350,631</u>	0.62%

Of the \$85.6 million in current and other assets at December 31, 2012, \$62.6 million is cash, cash equivalents and investments. A very small portion of this amount, \$2.0 million, is restricted for specific purposes. Accounts receivable and amounts due from other governments total \$15.3 million. Inventories/prepayments total \$5.3 million. The remaining \$0.3 million is deferred charges. Cash, cash equivalents and investments represented 73.2% (compared to 78% in 2011), while accounts receivable and amounts due from other governments accounted for 17.9% (compared to 12.9% from 2011).

At December 31, 2012, the County had outstanding long-term liabilities of \$36.3 million. Of this total, \$5.6 million was due within one year. See Note V of the notes to the financial statements for more information regarding long term debt. Other liabilities amounted to \$11.9 million. These represent primarily accounts payable and accrued liabilities due as a result of ordinary operations.

Skagit County, Washington
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The largest portion of the County's Net Position (85.5%) reflects its investment in capital assets, less any outstanding related debt used to acquire those assets. The County's capital assets are used to provide services to citizens and are therefore not available to finance future spending. Although the County's investment in capital assets is reported net of related debt, it should be noted that the resources needed to repay this debt must be provided from other sources, since the capital assets themselves cannot be used to liquidate these liabilities. In addition, 7.3% of the County's net position is subject to legal restrictions for specific purposes. The remaining balance of Net Position, \$28 million (7.3%), is unrestricted and may be used to finance ongoing general operations of the County.

Statement of Changes in Net Position

The County's total Net Position increased by \$2.7 million in 2012, primarily due to conservative approach to spending practices and unanticipated increases in unstable revenue sources. Governmental activities reflected an increase of \$1.5 million while the Net Position of business-type activities increased \$1.2 million. Key elements in these changes are shown in the following table:

	Changes in Net Assets					
	Governmental		Business-Type		Total	
	Activities		Activities		Primary Government	
	2012	2011	2012	2011	2012	2011
REVENUES						
Program Revenues						
Charges for Services	\$26,148,031	\$28,211,465	\$9,689,169	\$9,738,951	\$35,837,200	\$37,950,416
Operating Grants and Contributions	9,492,002	8,976,787	480,798	397,974	9,972,800	9,374,761
Capital Grants and Contributions	13,169,596	5,685,601	-	-	13,169,596	5,685,601
General Revenues						
Taxes	60,358,801	58,737,159	-	-	60,358,801	58,737,159
Interest Earnings on Investments	589,613	781,032	13,528	71,451	603,141	852,483
Gain/(Loss) on Sale of Assets		(118,394)	-	700	-	(117,694)
Total Revenues	109,758,043	\$102,273,650	10,183,495	\$10,209,076	119,941,538	112,482,726
PROGRAM EXPENSES						
General Government	32,996,294	29,694,591	-	-	32,996,294	29,694,591
Judicial	6,762,929	6,528,192	-	-	6,762,929	6,528,192
Public Safety	19,980,408	20,622,410	-	-	19,980,408	20,622,410
Physical Environment	2,729,881	2,672,643	-	-	2,729,881	2,672,643
Transportation	29,724,498	29,952,995	-	-	29,724,498	29,952,995
Economic Environment	3,233,397	3,162,607	-	-	3,233,397	3,162,607
Health and Human Services	10,391,910	10,387,711	-	-	10,391,910	10,387,711
Culture and Recreation	2,066,029	1,642,170	-	-	2,066,029	1,642,170
Solid Waste	-	-	6,952,600	7,252,470	6,952,600	7,252,470
Drainage Utility	-	-	1,716,453	1,412,499	1,716,453	1,412,499
Interest on Long Term Debt	222,519	516,260	498,826	545,115	721,345	1,061,375
Total Expenses	108,107,865	105,179,579	9,167,879	9,210,084	117,275,744	114,389,663
Excess (Deficiency) of Revenues Over (Under) Expenses before transfers	1,650,178	(2,905,929)	1,015,616	998,992	2,665,794	(1,906,937)
Transfers	(185,509)	9,142	185,509	(9,142)	-	-
Change in Net Position	1,464,669	(2,896,787)	1,201,125	989,850	2,665,794	(1,906,937)

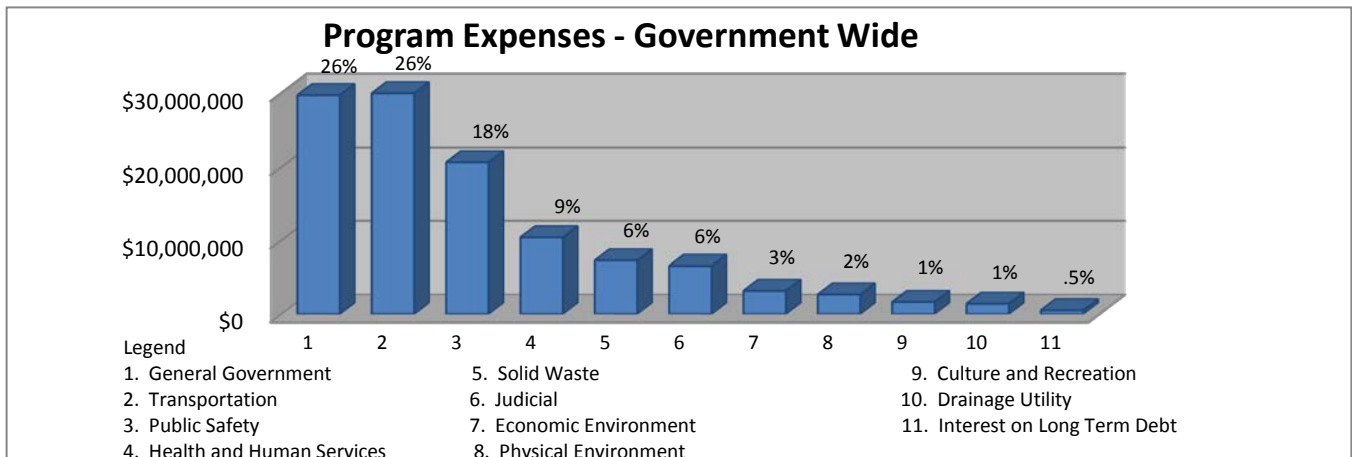
**Skagit County, Washington
Management's Discussion and Analysis
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Total revenues were \$119.9 million in 2012, an increase of \$7.4 million from 2011. The main reason for the increase is the construction project grants received in 2012. Governmental activities provided \$109.8 million (92%), while business-type activities added \$10.2 million. Within governmental activities, tax revenue accounted for 55% of total revenue sources, with grants and contributions accounting for 20.6% (up from 14.3% in 2011).

Charges for services accounted for 96.7% of the revenues of business type activities, with the remaining provided by interest and operating grants and contributions.

Total expenses for the year amounted to \$117.3 million, an increase of \$2.9 million from 2011. Governmental activities accounted for \$108.1 million (92%), with the largest program expenses in the areas of general government, transportation, and public safety. These three programs accounted for 76.5% of total governmental expenses. Of the \$9.2 million in business-type expenses, 76% is associated with the solid waste program, a 4.1% decrease from 2011.

The following graph illustrates 2012 government wide program spending:



FINANCIAL ANALYSIS OF THE COUNTY'S FUNDS

Governmental Funds Balance Sheet Analysis

The General Fund and County Road Fund are the County's major funds in 2012. Together these funds account for 49.2% of total governmental fund assets and 40.3% of total governmental fund balances.

As of December 31, 2012, the County's governmental funds reported combined fund balances of \$45.6 million, an increase from \$45.2 million in 2011. Of this amount, \$45,681 (.01%) is Nonspendable, \$30.9 million (67.7%) is Restricted, \$2.8 million (6.1%) is reported as Committed, and \$11.9 million (26%) is unassigned and available for spending within the designated funds. Nonspendable, Restricted, Committed, and Assigned fund balance of \$33.7 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.

Skagit County, Washington
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The General Fund is the primary operating fund of Skagit County. The unassigned fund balance of this fund increased from \$10.3 million at December 31, 2011, to \$11.9 million at December 31, 2012. Unassigned fund balance is 100% of the total fund balance. Total assets of the General Fund were \$19.5 million at December 31, 2012, accounting for 31.9% of total governmental fund assets. This represents an increase of \$1.1 million from 2011. These increases are a result of a conservative approach to spending policies as well as an increase in unstable revenue streams. Sales tax, and timber tax revenue increases constitute the main portion of unanticipated revenue sources.

Governmental Funds Revenue/Expenditure Analysis

Total revenues for governmental funds were \$110 million in 2012. This represents an increase of \$9 million from 2011. This was mainly due to grants received for transportation construction projects. During the same period, total expenditures increased \$14 million. This increase is reflected primarily in the County Road Fund and based on two major construction projects. The General Fund and the County Road fund account for 72.8% of all governmental fund revenue (up from 69% in 2011) and 68% of all expenditures (up from 65% in 2011).

The net change in fund balance for the General Fund in 2012 was a positive \$1.2 million. The decrease in fund balance for the County Road fund was \$1.5 million. The non-major governmental funds had an overall positive change in fund balances of \$1 million for 2012.

Enterprise Funds Net Position Analysis

Both enterprise funds of Skagit County, the Solid Waste Fund and the Drainage Utility Fund, are considered major funds for 2012. Comparative information from the proprietary funds' statement of Net Position is as follows:

	Solid Waste		Drainage Utility		Total	
	2012	2011	2012	2011	2012	2011
ASSETS						
Current Assets						
Cash and Cash Equivalents	\$1,823,196	\$5,500,155	\$2,784,564	\$2,955,436	\$4,607,760	\$8,455,591
Other Current Assets	1,015,240	821,292	86,637	111,323	1,101,877	932,615
Total Current Assets	2,838,436	\$6,321,447	2,871,201	\$3,066,759	5,709,637	9,388,206
Non-Current Assets						
Construction in Progress	8,636,979	6,528,022	666,271	671,931	9,303,250	7,199,953
Capital Assets	4,918,721	3,832,707	6,636,863	5,947,139	11,555,584	9,779,846
Less Accumulated Depreciation	(2,629,207)	(2,763,993)	(1,543,442)	(1,348,411)	(4,172,649)	(4,112,404)
Unamortized Debt Issue Costs	50,602	57,261	-	-	50,602	57,261
Total Non-Current Assets	10,977,095	7,653,997	5,759,692	5,270,659	16,736,787	12,924,656
Total Assets	13,815,531	\$13,975,444	8,630,893	\$8,337,418	22,446,424	22,312,862
LIABILITIES						
Current Liabilities						
Accounts/Vouchers Payable	493,285	667,001	189,917	69,909	683,202	736,910
Other Current Liabilities	1,428,823	1,448,847	119,246	120,249	1,548,069	1,569,096
Total Current Liabilities	1,922,108	2,115,848	309,163	190,158	2,231,271	2,306,006
Non-Current Liabilities						
Bonds Payable	9,679,046	10,507,186	-	-	9,679,046	10,507,186
Other Non-Current Liabilities	6,232,444	6,401,427	22,622	18,327	6,255,066	6,419,754
Total Non-Current Liabilities	15,911,490	16,908,613	22,622	18,327	15,934,112	16,926,940
Total Liabilities	17,833,598	19,024,461	331,785	208,485	18,165,383	19,232,946
NET POSITION						
Net Investment in Capital Assets	448,048	(601,286)	5,759,692	5,270,659	6,207,740	4,669,373
Unrestricted	(4,466,115)	(4,447,731)	2,539,416	2,858,274	(1,926,699)	(1,589,457)
Total Net Position	(\$4,018,067)	(5,049,017)	\$8,299,108	8,128,933	\$4,281,041	\$3,079,916

**Skagit County, Washington
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As of December 31, 2012, the enterprise funds reported combined Net Position of \$4.3 million (compared to \$3.1 million in 2011). This is the total of a \$4.0 million deficit in the Solid Waste Fund (down from \$5.1 million in 2011) and a positive \$8.3 million in the Drainage Utility Fund (up from \$8.1 million in 2011). The Solid Waste Fund reports an investment in capital assets, net of related debt, of \$.4 million. This is due to the closure and demolition of the incinerator in 2000, with the underlying debt remaining as a liability of the fund, as well as bonds issued for a new facility completed in 2012.

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	
	2012	2011	2012	2011	2012	2011
REVENUES						
Charges for Services	\$8,061,432	\$8,194,581	\$1,604,197	\$1,544,370	\$9,665,629	\$9,738,951
Intergovernmental	450,144	397,974	30,654	71,451	480,798	469,425
Interest Revenue	4,580	21,360	8,948	11,540	13,528	32,900
Miscellaneous Revenue	23,540	-			23,540	-
Total Revenues	8,539,696	\$8,613,915	1,643,799	\$1,627,361	10,183,495	10,241,276
EXPENSES						
Personal Services	1,615,247	1,623,038	584,845	579,949	2,200,092	2,202,987
Contractual Services	4,485,237	4,508,628		-	4,485,237	4,508,628
Other Supplies and Expenses	778,354	1,041,032	936,577	648,820	1,714,931	1,689,852
Depreciation	73,762	44,494	195,031	183,730	268,793	228,224
Loss on Disposition of Capital Assets	-	(700)		-	-	(700)
Interest Expense	498,826	613,293	-	-	498,826	613,293
Total Expenses	7,451,426	7,829,785	1,716,453	1,412,499	9,167,879	9,242,284
Income (Loss) Before Transfers	1,088,270	784,130	(72,654)	214,862	1,015,616	998,992
Capital Contributions	-	-	-	-	-	-
Interfund Transfers	(57,320)	-	242,829	(9,142)	185,509	(9,142)
Change in Net Position	1,030,950	784,130	170,175	205,720	1,201,125	989,850
Net Position, January 1	(5,049,017)	(6,340,766)	8,128,933	7,917,565	3,079,916	1,576,799
Prior Period Adjustment	-	507,619	-	5,648	-	513,267
Net Position, January 1 - Restated	(5,049,017)	(5,833,147)	8,128,933	7,923,213	3,079,916	2,090,066
Net Position, December 31	(\$4,018,067)	(5,049,017)	\$8,299,108	8,128,933	4,281,041	\$3,079,916

Revenues from the Solid Waste Fund represent 84% of the total revenues for enterprise funds in 2012, remaining the same as 2011. Total expenses for the funds were 90% of revenues, an increase from 84.7% in 2011.

**Skagit County, Washington
Management's Discussion and Analysis
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GENERAL FUND BUDGETARY HIGHLIGHTS

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

For the Year Ended December 31, 2012

	<u>Original</u>	<u>Final</u>	<u>Variance</u>
	<u>Budget</u>	<u>Budget</u>	<u>Favorable</u>
			<u>(Unfavorable)</u>
BUDGETED FUND BALANCE, JANUARY 1	\$ 1,775,551	\$ 4,993,905	\$3,218,354
RESOURCES (IN-FLOWS)			
Taxes	32,024,000	32,024,000	-
Licenses & Permits	27,000	27,000	-
Intergovernmental Revenue	6,880,858	7,103,671	222,813
Charges for Goods and Services	4,285,803	4,300,553	14,750
Fines and Forfeits	1,781,950	1,781,950	-
Interest Revenue	525,525	525,525	-
Miscellaneous Revenues	375,897	395,135	19,238
Transfers In	176,574	176,574	-
Total Resources (in-flows)	<u>46,077,607</u>	<u>46,334,408</u>	<u>256,801</u>
Amounts Available for Appropriation	<u>47,853,158</u>	<u>51,328,313</u>	<u>3,475,155</u>
CHARGES TO APPROPRIATIONS (OUT-FLOWS)			
General Government Services	17,650,310	18,820,742	(1,170,432)
Judicial	8,127,275	8,441,301	(314,026)
Public Safety	16,719,809	16,728,529	(8,720)
Physical Environment	404,151	506,957	(102,806)
Economic Environment	128,011	128,011	-
Health and Human Services	-	-	-
Culture and Recreation	361,060	361,700	(640)
Debt Service	56,667	56,667	-
Capital Expenditures	185,000	343,670	(158,670)
Transfers Out	4,220,875	5,940,736	(1,719,861)
Amount Charged to Appropriations (out-flows)	<u>47,853,158</u>	<u>51,328,313</u>	<u>(3,475,155)</u>
BUDGETED FUND BALANCE, DECEMBER 31	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>

**Skagit County, Washington
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The net increase in revenues in the final amended budget represented a favorable variance of .6%. The net increase in expenditures represented an unfavorable increase of .3%. Total budgeted expenditures increased more than revenue increased by approximately \$3.2 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, one-time capital and information services project contributions, reserve for pending claims, and establishing a budget for a murder case and pro se defendant expenses that are handled by the Office of Assigned Counsel.

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, 2012**

	Final Budget	Actual	Changes Favorable (Unfavorable)
FUND BALANCE, JANUARY 1	\$ 4,993,905	\$ 10,699,381	\$5,705,476
RESOURCES (IN-FLOWS)			
Taxes	32,024,000	33,485,928	1,461,928
Licenses & Permits	27,000	34,252	7,252
Intergovernmental Revenue	7,103,671	8,366,962	1,263,291
Charges for Goods and Services	4,300,553	4,332,473	31,920
Fines and Forfeits	1,781,950	1,719,310	(62,640)
Interest Revenue	525,525	441,399	(84,126)
Miscellaneous Revenues	395,135	730,590	335,456
Transfers In	176,574	176,094	(480)
Total Resources (in-flows)	<u>46,334,408</u>	<u>49,287,009</u>	<u>2,952,601</u>
Amounts Available for Appropriation	<u>51,328,313</u>	<u>59,986,390</u>	<u>8,658,077</u>
CHARGES TO APPROPRIATIONS (OUT-FLOWS)			
General Government Services	18,820,742	16,613,076	2,207,666
Judicial	8,441,301	8,192,507	248,794
Public Safety	16,728,529	16,212,356	516,173
Physical Environment	506,957	412,736	94,221
Economic Environment	128,011	112,339	15,672
Health and Human Services			0
Culture and Recreation	361,700	352,711	8,989
Debt Service	56,667	56,667	0
Capitalized Expenditures	343,670	313,118	30,552
Transfers Out	5,940,736	5,805,631	135,105
Amount Charged to Appropriations (out-flows)	<u>51,328,313</u>	<u>48,071,141</u>	<u>3,257,172</u>
FUND BALANCE, DECEMBER 31	<u>\$0</u>	<u>\$11,915,249</u>	<u>\$11,915,249</u>

The largest dollar variances are reflected in taxes and intergovernmental revenues. The increase in taxes category is attributable to an increase in sales tax revenue and timber tax increases. Revenues received from the State of Washington Department of Natural Resources

for the sale of timber exceeded the budget of \$596,000 by nearly \$1 million. It is important to note that while the budget was not adjusted, the projections throughout the year included this revenue stream as it was received.

Actual expenditures were 3% 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. 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.

CAPITAL ASSETS AND LONG TERM DEBT

Capital Assets

The County's net capital assets were \$335 million at December 31, 2012. Construction in progress was an additional \$14.2 million. Capital assets include land, development rights, buildings, improvements, furniture and equipment, and infrastructure. Details of 2012 capital asset transactions are presented in Note IV.D of the notes to the financial statements.

During 2012 the County continued construction and remodeling of real property for County use. Ongoing projects include several road construction projects, design of a new jail facility, recreation center improvements, miscellaneous small parks projects, and a solid waste transfer facility.

Long-Term Debt

At December 31, 2012, general obligation bonds payable as reported by governmental activities was \$11.8 million. This represents a \$1.2 million decrease from the prior year. Business type activities reported general obligation bonds payable of \$10.5 million, a decrease of \$.8 million.

The County's remaining legal capacity for non-voted debt at December 31, 2012 was approximately \$195.9 million.

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

ECONOMIC FACTORS

Despite the slight upturn, 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 2012 was 9.1% compared to 10.2% in December 2011. Sales tax collections for 2012, which accounted for approximately 14.7% of the County's General Fund budget, were up approximately 4.5% from collections in 2011 but still lag more than 7% behind the peak collections in 2008.

The County's overall financial position remains steady. Unassigned Net Position for governmental activities have increased by 24% compared to 2011. The County is not facing any foreseeable restrictions or other limitations that would significantly impact funding resources for future uses.

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

- In 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 2011, 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 Position** – presents information on all County governmental and business-type assets and liabilities, with the difference reported as Net Position.
- (2) **Government-wide Statement of Activities** – presents information on all County governmental and business-type revenues and expenses, with the difference reported as change in Net Position.

Fund Financial Statements

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

SKAGIT COUNTY, WASHINGTON

Statement of Net Position

December 31, 2012

	Primary Government			Component Units	
	Governmental Activities	Business-Type Activities	Total	EMS	CVA
ASSETS					
Cash and Cash Equivalents	\$ 49,359,237	\$ 4,607,760	\$ 53,966,997	\$ 96,403	\$ 607,405
Investments	8,671,594	-	8,671,594	3,339,132	
Accounts Receivables, Net	4,757,830	1,046,555	5,804,385		601,362
Due from Other Governments	9,417,639	55,322	9,472,961		
Internal Balances	335,932	(335,932)	-		
Inventories and Prepayments	5,299,325	0	5,299,325		
Deferred Charges	264,683	50,602	315,285		
Restricted Assets:			-		
Restricted for Debt Service:			-		
Cash/Cash Equivalents	81,751	-	81,751		
Investments	1,972,562	-	1,972,562		
Non Depreciated Capital Assets	170,978,606	793,060	171,771,666		
Capital Assets, Net	156,806,248	6,589,875	163,396,123	371,968	368,168
Construction in Progress	4,862,902	9,303,250	14,166,152		
Total Assets	412,808,309	22,110,492	434,918,801	3,807,503	1,576,935
LIABILITIES					
<u>Liabilities</u>					
Accounts Payable	7,959,972	683,201	8,643,173	34,615	53,392
Other Liabilities	2,740,548	114,138	2,854,686	21,838	161,658
Due to Other Governments	372,649	-	372,649	7,913	4,753
Long Term Liabilities:			-		
Due within One Year	4,410,123	1,190,433	5,600,556	59,293	342,845
Due in More Than One Year	14,870,858	15,841,679	30,712,537		
Total Liabilities	30,354,150	17,829,451	48,183,601	123,659	562,648
<u>Net Position</u>					
Net Investment in Capital Assets	324,989,837	6,207,740	331,197,577	371,968	368,168
Restricted for:					
General Government	4,786,615	-	4,786,615		
Public Safety	589,144	-	589,144		
Physical Environment	2,641,720	-	2,641,720		
Transportation	6,451,953	-	6,451,953		
Economic Environment	5,308,210	-	5,308,210		
Health & Human Services	6,013,592	-	6,013,592		
Culture and Recreation	309,598	-	309,598		
Debt Service	2,051,313	-	2,051,313		
Unrestricted	29,312,177	(1,926,699)	27,385,478	3,311,876	646,119
Total Net Position	\$ 382,454,159	\$ 4,281,041	\$ 386,735,200	\$ 3,683,844	\$ 1,014,287

SKAGIT COUNTY, WASHINGTON
Statement of Activities
For the Year Ended December 31, 2012

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Functions/Programs	Program Revenues				Net (Expenses) Revenues and Changes in Net Position			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	\$ 32,996,294	\$ 7,670,970	\$ 196,044	\$ -	\$ (25,129,280)	\$ -	\$ (25,129,280)	\$ -	\$ -
Judicial	6,762,929	3,923,771	978,434	-	(1,860,724)	-	(1,860,724)	-	-
Public Safety	19,980,408	2,813,154	1,996,676	289,587	(14,880,991)	-	(14,880,991)	-	-
Physical Environment	2,729,881	201,726	339,485	156,611	(2,032,059)	-	(2,032,059)	-	-
Transportation	29,724,498	6,756,935	1,079,583	12,171,265	(9,716,715)	-	(9,716,715)	-	-
Economic Environment	3,233,397	1,088,468	902,064	552,133	(690,732)	-	(690,732)	-	-
Health and Human Services	10,391,910	3,026,346	2,978,617	-	(4,386,947)	-	(4,386,947)	-	-
Culture and Recreation	2,066,029	666,661	1,021,099	0	(378,269)	-	(378,269)	-	-
Interest on Long Term Debt	222,519	-	-	-	(222,519)	-	(222,519)	-	-
Total Governmental Activities	<u>108,107,865</u>	<u>26,148,031</u>	<u>9,492,002</u>	<u>13,169,596</u>	<u>(59,298,236)</u>	<u>-</u>	<u>(59,298,236)</u>	<u>-</u>	<u>-</u>
Business-Type Activities									
Solid Waste	6,952,600	8,084,972	450,144	-	-	1,582,516	1,582,516	-	-
Drainage Utility	1,716,453	1,604,197	30,654	-	-	(81,602)	(81,602)	-	-
Total Business-Type Activities	<u>8,669,053</u>	<u>9,689,169</u>	<u>480,798</u>	<u>-</u>	<u>-</u>	<u>1,500,914</u>	<u>1,500,914</u>	<u>-</u>	<u>-</u>
Total Primary Government	<u>116,776,918</u>	<u>35,837,200</u>	<u>9,972,800</u>	<u>13,169,596</u>	<u>(59,298,236)</u>	<u>1,500,914</u>	<u>(57,797,322)</u>	<u>-</u>	<u>-</u>
Component Unit									
Emergency Medical Services Commission	3,919,042	16,040	4,095,548	-	-	-	-	192,546	0
Central Valley Ambulance Authority	4,142,699	2,550,986	1,517,350	43,320	-	-	-	-	(31,043)
Total Component Unit	<u>8,061,741</u>	<u>2,567,026</u>	<u>5,612,898</u>	<u>43,320</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>192,546</u>	<u>(31,043)</u>
General Revenues									
Property Taxes					41,460,187	-	41,460,187	-	-
Sales/Use Taxes					16,447,958	-	16,447,958	-	-
Other Taxes					2,450,656	-	2,450,656	-	-
Interest and Investment Earnings					589,613	(485,298)	104,315	3,669	-
Total General Revenues					<u>60,948,414</u>	<u>(485,298)</u>	<u>60,463,116</u>	<u>3,669</u>	<u>-</u>
Transfers					(185,509)	185,509	-	-	-
Total General Revenues and Transfers					<u>60,762,905</u>	<u>(299,789)</u>	<u>60,463,116</u>	<u>3,669</u>	<u>-</u>
Change in Net Position					<u>1,464,669</u>	<u>1,201,125</u>	<u>2,665,794</u>	<u>196,215</u>	<u>(31,043)</u>
Net Position, January 1					<u>381,270,713</u>	<u>3,079,916</u>	<u>384,350,629</u>	<u>3,487,629</u>	<u>1,045,330</u>
Prior Period Adjustments					(281,223)	-	(281,223)	-	-
Net Position, January 1, as Restated					<u>380,989,490</u>	<u>3,079,916</u>	<u>384,069,406</u>	<u>3,487,629</u>	<u>1,045,330</u>
Net Position, December 31					<u>\$ 382,454,159</u>	<u>\$ 4,281,041</u>	<u>\$ 386,735,200</u>	<u>\$ 3,683,844</u>	<u>\$ 1,014,287</u>

See accompanying notes to the financial statements

SKAGIT COUNTY, WASHINGTON

Balance Sheet Governmental Funds December 31, 2012

	Major Funds			Total
	General Fund	County Road Fund	Other Governmental Funds	
ASSETS and OUTFLOWS of RESOURCES				
Cash and Cash Equivalents	\$ 13,042,194	\$ 4,085,570	\$ 16,762,105	\$ 33,889,869
Investments	-	285,139	10,359,017	10,644,156
Taxes Receivable	1,045,780	454,081	327,408	1,827,269
Accounts Receivable, Net	1,976,718	413,705	51,420	2,441,843
Interest Receivable	14,699	-	-	14,699
Due from Other Funds	1,813,032	366,648	420,379	2,600,059
Due from Other Governments	1,597,489	4,935,619	2,818,238	9,351,346
Interfund Loans Receivable	0	-	263,500	263,500
Inventories and Prepayments	2,988	-	42,681	45,669
Total Assets	19,492,900	10,540,762	31,044,748	61,078,410
Deferred Outflows of Resources				
Total Assets and Deferred Outflows of Resources				
	19,492,900	10,540,762	31,044,748	61,078,410
LIABILITIES, DEFERRED INFLOWS of RESOURCES and FUND BALANCES				
<u>Liabilities</u>				
Accounts and Vouchers Payable	641,175	1,348,581	1,664,727	3,654,483
Due to Other Funds	2,130,947	2,041,623	547,685	4,720,255
Due to Other Governmental Units	7,628	-	365,420	373,048
Accrued Wages Payable	859,047	211,517	254,931	1,325,495
Accrued Employee Benefits	149,455	38,575	62,595	250,625
Custodial Accounts	697,065	(5,568)	57,190	748,687
Deferred Revenue	3,092,334	454,081	581,338	4,127,753
Interfund Loans Payable	-	-	263,500	263,500
Total Liabilities	7,577,651	4,088,809	3,797,386	15,463,846
Deferred Inflows of Resources				
<u>Fund Balance</u>				
Nonspendable			45,681	45,681
Restricted	-	6,451,953	24,425,428	30,877,381
Committed	-	-	2,776,253	2,776,253
Assigned		-	0	-
Unassigned	11,915,249	-	0	11,915,249
Total Fund Balances	11,915,249	6,451,953	27,247,362	45,614,564
Total Liabilities, Deferred Inflows of Resources and Fund Balances				
	\$ 19,492,900	\$ 10,540,762	\$ 31,044,748	\$ 61,078,410

SKAGIT COUNTY, WASHINGTON
Reconciliation of the Governmental Funds Balance Sheet
To the Statement of Net Position
December 31, 2012

Total fund balances as shown on the Governmental Fund Balance Sheet	\$ 45,614,564
Net capital assets of governmental funds as of December 31, 2012 Capital assets used in the activities of governmental funds are not financial resources and therefore are not reported in the funds.	324,592,280
Revenues deferred in the governmental funds and recognized as revenue of the current period on the statement of activities.	3,898,287
Net Position of the internal service funds Internal service funds are included in governmental activities on the statement of net assets.	27,005,370
Balance of long-term liabilities of the governmental funds as of December 31, 2012 Liabilities not due and payable in the current period are not reported in the governmental funds.	(18,656,342)
Total Net Position as reported on the Statement of Net Position	<hr/> <u>\$ 382,454,159</u>

SKAGIT COUNTY, WASHINGTON
Statement of Revenues, Expenditures and Changes in Fund Balance
Governmental Funds
For the Year Ended December 31, 2012

	Major Funds			Total
	General Fund	County Road Fund	Other Governmental Funds	
Revenues				
Property Taxes	\$ 23,436,996	\$ 10,797,049	\$ 7,035,966	\$ 41,270,011
Sales and Use Taxes	7,894,611	287,137	8,266,210	16,447,958
Other Taxes	2,154,321	46,854	249,481	2,450,656
Licenses and Permits	34,252	65,429	939,870	1,039,551
Intergovernmental Revenues	8,366,962	17,801,672	7,301,023	33,469,657
Charges for Services	4,332,473	1,869,335	4,107,840	10,309,648
Fines and Forfeits	1,719,310	-	133,487	1,852,797
Interest Earnings	441,399	19,763	123,409	584,571
Donations	15,777	-	558,529	574,306
Other Revenues	714,813	113,616	1,190,859	2,019,288
Total Revenues	<u>49,110,914</u>	<u>31,000,855</u>	<u>29,906,674</u>	<u>110,018,443</u>
Expenditures				
Current:				
General Government	16,613,076	502,045	996,840	18,111,961
Judicial	8,192,507	-	-	8,192,507
Public Safety	16,212,356	-	9,036,694	25,249,050
Physical Environment	412,737	-	3,170,363	3,583,100
Transportation	-	18,790,606	162,426	18,953,032
Economic Environment	112,338	-	3,489,865	3,602,203
Health and Human Services	-	-	12,060,459	12,060,459
Culture and Recreation	352,710	-	2,183,710	2,536,420
Debt Service:				
Principal	56,667	-	1,156,452	1,213,119
Interest	-	-	565,948	565,948
Capital Outlay	313,118	12,610,655	2,099,983	15,023,756
Total Expenditures	<u>42,265,509</u>	<u>31,903,306</u>	<u>34,922,740</u>	<u>109,091,555</u>
Excess (Deficit) Revenues Over Expenditures	<u>6,845,405</u>	<u>(902,451)</u>	<u>(5,016,066)</u>	<u>926,888</u>
Other Financing Sources (Uses)				
Issuance of Long Term Debt	-	-	353,939	353,939
Proceeds from Sale of Capital Assets	-	1,672	6,500	8,172
Transfers In	176,094	-	8,632,287	8,808,381
Transfers Out	(5,805,631)	(640,149)	(2,952,287)	(9,398,067)
Total Other Financing Source (Uses)	<u>(5,629,537)</u>	<u>(638,477)</u>	<u>6,040,439</u>	<u>(227,575)</u>
Net Change in Fund Balance	1,215,868	(1,540,928)	1,024,373	699,313
Fund Balance, January 1	10,699,381	7,992,881	26,504,212	45,196,474
Prior Period Adjustment	-	-	(281,223)	(281,223)
Fund Balance, January 1, as restated	<u>10,699,381</u>	<u>7,992,881</u>	<u>26,222,989</u>	<u>44,915,251</u>
Fund Balance, December 31	<u>\$ 11,915,249</u>	<u>\$ 6,451,953</u>	<u>\$ 27,247,362</u>	<u>\$ 45,614,564</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, 2012

Net change in fund balances as shown on the Governmental Funds Statement of Revenues, Expenditures and Changes in Fund Balance	\$	699,313
Net Capital Asset Activity		(3,766,160)
<p style="margin-left: 20px;">Purchases of capital assets are reported as expenditures in the governmental funds. On the government wide statements they are reported as assets and depreciated over their estimated useful lives.</p>		
Net Internal Service Fund Activity		3,454,698
<p style="margin-left: 20px;">Internal service funds are included in governmental activities on the statement of Net Position</p>		
Net Long-Term Debt Activity		886,642
<p style="margin-left: 20px;">In the governmental funds statements, proceeds of long term debt are considered revenues and debt principal payments are considered expenditures. These transactions are reported as increases and decreases in long-term debt liabilities on the government wide statements.</p>		
Net change in deferred revenues and revenues not reportable on the modified accrual basis		190,176
<p style="margin-left: 20px;">Revenues are reported on the modified accrual basis for the governmental funds statements and on the full accrual basis for the statement of activities.</p>		
		190,176
Change in Net Position as reflected in the Statement of Activities	\$	1,464,669

SKAGIT COUNTY, WASHINGTON
Statement of Revenues, Expenditures and Changes in Fund Balances - Budget to Actual
General Fund
For the Year Ended December 31, 2012

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance</u>
	<u>Original</u>	<u>Final</u>		
Budgeted Fund Balance, January 1	\$1,775,551	\$ 4,993,905	\$ 10,699,381	
Resources (in-flows)				
Taxes	32,024,000	32,024,000	33,485,928	1,461,928
Licenses and Permits	27,000	27,000	34,252	7,252
Intergovernmental Revenue	6,880,858	7,103,671	8,366,962	1,263,291
Charges for Services	4,285,803	4,300,553	4,332,473	31,920
Fines and Forfeits	1,781,950	1,781,950	1,719,310	(62,640)
Interest Revenue	525,525	525,525	441,399	(84,126)
Miscellaneous Revenues	375,897	395,135	730,590	335,455
Transfers In	176,574	176,574	176,094	(480)
Total Resources (in-flows)	<u>46,077,607</u>	<u>46,334,408</u>	<u>49,287,008</u>	<u>2,952,600</u>
Amounts Available for Appropriation	47,853,158	51,328,313	59,986,389	
Charges to Appropriations (out-flows)				
General Government	17,650,310	18,820,742	16,613,076	(2,207,666)
Judicial	8,127,275	8,441,301	8,192,507	(248,794)
Public Safety	16,719,809	16,728,529	16,212,356	(516,173)
Physical Environment	404,151	506,957	412,737	(94,220)
Economic Environment	128,011	128,011	112,338	(15,673)
Health and Human Services				-
Culture and Recreation	361,060	361,700	352,710	(8,990)
Debt Service	56,667	56,667	56,667	-
Capital Expenditures	185,000	343,670	313,118	(30,552)
Transfers Out	4,220,875	5,940,736	5,805,631	(135,105)
Amount Charged to Appropriations (out-f	<u>47,853,158</u>	<u>51,328,313</u>	<u>48,071,140</u>	<u>(3,257,173)</u>
Budgeted Fund Balance, December 31	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 11,915,249</u>	

SKAGIT COUNTY, WASHINGTON
Statement of Revenues, Expenditures and Changes in Fund Balances - Budget to Actual
County Road Fund
For the Year Ended December 31, 2012

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance</u>
	<u>Original</u>	<u>Final</u>		
Budgeted Fund Balance, January 1	\$ 9,468,637	\$ 9,468,637	\$ 7,992,881	
Resources (in-flows)				
General Property Taxes	9,922,000	9,922,000	10,797,049	875,049
Timber Harvest Taxes	200,000	200,000	287,137	87,137
Excise Taxes	40,000	40,000	46,854	6,854
Licenses and Permits	41,000	41,000	65,429	24,429
Intergovernmental Revenues	22,905,060	22,905,060	17,801,672	(5,103,388)
Charges for Services	1,738,000	1,738,000	1,869,335	131,335
Interest Earnings	21,000	21,000	19,763	(1,237)
Other Revenue	570,100	570,100	115,288	(454,812)
Total Resources (in-flows)	<u>35,437,160</u>	<u>35,437,160</u>	<u>31,002,527</u>	<u>(4,434,633)</u>
Amounts Available for Appropriation	44,905,797	44,905,797	38,995,408	
Charges to Appropriations (out-flows)				
General Government	95,629	95,629	502,045	406,416
Transportation	26,460,611	26,460,611	18,790,606	(7,670,005)
Capital Expenditures	18,081,000	18,081,000	12,610,655	(5,470,345)
Transfers Out	268,557	268,557	640,149	371,592
Amount Charged to Appropriations (out-flows)	<u>44,905,797</u>	<u>44,905,797</u>	<u>32,543,455</u>	<u>(12,362,342)</u>
Budgeted Fund Balance, December 31	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 6,451,953</u>	

SKAGIT COUNTY, WASHINGTON

Statement of Net Position

Proprietary Funds

December 31, 2012

	Business-Type Activities Enterprise Funds			Governmental Activities
	Solid Waste	Drainage Utility	Total	*Internal Service Funds
ASSETS				
<u>Current Assets</u>				
Cash/Cash Equivalents	\$ 1,823,196	\$ 2,784,564	\$ 4,607,760	\$ 15,551,119
Accounts Receivable	959,918	86,637	1,046,555	474,019
Due From Other Funds		-	-	3,074,538
Due from Other Governments	55,322	-	55,322	66,293
Inventories/Prepayments	-	-	-	5,253,656
Total Current Assets	2,838,436	2,871,201	5,709,637	24,419,625
<u>Non-Current Assets</u>				
Capital Assets				
Land	595,379	197,681	793,060	-
Buildings	1,214,277	-	1,214,277	180,888
Improvements	1,301,780	6,409,613	7,711,393	-
Machinery and Equipment	1,807,285	29,569	1,836,854	17,011,187
Less Accumulated Depreciation	(2,629,207)	(1,543,442)	(4,172,649)	(9,136,599)
Construction In Progress	8,636,979	666,271	9,303,250	-
Unamortized Debt Issuance Costs	50,602	-	50,602	-
Total Non-Current Assets	10,977,095	5,759,692	16,736,787	8,055,476
Total Assets	13,815,531	8,630,893	22,446,424	32,475,101
LIABILITIES AND FUND EQUITY				
<u>Current Liabilities</u>				
Accounts/Vouchers Payable	493,285	189,917	683,201	4,305,488
Due to Other Funds	234,413	101,518	335,932	618,012
Interest Payable	36,843	-	36,843	-
Interfund Loans Payable				
Accrued Wages Payable	49,813	15,260	65,073	123,845
Accrued Employee Benefits	9,754	2,468	12,222	18,703
Accrued Taxes Payable	-	-	-	-
Other Accrued Liabilities	248,000	-	248,000	3,000
Bonds Payable	850,000	-	850,000	-
Total Current Liabilities	1,922,108	309,163	2,231,271	5,069,048
<u>Non-Current Liabilities</u>				
Compensated Absences	69,811	22,622	92,433	202,355
Post Closure Landfill Costs	3,172,349	-	3,172,349	-
Environmental Liability	2,990,284	-	2,990,284	198,328
Bonds Payable	9,679,046	-	9,679,046	-
Total Non-Current Liabilities	15,911,490	22,622	15,934,112	400,683
Total Liabilities	17,833,598	331,785	18,165,383	5,469,730
<u>Net Position</u>				
Net Investment in Capital Assets	448,048	5,759,692	6,207,740	8,055,476
Unrestricted	(4,466,115)	2,539,416	(1,926,699)	18,949,894
Total Net Position	\$ (4,018,067)	\$ 8,299,108	\$ 4,281,041	\$ 27,005,370

See accompanying notes to the financial statements

*See Internal Service Funds section

SKAGIT COUNTY, WASHINGTON
Statement of Revenues, Expenses and Changes in Fund Net Position
Proprietary Funds
For the Year Ended December 31, 2012

	Business - Type Activities Enterprise Funds			Governmental Activities
	Solid Waste	Drainage Utility	Total	*Internal Service Funds
<u>Operating Revenues</u>				
Charges for Services	\$ 8,061,432	\$ 1,604,197	\$ 9,665,629	\$ 15,309,311
Other Operating Revenue		-	-	10,821,384
Total Operating Revenues	<u>8,061,432</u>	<u>1,604,197</u>	<u>9,665,629</u>	<u>26,130,695</u>
<u>Operating Expenses</u>				
Personnel Services	1,615,247	584,845	2,200,092	4,366,234
Contractual Services	4,485,237	-	4,485,237	1,764,806
Supplies and Expenses	778,354	936,577	1,714,931	7,403,951
Depreciation	73,762	195,031	268,793	1,000,372
Payment to Claimants	-	-	-	8,367,754
Total Operating Expenses	<u>6,952,600</u>	<u>1,716,453</u>	<u>8,669,053</u>	<u>22,903,117</u>
Operating Income (Loss)	<u>1,108,832</u>	<u>(112,256)</u>	<u>996,576</u>	<u>3,227,578</u>
<u>Non-Operating Revenue (Expenses)</u>				
Intergovernmental Revenue	450,144	30,654	480,798	-
Interest Revenue	4,580	8,948	13,528	5,042
Miscellaneous Revenue	23,540	-	23,540	11,713
Gain (Loss) on Disposition of Capital Assets	-	-	-	(193,812)
Interest Expense	(498,826)	-	(498,826)	-
Miscellaneous Expense	-	-	-	-
Total Non-Operating Revenue (Expenses)	<u>(20,562)</u>	<u>39,602</u>	<u>19,040</u>	<u>(177,057)</u>
Income (Loss) before Transfers	1,088,270	(72,654)	1,015,616	3,050,521
Transfers In	-	252,829	252,829	404,177
Transfers Out	(57,320)	(10,000)	(67,320)	-
Change in Net Position	<u>1,030,950</u>	<u>170,175</u>	<u>1,201,125</u>	<u>3,454,698</u>
Net Position, January 1	(5,049,017)	8,128,933	3,079,916	23,550,672
Prior Period Adjustment	-	-	-	-
Net Position, January 1, as Restated	<u>(5,049,017)</u>	<u>8,128,933</u>	<u>3,079,916</u>	<u>23,550,672</u>
Net Position, December 31	<u>\$ (4,018,067)</u>	<u>\$ 8,299,108</u>	<u>\$ 4,281,041</u>	<u>\$ 27,005,370</u>

SKAGIT COUNTY, WASHINGTON
Statement of Cash Flows
Proprietary Funds
For the Year Ended December 31, 2012

	Business - Type Activities Enterprise Funds			Governmental Activities
	Solid Waste	Drainage Utility	Total	*Internal Service Funds
Cash Flows from Operating Activities:				
Receipts from Customers	\$ 7,818,083	\$ 1,602,017	\$ 9,420,100	\$ 1,145,311
Receipts from Interfund Services Provided	-	-	-	24,589,692
Payments to Employees	(1,630,093)	(583,518)	(2,213,611)	(4,848,526)
Payments to Suppliers	(4,842,012)	(603,844)	(5,445,856)	(7,426,840)
Payments to Claimants	-	-	-	(8,452,160)
Payments for Interfund Services Used	(854,200)	(210,761)	(1,064,961)	(1,545,856)
Miscellaneous Receipts	-	-	-	74,653
Miscellaneous Payments	23,540	-	23,540	-
Net Cash Provided (Used)	<u>515,318</u>	<u>203,894</u>	<u>719,212</u>	<u>3,536,274</u>
Cash Flows From Non-Capital Financing Activities:				
Operating Grants Received	499,531	57,521	557,052	-
Transfers to Other Funds	-	242,829	242,829	(218,642)
Net Cash Provided (Used)	<u>499,531</u>	<u>300,350</u>	<u>799,881</u>	<u>(218,642)</u>
Cash Flows from Capital and Related Financing Activities:				
Proceeds from Capital Grant	-	-	-	124,985
Purchases of Capital Assets	(3,403,518)	(684,064)	(4,087,582)	(1,303,700)
Proceeds from Sale of Capital Assets	-	-	-	307,645
Principal Paid on Capital Debt	(820,000)	-	(820,000)	-
Interest Paid on Capital Debt	(472,870)	-	(472,870)	-
Other Receipts (Payments)	-	-	-	-
Net Cash Provided (Used)	<u>(4,696,388)</u>	<u>(684,064)</u>	<u>(5,380,452)</u>	<u>(871,070)</u>
Cash Flows from Investing Activities:				
Sale of Investments	-	-	-	-
Interest Earnings	4,580	8,948	13,528	5,041
Net Cash Provided	<u>4,580</u>	<u>8,948</u>	<u>13,528</u>	<u>5,041</u>
Net Change in Cash and Cash Equivalents	(3,676,959)	(170,872)	(3,847,831)	2,451,603
Balance, January 1	5,500,156	2,955,436	8,455,592	13,099,516
Balance, December 31	<u>\$ 1,823,197</u>	<u>\$ 2,784,564</u>	<u>\$ 4,607,762</u>	<u>\$ 15,551,119</u>

SKAGIT COUNTY, WASHINGTON
Statement of Cash Flows
Proprietary Funds
For the Year Ended December 31, 2012

	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)	\$ 1,108,832	\$ (112,256)	\$ 996,576	\$ 3,227,578
Adjustments to Reconcile Operating Income to Net Cash Provided (Used) by Operating Activities:				
Depreciation Expense	73,762	195,033	268,795	1,000,372
Miscellaneous Receipts	23,540	-	23,540	209,180
Changes in Assets and Liabilities:				
Receivables, Net	(243,349)	(2,181)	(245,530)	(530,220)
Prepayments	-	-	-	(413,773)
Inventories	-	-	-	218,898
Accounts and Other Payables	(447,467)	123,298	(324,169)	(175,761)
Net Cash Provided (Used) by Operating Activities	<u>\$ 515,318</u>	<u>\$ 203,894</u>	<u>\$ 719,212</u>	<u>\$ 3,536,274</u>

SKAGIT COUNTY, WASHINGTON

Statement of Fiduciary Net Position

Fiduciary Funds

December 31, 2012

	<u>Agency Funds</u>
ASSETS	
Cash	\$ 37,072,033
Investments	244,314,901
Taxes Receivable	6,062,772
Deposits	<u>2,422</u>
Total Assets	<u><u>\$287,452,128</u></u>
LIABILITIES	
Warrants Payable	\$23,965,018
Custodial Accounts	<u>263,487,110</u>
Total Liabilities	<u><u>\$ 287,452,128</u></u>

Skagit County, Washington
Notes to the Financial Statements
December 31, 2012

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," and GASB Statement No. 61, "The Financial Reporting Entity: Omnibus." Accordingly, the County reports as component units those entities for which the County appoints a voting majority of the board of directors, upon which the County is able to impose its will, or where a financial benefit or burden exists.

The 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 2018. The Board of County Commissioners appoints the members of the EMS board and has final approval on the EMS operating budget. As of July 1, 2009, EMS no longer directly provided emergency medical services in Central Skagit County as per Ordinance #O20090003 adopted by the Board of County Commissioners.

In 2009, the Board of County commissioners engaged a consultant to analyze the service delivery of emergency medical services in Skagit County and that consultant made recommendations for certain changes. Based on that consultant's recommendations, 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 Board of County Commissioners appoints the members of the CVAA board and has final approval on the CVAA operating budget. The Central Valley Ambulance Authority is a governmental agency providing emergency medical care and transportation services to the citizens of Skagit County, mainly their response coverage area. CVAA began its operations July 1, 2009.

Skagit County, Washington
Notes to the Financial Statements
December 31, 2012

Both EMS and CVAA are presented discreetly in the Government-Wide financial statements, as required by GASB Statement No. 39, "Determining Whether Certain Organizations are Component Units," and GASB Statement No. 61, "The Financial Reporting Entity: Omnibus."

More information concerning both the EMS Commission including complete financial statements can be obtained at their office located at 2911 E College Way Ste C, Mount Vernon, WA 98273. More information for the CVAA Authority, including complete financial statements can be obtained at their office located at 2015-A Hospital Drive, Sedro-Woolley, WA 98284.

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

Housing Authority Board of Skagit County
LaConner Regional Library Board
Public Facilities District Board
Sedro-Woolley SD Rural Library Board
Upper Skagit Library District

Government-Wide and Fund Financial Statements

Government-wide financial statements consist of the statement of net position and the statement of activities. These statements report information on all of the non-fiduciary activities of the primary government and its component units. For the most part, the effect of interfund activity has been removed from these statements. Governmental activities, which normally are supported by taxes and intergovernmental revenues, are reported separately from business-type activities, which rely to a significant extent on fees and charges for support. The component units are reported separately from the county.

The statement of activities reflects the degree to which the direct expenses of a given function or segment are offset by program revenues. Direct expenses are those that are clearly identifiable with a specific function or segment. Additionally, the County allocates a portion of its indirect costs to individual functions. These indirect costs have been included as part of the program expenses reported for the various functional activities.

The County reports the following functions/programs:

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

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

Public Safety – Protection and safety of the citizenry at large, 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.

Skagit County, Washington
Notes to the Financial Statements
December 31, 2012

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

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

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

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

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

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

Measurement Focus, Basis of Accounting and Financial Statement Presentation

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

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

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

Skagit County, Washington
Notes to the Financial Statements
December 31, 2012

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.

Skagit County reports two major proprietary funds:

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

Additionally, the County reports the following fund types:

- Internal Service Funds account for equipment rental, insurance, unemployment, and technology services provided to County departments and to other governments on a cost reimbursement basis.
- Agency Funds are custodial in nature and do not present results of operations or have a measurement focus. These funds account for assets (such as property taxes collected on behalf of other governments) that the County holds for others in an agency capacity. Agency funds include 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, with the exception of compliance with GASB Statement No. 62, *"Codification of Accounting and Financial Reporting Guidance Contained in Pre-November 30, 1989 FASB and AICPA Pronouncements"*.

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.

Skagit County, Washington
Notes to the Financial Statements
December 31, 2012

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

Assets, Liabilities, and Equity

Cash and Cash Equivalents

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

Investments – See Note IV

Receivables and Payables

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

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

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

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.

Skagit County, Washington
Notes to the Financial Statements
December 31, 2012

The restricted assets of the enterprise and related debt service funds are composed of the following:

Special Assessments – Current	\$1,470,508
Special Assessments – Delinquent	102,179
Cash and Investments – Debt Service	1,064,774
Cash and Investments – Construction	1,046,049

Capital Assets – See Note IV

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

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

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

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

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 \$1,064,774. Of this amount, \$1,046,049 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

Skagit County, Washington
Notes to the Financial Statements
December 31, 2012

Compensated Absences

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

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

Deferred Revenues

This account includes amounts recognized as receivables but not revenues in governmental funds because the revenue recognition criteria have not been met.

Long-Term Obligations – See Note V

Fund Equity

Fund equity is recognized as fund balance in government fund types, and as net position in proprietary fund types. net position may be subject to legal restriction for a particular purpose. Unless otherwise noted, net position 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.

Skagit County, Washington
Notes to the Financial Statements
December 31, 2012

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.

The following shows the composition of the fund balance of the government funds for the fiscal year ended December 31, 2012:

Fund Balances:	General Fund	County Road Fund	Capital Projects Funds	Debt Service Funds	Other Government funds	Total
<i>Nonspendable:</i>						
Inventory					45,681	45,681
Loan Receivable						-
<i>Restricted For:</i>						-
General Govt Services			1,772,472	2,051,313	1,117,436	4,941,221
Public Safety					1,277,336	1,277,336
Utilities					2,634,373	2,634,373
Transportation		6,451,953			777,272	7,229,225
Natural & Economic Env			3,892,500		1,026,355	4,918,855
Social Services					7,302,225	7,302,225
Cultural & Recreation			2,264,548		309,598	2,574,146
<i>Committed to:</i>						-
General Govt Services					56,085	56,085
Judicial Activities						-
Public Safety					420,282	420,282
Utilities					931,198	931,198
Social Services					241,770	241,770
Cultural & Recreation					1,126,918	1,126,918
<i>Assigned to:</i>						-
<i>Unassigned</i>	11,915,249					11,915,249
Total Fund Balances	11,915,249	6,451,953	7,929,520	2,051,313	17,266,529	45,614,564

II. RECONCILIATION OF GOVERNMENT-WIDE AND FUND FINANCIAL STATEMENTS

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

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

Skagit County, Washington
Notes to the Financial Statements
December 31, 2012

<u>Net Capital Assets</u>		
Total Capital Assets		\$ 571,438,872
Less Accumulated Depreciation		(251,709,494)
Construction in Progress		4,862,902
	Net Capital Assets	324,592,280
<u>Long-Term Liabilities</u>		
Bonds Payable		\$ 11,825,000
Unamortized Bond Issue Costs		(264,683)
Unamortized Bond Discounts/Premiums		24,281
Loans Payable		3,848,382
Compensated Absences Liability		2,948,418
OPEB Liability		231,217
Accrued Interest Payable on Long-Term Liabilities		43,727
	Long Term Liabilities	\$ 18,656,342

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		\$ 14,840,366
Depreciation Expense		(18,606,526)
	Net Capital Assets	(3,766,160)
<u>Net Long-Term Debt Activity</u>		
Proceeds of Long Term Debt		\$ (353,939)
Principal Payments		1,567,057
Amortization of Bond Discounts/Premiums		15,959
Amortization of Bond Issue Costs		(26,468)
Change in Compensated Absences Liability		(410,130)
Change in OPEB Liability		94,163
	Net Long-Term Debt Activity	\$ 886,642

III. STEWARDSHIP, COMPLIANCE AND ACCOUNTABILITY

Scope of Budget

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

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

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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 preliminary budget is made available to the public at least 2 weeks prior to the public hearing.
- The Commissioners hold a public hearing on or before the first Monday in December to receive testimony on the budget.
- The Commissioners make adjustments to the proposed budget and adopt, by resolution, a final balanced budget no later than December 31.
- Upon adoption, the final budget is made available to the public.

Amending the Budget

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

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

Deficit Fund Equity

The following fund had deficit fund balances/net position as of December 31, 2012;

- The Solid Waste fund deficit was \$4,018,067. This results primarily from the recording of liabilities for landfill post closure care costs and environmental remediation costs.

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

Skagit County, Washington
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money market accounts was \$25,688,680 and the treasurer's bank balance was \$9,146,324, 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 Position in relation to the total net investment income for the LGIP for that month. Allocations are reinvested in the LGIP.

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

As of December 31, 2012, the County held the following investments:

Investment Type	Fair Value	Less Than 1			
		Year Maturity	1 Year	2 Years	3 years
Certificates of Deposit	\$ 16,389,234	\$ 9,163,950	\$ 6,364,519	\$ 200,000	\$ 660,765
Money Market	9,299,446	9,299,446			
Registered Warrants	373,355	373,355			
Commercial Paper	-	-	-		
Bankers Acceptances	-	-			
Treasury Notes	4,008,146	3,204,380	803,766	-	
Municipal Bonds	27,270,719	6,185,379	14,365,994	5,776,258	943,087
U.S. Agencies	103,271,868	21,594,952	45,593,618	29,308,034	6,775,265
State Treasurer Pool	179,434,522	179,434,522			
	\$ 340,047,290	\$ 229,255,984	\$ 67,127,897	\$ 35,284,292	\$ 8,379,117

Total fair value of investments represents \$92,452,859 for Skagit County and \$247,594,431 for the Junior Taxing districts.

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Interest Rate Risk

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

Custodial Credit Risk

Custodial credit risk is the risk that in event of a failure of the counterparty to an investment transaction the county would not be able to recover the value of the investment or collateral securities. The County had no custodial credit risk as of December 31, 2012.

Concentration of Credit Risk

Concentration of credit risk is the risk of loss attributed to the magnitude of a government's investment in a single issuer. The County's policy is to limit to 15 percent of the total portfolio the amount that may be invested in any one financial institution. In addition, no more than 3 percent of the total portfolio may be invested in any one issuer of commercial paper and no more than 10 percent may be invested in any one Treasury obligation. As of December 31, 2008 the investment in the Washington State LGIP was limited to 65 percent, this was modified by resolution on March 16, 2009 to allow investment in excess of 65 percent when there are no other viable alternatives. At year end, the County had no investment in a single issuer that was greater than 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 2012.

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, 2012, the County's investments in U.S. Agencies in the amount of \$106,437,545 (fair value) was rated AAA by Standard & Poor's, an additional amount of \$1,800,867 (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	Municipal Bonds	Fair Value	Standard & Poor	Moody's	Fitch
Albuquerque NM Gen	1,023,630	Aa1	AAA	AA+	Milwaukee, WI	90,498	Aa1	AA	AA+
Alderwood Wtr Waste	265,993	Aa2	AA+		North Bend WA	122,899	AA-		
American Fork City UT	155,529	Aa3			No Slope Barrows AK	262,830	Aa3	AA-	AA-
Charlotte NC	160,946	Aaa	AAA	AAA	Okanogan Co	185,483	A+		
Chelan Co PUD	1,074,549	Aa2	AA		ORE St Energy Proj	200,142	Aa1	AA+	AA+
City of NY, NY	401,452	Aa2	AA	AA	ORE St School Board	299,445	Aa2	A+	
City of Tacoma WA	294,006	Aa3	AA	AA-	Pima Co SD #1	501,895	Aa2	AA-	
City of Vancouver WA	25,345	Aa3	AA		Port of Seattle	1,103,763	Aa2	Aa+	A+
Clark Co W ASD 114	232,776	Aa2			Port of Tacoma	971,717	Aa3	AA-	
Co & City of Honolulu	538,169	Aa1	AA+		Salt Lake City UT	1,327,759	Aaa	AAA	AAA
Cowlitz Co RFDG	215,808	A1			Seattle Solid Waste	225,144	Aa3	AA-	
Cowlitz Co SD 122	162,722	Aa1	AA		Seattle Wtr & Swr	177,824	Aa1	AA+	
Cypress-Fairbanks	108,661	Aaa	AAA		Shelby Co TN	1,073,920	Aa1	AA+	AA+
Denton Co TX Perm	132,632	Aaa	AAA		Shoreline WA	108,929	AA+		
Des Moines WA	117,448	A2			Skagit Co PUD	131,340	Aa2		
Douglas Co PUD	299,949	Aa	Aa3		Sno Co BABS	71,450	Aa2	AA	
Eastern Wa University	205,026	A1			Sno Co SD	101,456	Aa2	AA+	
ESD #113	193,817	A1			Sno Co SD #15	521,720	Aa1	AA+	
Everett, WA	202,942	AA+			Snohomish Co PUD	257,593	Aa3	AA-	AA-
Fife Wa	51,065	A+			Snohomish Hsptl #2	422,157	Aa3		
Forsyth Co GA	944,187	Aaa	AA+		Sound Transit	145,552	Aa1	AAA	
Franklin Co Wa	684,076	AA-			Spokane Co Series D	25,196	AA	Aa2	
Garland TX	312,162	Aa3	AA+	AAA	St Paul MN Cap Imp	103,451	Aa1	AAA	
Grant Co PUD	258,708	AAA	Aa3	AA	Stanwood Wtr Swr	50,539	AA-		
Grant Co SD #161	77,651	Aa1			State of Minnesota	322,038	Aa1	AA+	AA+
Green Bay Pub SD	484,896	Aa1			Tacoma Solid Waste	108,622	Aa2	AA	
Hampden & Wilbram	250,997	Aa3			Tualatin Hills OR Prk	680,182	Aa1	AA	
Island Co SD #204	50,758	Aa1	A1		Tukwila SD #406 King	985,729	Aa1		
Jerome/Lincoln SD	60,682	Aa1			Vancouver W Wtr Swr	212,614	Aa2	AA-	
Kauai Co BABS	30,295	Aa2	AA	AA	Wa Co SD #15	114,772	AA	A+	
King Co Fire #38	65,807	A+			Wa Co SD #48J	169,978	Aa1	AA+	
King Co SD #400	95,864	Aa1			WA State College SB	84,781	Aa1	AA+	AA+
King Co SD #401	265,818	Aa1	AA+	AA-	Wa State COPS	437,483	Aa2		
King Co SD #411	123,826	AA1	AAA		Wa State Health Care	101,893	Aa	AA	Aa2
Lane Co OR SD	691,450	AA+			Wa State M Veh Fuel	342,368	Aa1	AA+	AA+
Leavenworth WA Snk	120,742	A			Wa State Var Purpose	743,722	Aa1	AA+	AA+
Lewiston Town, NY	1,004,530	MIG1			Walla Walla Wa	128,276	Aa3	A+	
Lk Whatcom Wtr Swr	25,503	AA+	A+		Wasatch Co UT SD	126,560	Aaa		
Maricopa Co AZ SD #B1	106,664	AA-	Aa3		Wash Co UT	25,131	Aaa	AAA	
Maricopa Co AZ SD #210	429,256	Aa2			West Covina CA	1,999,720	SP-1+		
Michigan St Eviron	105,225	Aa2	AA-	AA-	Wisconsin State	152,586	Aa2	AA	AA
					TOTAL	27,270,719			

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

Property Taxes

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

Property taxes are recorded as a receivable when levied, 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

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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.

2012 Tax levy information is as follows:

	Levy in Dollars Assessed Per		
	Thousand	Total Value	Levy
2012			
County	1.5874	\$ 14,164,054,879	\$ 22,485,298
Medic 1 Services	0.3750	14,149,335,695	5,306,000
Roads	1.7556	7,072,346,522	12,416,908
Conservation Futures	0.0549	14,164,054,879	778,798

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

B. Receivables

Governmental funds report revenues as deferred if they are not available to liquidate liabilities of the current period or are not yet earned. Detail of deferred revenue balances as of December 31, 2012 is as follows:

	Unavailable	Unearned	Total
Property Taxes Receivable (General Fund)	\$ 1,117,278	-	\$ 1,117,278
Property Taxes Receivable (Road Fund)	454,081	-	\$ 454,081
Property Taxes Receivable (Other Government Funds)	351,872	-	\$ 351,872
Revenue Earned but Not yet Available	1,975,056		\$ 1,975,056
Revenue Received Prior to Meeting Eligibility Requirements		229,466	\$ 229,466
Total Deferred Revenue for Government Funds	<u>\$ 3,898,287</u>	<u>\$ 229,466</u>	<u>\$ 4,127,753</u>

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C. Interfund Receivables, Payables and Transfers

Details of interfund payable/receivable balances of December 31, 2012 are as follows:

	Due From Other funds				
	General Fund	Other Government Funds	County Road Fund	Internal Service Funds	Total
General Fund	\$ -	97,001	\$ -	\$ 2,033,946	\$ 2,130,947
Non-Major Governmental Funds	424,139	(7,590)	32,039	(36,095)	412,493
Internal Service	489,285	90	107,523	21,115	618,012
County Road Fund	807,873	330,788	-	902,962	2,041,623
Drainage Utility	40,241	-	58,830	2,447	101,518
Solid Waste	51,494	90	168,257	14,573	234,413
Total	\$ 1,813,032	\$ 420,379	\$ 366,648	\$ 2,938,946	\$ 5,539,006

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 1/1/2012	New Loans	Repayment	Balance 12/31/2012
Unemployment Compensation	General Fund	\$ -	\$ 445,000	\$ 445,000	\$ -
Planning and Development	General Fund	300,000	150,000	450,000	-
Elections	General Fund	50,000	240,000	290,000	-
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	-	300,000	300,000	-
Total		\$ 613,500	\$ 1,135,000	\$ 1,485,000	\$ 263,500

Interfund transfers represent subsidies and contributions provided to the receiving fund. Most transfers from the general fund are for the purposes of ordinary operations and debt service. Transfers out of non-major governmental funds are generally for debt service and capital project funding. Details of 2012 transfers are as follows:

Transferring Fund	Transfers In				Balance 12/31/2012
	General Fund	Drainage Utility	Internal Service	Non-Major Governmental	
General Fund			\$ 200,000	\$ 5,605,631	\$ 5,805,631
Solid Waste			57,320		57,320
Drainage Utility				10,000	10,000
County Roads			146,857	493,292	640,149
Non-Major	176,094	252,829		2,523,364	2,952,288
Total	\$ 176,094	\$ 252,829	\$ 404,177	\$ 8,632,287	\$ 9,465,388

Skagit County, Washington
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D. Capital Assets

Summarized capital asset transactions for governmental activities as of December 31, 2012 are as follows:

	Beginning Balance Jan 1, 2012	Increases	Decreases	Ending Balance Dec 31, 2012
Governmental Activities				
Capital Assets, Non-depreciable				
Land	\$ 157,191,239	\$ 493,541	\$ 266,337	\$ 157,418,443
Development Rights	12,949,189	610,975	-	13,560,164
Capital asset held for resale	-	-	-	-
Construction in Progress	1,027,416	4,078,324	242,839	4,862,901
	<u>171,167,844</u>	<u>5,182,840</u>	<u>509,176</u>	<u>175,841,508</u>
Depreciable Capital Assets				
Buildings	53,291,102	9,571,781	-	62,862,883
Improvements	8,449,160	35,412	24,862	8,459,710
Machinery and Equipment	19,585,966	4,184,902	1,188,319	22,582,549
Infrastructure	325,956,445	2,056,482	4,265,729	323,747,198
	<u>407,282,673</u>	<u>15,848,577</u>	<u>5,478,910</u>	<u>417,652,340</u>
Less Accumulated Depreciation				
Buildings	(20,755,552)	(4,214,456)	60,251	(24,909,757)
Improvements	(4,387,788)	(300,427)	-	(4,688,215)
Machinery and Equipment	(11,216,447)	(2,695,698)	846,552	(13,065,593)
Infrastructure	(205,776,518)	(15,182,452)	2,776,443	(218,182,527)
	<u>(242,136,305)</u>	<u>(22,393,033)</u>	<u>3,683,246</u>	<u>(260,846,092)</u>
Total Net Depreciable Capital Assets	<u>165,146,368</u>	<u>(6,544,456)</u>	<u>9,162,156</u>	<u>156,806,248</u>
Total Net Capital Assets	<u>\$ 336,314,212</u>	<u>\$ (1,361,616)</u>	<u>\$ 9,671,332</u>	<u>\$ 332,647,756</u>

Depreciation expense by function for governmental activities is as follows:

General Governmental Services	\$ 1,289,134
Judicial	6,240
Public Safety	98,728
Utilities	13,460
Transportation	20,656,979
Natural & Economic Environment	4,071
Social Services	52,070
Culture and Recreation	272,350
Total governmental activities depreciation expense	<u>\$ 22,393,033</u>

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Summarized capital asset transactions for business type activities as of December 31, 2012 are as follows:

	Beginning Balance Jan 1, 2012	Increases	Decreases	Ending Balance Dec 31, 2012
Business - Type Activities				
Capital Assets, Non-depreciable				
General Fund				
Land	\$ 793,059		\$ -	\$ 793,059
Construction in Progress	7,199,955	3,513,440	1,410,145	9,303,250
	<u>7,993,014</u>	<u>3,513,440</u>	<u>1,410,145</u>	<u>10,096,309</u>
Depreciable Capital Assets				
Buildings	1,397,338	-	183,061	1,214,277
Improvements	7,021,669	689,724	-	7,711,393
Machinery and Equipment	567,779	1,294,561	25,486	1,836,854
	<u>8,986,785</u>	<u>1,984,285</u>	<u>208,547</u>	<u>10,762,524</u>
Less Accumulated Depreciation				
Buildings	(1,020,713)	(29,999)	183,061	(867,652)
Improvements	(2,619,806)	(198,554)	-	(2,818,360)
Machinery and Equipment	(471,884)	(40,240)	25,486	(486,638)
	<u>(4,112,403)</u>	<u>(268,793)</u>	<u>208,547</u>	<u>(4,172,649)</u>
Total Net Depreciable Capital Assets	4,874,382	1,715,492	417,094	6,589,875
Total Net Capital Assets	<u>12,867,396</u>	<u>5,228,932</u>	<u>1,827,239</u>	<u>16,686,183</u>

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

Solid Waste	\$ 73,762
Drainage Utility	195,031
Total business type activities depreciation expense	<u>\$ 268,793</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.

Skagit County, Washington
Notes to the Financial Statements
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Details of general obligation bonds outstanding as of December 31, 2012 are as follows:

Description	Balance
In 1997 bonds were issued in the amount of \$875,000 to finance the purchase of an office building and the renovation of an existing building. Repayment has been financed by lease-purchase agreements with non-profit social service agencies. Principal payments are due annually on June 1, interest payments are due on June 1 and December 1. The interest rates range from 4.10% for 1999 maturities to 5.20% for maturities in 2013. The bonds are scheduled to mature June 1, 2013. Principal payments of \$75,000 and interest payments of \$6,091 were made in 2012.	\$ 80,000
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 \$175,000 and interest payments of \$45,668 were made in 2012.	990,000
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 \$1,500 were made in 2012.	20,000
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 2007 maturities to 4.0% for maturities in 2026. Principal payments of \$315,000 and interest payments of \$240,385 were made in 2012.	5,910,000
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 \$390,000 and interest payments of \$203,728 were made in 2012.	4,825,000
Total bonds payable at December 31, 2012 for governmental activities	\$ 11,825,000
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 \$820,000 and interest payments of \$62,625 were made in 2012.	850,000
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 2012. Interest paid in 2012 was \$410,245.	9,740,000
Total bonds payable at December 31, 2012 for business-type activities	\$ 10,590,000

Skagit County, Washington
Notes to the Financial Statements
December 31, 2012

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
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	1,020,000	347,520	500,000	388,750
2017-2021	4,370,000	1,179,985	2,645,000	1,704,604
2022-2026	3,490,000	382,845	2,955,000	1,125,310
2027-2030	-	-	2,665,000	357,493
Totals	11,825,000	3,176,772	10,590,000	4,829,647

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 2012 financial statements. As of December 31, 2012 the balance of the defeased bonds outstanding is \$3,848,383.

Loans Payable

Details of loans payable as of December 31, 2012 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 2012.	\$ 115,493
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 2012.	32,424
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 2012.	510,000
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 \$72,904 and interest payments of \$18,725 were made in 2012.	1,189,667
Payable to the State of Washington Department of Ecology pursuant to a 2007 loan agreement. The interest rate is 2.6% and the term is 20 years. Principal payments of \$87,833 and interest payments of \$49,852 were made in 2012.	2,000,798
Total loans payable at December 31, 2012 for governmental activities	<u>\$ 3,848,383</u>

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

Year Ending December 31	Principal	Interest
2013	\$ 241,352	\$ 65,344
2014	244,652	62,043
2015	248,023	58,673
2016	251,465	55,231
2017-2021	1,267,146	221,912
2022-2026	1,028,259	124,202
2027-2031	567,485	29,068
Totals	3,848,382	616,473

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, 2012, the County's remaining capacity for non-voted debt was \$195,922,499. Additional debt capacity with an authorizing vote is \$141,640,549

Changes in Long-Term Liabilities

Details of changes in long term liabilities for the year ended December 31, 2012 is as follows:

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	Beginning Balance	New Issue	Retirements	Ending Balance	Due Within One year
Governmental Activities:					
Bonds Payable					
General Obligation Bonds	\$ 12,800,000		\$ 975,000	\$ 11,825,000	\$ 1,015,000
Add: Net Unamortized Discounts/Premiums	25,737		1,455	24,282	
Total Bonds Payable	12,825,737	-	976,455	11,849,282	1,015,000
Loans Payable	4,086,502	353,939	592,058	3,848,383	241,352
Note Payable	-			-	
Compensated Absences	2,791,796	410,130	51,155	3,150,771	3,150,771
OPEB Liability	325,380	352,391	446,554	231,217	
Environmental Liabilities	203,861	10,350	12,883	201,328	3,000
Total Long-Term Liabilities	\$ 20,233,276	\$ 1,126,810	\$ 2,079,104	\$ 19,280,981	\$ 4,410,123
Business-Type Activities					
Bonds Payable					
General Obligation Bonds	\$ 11,410,000		\$ 820,000	\$ 10,590,000	\$ 850,000
Discounts/Premiums	(36,778)	7,883	9,041	(37,936)	
Less: Unamortized Refunding	(46,036)	23,018		(23,018)	
Total Bonds Payable	11,327,186	30,901	829,041	10,529,046	850,000
Compensated Absences	92,205	4,295	4,067	92,433	92,433
Post Closure Landfill Costs	3,469,587	303,000	452,238	3,320,349	148,000
Environmental Liabilities	3,112,962	200,000	222,678	3,090,284	100,000
Total Long-Term Liabilities	\$ 18,001,941	\$ 538,196	\$ 1,508,024	\$ 17,032,112	\$ 1,190,433

For governmental activities, the Unemployment Fund liquidates compensated absences as well as 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, under cost-sharing multiple-employer public employee defined benefit retirement plans. The Department of Retirement Systems (DRS), a department within the primary government of the State of Washington, issues a publicly available comprehensive annual financial report (CAFR) that includes financial statements and required supplementary information for each plan. The DRS CAFR may be obtained by writing to: Department of Retirement Systems, Communication Unit, P.O. Box 48380, Olympia WA 98504-8380; or it may be downloaded from the DRS website at www.drs.wa.gov. 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.

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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.

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. Notwithstanding, PERS Plan 2 and Plan 3 members may opt out of plan membership if terminally ill, with less than five years to live.

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

PERS Plan 1 and 2 defined benefit retirement benefits are financed from a combination of investment earnings and employer and employee contributions.

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 monthly benefit is two percent of the average final compensation (AFC) per year of service. (AFC is the monthly average of the 24 consecutive highest-paid service credit months.) The retirement benefit may not exceed 60 percent of AFC. The monthly benefit is subject to a minimum for PERS Plan 1 retirees who have 25 years of service and have been retired 20 years, or who have 20 years of service and have been retired for 25 years. Plan 1 members retiring 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) 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, 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

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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.

PERS 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. The monthly benefit is two percent of the AFC per year of service. (AFC is the monthly average of the 60 consecutive highest-paid service months.)

PERS Plan 2 members who have 30 or more years of service credit and are at least 55 years old can retire under one of the two provisions:

- With a benefit that is reduced by 3 percent for each year before age 65.
- With a benefit that has a smaller (or no) reduction (depending on age) that imposes stricter return-to-work rules.

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.

PERS Plan 3 has a dual benefit structure. Employer contributions finance a defined benefit component, and member contributions finance a defined contribution component. The defined benefit portion provides a benefit calculated at 1 percent of the average final compensation per year of service. The average final compensation is based on the greatest compensation during any eligible consecutive 60-month period. Effective June 7, 2006, Plan 3 members are vested in the defined benefit portion of their plan after ten years of service; or after five years of service, if twelve months of that service were earned after the age of 44; or after five service credit years earned in PERS Plan 2 prior to June 1, 2003. Plan 3 members are immediately vested in the defined contribution portion of their plan. Vested Plan 3 members are eligible to retire with full benefits at age 65, or they may retire early with the following conditions and benefits:

- If they have at least ten service credit years and are 55 years old, the benefit is reduced by an ERF that varies with age, for each year before age 65.
- If they have 30 service credit years and are at least 55 years old, they have the choice of a benefit that is reduced by 3 percent for each year before age 65; or a benefit with a smaller (or no) reduction factor (depending on age) that imposes stricter return-to-work rules.

PERS Plan 3 defined benefit 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 Plan 3 provides the same cost-of-living allowance as Plan 2.

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PERS Plan 3 defined contribution retirement benefits are solely dependent upon contributions and the results of investment activities. 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 from 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, judicial members of PERS were given the option of joining the JMB Program enacted in 2006. Justices or judges in PERS Plan 1 and Plan 2 were able to make a one-time irrevocable election to pay increased contributions that would fund a retirement benefit with a 3.5 percent multiplier. The benefit would be capped at 75 percent of average financial compensation (AFC). 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.

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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 1,320 participating employers in PERS. Details of PERS membership as of the latest actuarial valuation date of June 30, 2012 is as follows:

Description	Members
Retirees and Beneficiaries Receiving Benefits	79,363
Terminated Plan Members Entitled to but not yet Receiving Benefits	29,925
Active Plan Members Vested	105,578
Active Plan Members Non-vested	46,839
Total	261,705

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.

The required contribution rates expressed as a percentage of current year covered payroll, as of December 31, 2012 are as follows:

Rates for members not participating in JBM are as follows:			
Contributor	PERS Plan 1	PERS Plan 2	PERS Plan 3
Employer*	7.21%	7.21%	7.21**
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.			

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Rates for members participating in JBM are as follows:			
Contributor	PERS Plan 1	PERS Plan 2	PERS Plan 3
Employer*	7.21%	7.21%	7.21**
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
2012	\$ 129,972	\$ 2,535,136	\$ 717,045
2011	129,365	2,535,136	683,829
2010	144,221	2,214,612	651,602

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

Plan Description

The Legislature established LEOFF in 1970. Membership in the system includes all full-time, fully compensated local law enforcement commissioned officers, firefighters and, as of July 24, 2005, emergency medical technicians. LEOFF membership is comprised primarily of non-state employees, with Department of Fish and Wildlife enforcement officers, who were first included prospectively effective July 27, 2003, being the exception. LEOFF retirement benefit provisions are established in Chapter 41.26 RCW and may be amended only by the State Legislature.

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.

LEOFF defined benefit retirement benefits are financed from a combination of investment earnings, employer and employee contributions, and a special funding situation in which the state pays through state legislature appropriations.

Effective July 1, 2003, the LEOFF Plan 2 Retirement Board was established by Initiative 790 to provide governance of LEOFF Plan 2. The Board's duties include adopting contribution rates and recommending policy changes to the Legislature for the LEOFF Plan 2 retirement plan.

LEOFF Plan 1 members are vested after the completion 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 (FAS) is as follows:

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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 FAS is the basic monthly salary received at the time of retirement, provided a member has held the same position or rank for 12 months preceding the date of retirement. Otherwise, it is the average of the highest consecutive 24 months' salary within the last 10 years of service. A cost-of-living allowance is granted (indexed to the 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.

LEOFF Plan 2 members 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 FAS per year of service. (FAS is based on the highest consecutive 60 months.) Plan 2 members who retire prior to the age of 53 are reduced each year that the benefit commences prior to age 53, 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 3 percent for each year prior to age 53. A cost-of-living allowance is granted (indexed at the 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-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.

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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 increase 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 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 373 participating employers in LEOFF. Membership in LEOFF consisted of the following as of the latest actuarial valuation date of June 30, 2011:

Description	Members
Retirees and Beneficiaries Receiving Benefits	9,947
Terminated Plan Members Entitled to but not yet Receiving Benefits	656
Active Plan Members Vested	13,942
Active Plan Members Non-vested	3,113
Total	27,658

Funding Policy

Effective July 1, 2000, Plan 1 employers and employees contribute zero percent as long as the plan remains fully funded. Employer and employee contribution rates are developed by the Office of the State Actuary to fully fund the plan. LEOFF Plan 2 employers and employees are required to pay at the level adopted by the LEOFF Plan 2 Retirement Board. The Legislature, by means of a special funding

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arrangement appropriated money from the state General Fund to supplement the current service liability and fund the prior service costs of LEOFF Plan 2 in accordance with the requirements of the Pension Funding Council and the LEOFF Plan 2 Retirement Board. However, this special funding situation is not mandated by the state constitution and this funding requirement could be returned to the employers by a change of statute.

The required contribution rates expressed as a percentage of current-year covered payroll, as of December 31, 2012 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
2012	-	\$ 524,366
2011	-	524,775
2010	-	562,206

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

Plan Description

The Legislature created PSERS in 2004 and the system became effective July 1, 2006. 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, 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. PSERS retirement benefit provisions are established in Chapter 41.37 RCW and may be amended only by the State Legislature.

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

PSERS defined benefit retirement benefits are financed from a combination of investment earnings and employer and employee contributions.

A "covered employer" is one that participates in PSERS. Covered employers include the following:

- State of Washington agencies: Department of Corrections, Department of Natural Resources, Gambling Commission, Liquor Control Board, Parks and Recreation Commission, and Washington State Patrol;
- Corrections departments of Washington State counties;
- Corrections departments of Washington State cities except for Seattle, Tacoma and Spokane; and
- Interlocal corrections agencies.

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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 Washington peace officer, as defined in RCW 10.93.020; or
- Have primary responsibility to supervise eligible members who meet the above criteria.

PSERS Plan 2 members are vested after completing five years of eligible service. 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 (AFC) per year of service. The AFC 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 who retire 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 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 based 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 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.

Skagit County, Washington
Notes to the Financial Statements
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There are 76 participating employers in PSERS. There were 4,020 active non-vested plan members as of the latest actuarial valuation date of June 30, 2011.

Description	Members
Retirees and Beneficiaries Receiving Benefits	15
Terminated Plan Members Entitled to but not yet Receiving Benefits	1
Active Plan Members Vested	167
Active Plan Members Non-vested	4,020
Total	4,203

Funding Policy

Each biennium, the state Pension Funding Council adopts PSERS 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, 2012 were as follows:

Contributor	PSERS Plan 2
Employer*	8.87%
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
2012	\$ 274,348
2011	267,649
2010	209,243

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

Skagit County, Washington
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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 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. 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 (AAL) was Projected Unit Credit. The AAL and Net OPEB Obligation (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 medical inflation trend is the percentage that medical costs are expected to increase in future years. The alternative measurement used in the 2008, 2009 and 2010 financial statements was recalculated for the 2011 and 2012 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 of \$315,928 less expenses of \$84,712 resulted in a net 2012 OPEB obligation of \$231,217. As of December 31, 2012 there were no active members in the LEOFF 1 plan.

The actual expense constitutes 25.9% of the ARC. The County's actuarial accrued liability (AAL) of \$3,513,273 was unfunded as of December 31, 2012.

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

Year	Annual OPEB Cost	Ending Net OPEB Obligation	Percent of Annual OPEB Cost Contributed
2012	\$ 315,928	\$ 231,216	26.81%
2011	315,928	204,205	35.36%
2010	465,505	232,897	49.97%

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 is one of twenty-seven member counties of the Washington Counties Risk Pool ("Pool"). Other members include: Adams, Benton, Chelan and Clallam, Clark, Columbia, Cowlitz, Douglas, Franklin, Garfield, Grays Harbor, Island, Jefferson, Kittitas, Lewis, Mason, Okanogan, Pacific, Pend Oreille, San Juan, Skamania, Spokane and Thurston, Walla Walla, Whatcom and Yakima Counties. Kitsap, Klickitat and Whitman Counties are former Pool members, having terminated their memberships September 30th of 2010, 2002 and 2003 respectively.

Contingent Liability: The Pool is a cooperative program with joint liability amongst its participating members. Contingent liabilities occur when assets are not sufficient to cover liabilities. Deficits resulting from any of the Pool's fiscal years are financed by proportional reassessments (aka retroactive assessments) amongst the deficient year's membership. The Pool's reassessments receivable balance at December 31, 2012 was ZERO (\$0) as no contingent liabilities were known to exist at that time.

Joint Self-Insurance Liability Program: The Pool has provided its member counties occurrence-based, jointly self-insured and/or jointly purchased liability coverage since October 1, 1988 for 3rd-party bodily injury, personal injury, property damage, errors and omissions, and advertising injury, including public officials' errors and omissions. Total coverage limits have grown over time, from the \$1 million limit during the Pool's initial two months to \$5 million, then to \$10 million and onto \$15 million before reaching the \$20 million limit existing the past eight years. (Note: Additional limits of \$5 million were offered the past several years for acquisition as a member-by-member option.)

Except for the Pool's self insured retention (the greater of the member's deductible or \$100,000), the initial coverage of at least \$10 million has been fully reinsured since October 1994 by superior-rated commercial carriers. Members annually select a deductible amount of \$10,000, \$25,000, \$50,000, \$100,000, \$250,000 or \$500,000 for each occurrence. The remaining insurance (up to \$15 million) is acquired as "following form" excess insurance, also from superior-rated commercial carriers. There are no aggregate limits to the payments made for any one member county or all member counties combined.

Skagit County, Washington
Notes to the Financial Statements
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The Pool's claims database increased during Py2012 with the addition of 634 new claims (and lawsuits) raising the 3rd-party liability claims to-date total submitted by member counties to 18,616. Estimates of total incurred losses (payments made plus reserved estimates for *open* claims) increased \$5.4 million during the year to \$242.8 million. The Py2012 amount represents just 34% of the corresponding \$16.0M increase in Py2011, 30% of the \$17.8M in Py2010, and only 26% of the \$20.8M annual average during Py2007 – Py2009.

Washington Counties Property Program (“WCPP”): Since the Pool began offering the jointly-purchased, fully-insured property insurance coverage to its membership as an individual county option in October 2005, participation has grown by more than 50% and the total value of covered properties has nearly doubled. Twenty six member counties with covered properties totaling nearly \$2.67 billion participated in this program during Py2012.

Coverage is for structures, vehicles, mobile equipment, EDP equipment, etc., and composite limits include \$500 million for normal (All Other Perils) exposures and \$200 million for catastrophe (Flood / Earthquake) exposures. Occurrence deductibles, which the participating counties select annually and which the counties are solely responsible for paying, range between \$5,000 and \$50,000 for the AOP coverage.

Superior-rated commercial insurers are responsible for covered losses exceeding the participant deductibles to the maximum limits of the policy. There were 7 claims filed during Py2012 by participating counties with incurred loss estimates totaling \$0.35 million. During the WCPP's first seven years as a WCRP optional insuring program, there have been 85 property claims filed with incurred-to-date losses totaling slightly more than \$11 million. With to-date premiums for this coverage totaling nearly \$16.5 million, the program's cumulative loss ratio is 0.667.

Other Insurances: Several member counties also use the Pool's producer (broker) for other insurance placements. Public officials bonds, crime (& fidelity), special events/concessionaires, Underground Storage Tanks and other environmental hazards insurance coverages are examples.

Background: The Pool was formed August 18, 1988 when several Washington counties approved an Interlocal (Cooperative) Agreement under Chapter 39.34 RCW 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. Washington's pools operate under Washington's “pooling” laws, more specifically Chapters 48.62 RCW and 200.100 WAC. They are overseen by the State Risk Manager and subject to fiscal audits performed annually by the State Auditor.

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

Skagit County, Washington
Notes to the Financial Statements
December 31, 2012

The enabling Interlocal Agreement was amended once (in 2000) to add a 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 intent of the Compact was to obligate member counties to support these goals through three major elements; membership involvement, risk control practices, and a targeted risk management program.

A new member may be asked to pay modest admittance fees to cover that member's share of the Pool's organizational expenses and costs to analyze its 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 its proportional shares of any unresolved, unreported, and in-process claims for the periods that former member was a signatory to the Interlocal Agreement.

Governance / Oversight: The Pool is governed by a board of directors consisting of one director (and at least one alternate director) appointed 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 Pool's Annual Meeting. The board of directors is responsible for determining the 3rd-party liability coverage to be offered (approving the insuring document or coverage form), the reinsurance program(s) to acquire and the excess insurance(s) to be jointly purchased or offered for optional purchase by the member counties, for approval of the Pool's annual operating budget(s) and work program(s), and for approval of the member deposit assessment formulas applicable to the ensuing policy year.

Regular oversight of the Pool's operations is furnished by an 11-person executive committee. The committee members are elected by the Pool's board of directors from its membership to staggered, 3-year terms. The committee meets several times throughout the year to approve all Pool disbursements and examine the Pool's financial health; to approve any case settlement exceeding the member's deductible 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.

Staffing and Support Teams: The Pool's 6-person claims staff with more than ninety years of combined claims-handling experience handles or oversees the handling of the several hundred liability cases filed upon the Pool's member counties each year. This includes establishing reserves for covered events and estimating undiscounted future cash payments for losses and their related claims adjustment expenses. Other Pool staffers provide various member services, e.g conducting risk assessments and compliance audits, coordinating numerous trainings, researching other coverages and marketing. Some address and support the organization's administrative needs.

Also, 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; independent claims auditing is performed by Strategic Claims Direction with special claims audits frequently performed by the Pool's commercial reinsurers / insurers; insurance producer (broker) and advanced loss control services are provided by Arthur J. Gallagher Risk Management Services, Inc.; and coverage counsel is provided by J. William Ashbaugh of Hackett

Skagit County, Washington
Notes to the Financial Statements
December 31, 2012

Beecher & Hart. These professionals are in addition to the many contracted and in-county attorneys assigned to defend Pool cases, as well as the examinations by and services from the State Risk Manager and the State Auditor.

Financial Summary: The following constitute the most significant highlights from the Pool's most recently completed Policy (Fiscal) Year (October 2011 through September 2012):

- *Net Operating Income* realized was \$1.8 million, a 132% year-over-year increase and nearly triple the annual average from the past ten years, 2002-11.
- *Total Assets* grew \$1.0 million (2%) to \$42.1 million. Current assets increased \$1.2 million (3%) while non-current assets decreased \$0.2 million (16%).
- Total *Claims Reserves* for the Pool's direct reserving exposures decreased 2% to \$14.7 million. This total includes: \$4.3 million for losses in the coverage layer retained by the Pool, down 23%; \$9.4 million for the aggregated stop losses in the retained layers associated with the "corridor" program for automobile and general liabilities, up 10%; and \$1.0 million for unallocated loss adjustment expenses, up 17% from one year ago. *NOTE: The corridor program referenced is now six years old yet still not fully matured. Further, its occurrence coverage maximum was increased to \$1.0 million beginning with Py2010, up from the \$0.5 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 \$1.8 million to nearly \$12.9 million as of September 30, 2012. Of that total, \$4.8 million is classified as *Restricted Net Position* — \$0.8 million to satisfy the State's solvency provisions (WAC 200.100.03001) plus \$4.0 million for the Pool's Underwriting Policy requirements – and another \$1.0 million is held as *Capital Assets* (net of debt). The remaining \$7.1 million held as *Non-Restricted Net Position*, up from \$4.4 million one year before, is available for use as directed by the Pool's Board of Directors.

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

		Current Year			
Fiscal Year	Beginning Balance	Claims & Changes in Estimate	Claim Payments	Year End Balance	
2012	\$ 3,014,000	\$ 112,086	\$ 355,205	\$ 2,770,881	
2011	2,031,271	\$ 1,270,529	\$ 287,800	\$ 3,014,000	
2010	1,630,114	556,366	155,209	2,031,271	

Other Insurance

Employee on-the-job injuries are covered by industrial insurance through the State of 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 1.1562 in 2010, 1.0811 in 2011, and .9971 in 2012.

Skagit County, Washington
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Skagit County is self-insured for unemployment claims. These claims are processed by the Washington State Department of Employment Security and the county is billed for them on a quarterly basis. The County has established an Unemployment Compensation Fund which charges other County funds based on estimates of future claims, and pays the claims when they are billed. The Unemployment Compensation Fund had Net Position of \$169,036 at December 31, 2012.

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 \$77,351 for 2012. Dental claims activity for 2012 and the preceding two years are as follows:

Fiscal Year	Beginning Balance	Current Year		Year End Balance
		Claims & Changes in Estimate	Claim Payments	
2012	\$ 114,002	\$ 629,392	\$ 644,275	\$ 99,119
2011	112,846	761,169	760,013	114,002
2010	116,146	749,009	752,309	112,846

The County is self-insured for medical insurance coverage for eligible employees. The claims processing is administered by Trusteed Plans. The County's health benefits broker, Wells Fargo, recommends the premiums charged to County funds. These amounts are transferred to the Insurance Services Fund, which pays the amount billed by the claims processor. An insurance policy is in place to cover claims in excess of \$175,000 per claimant. Administrative fees and charges paid to Trusteed Plans totaled \$286,329 for 2012. Medical claims activity for 2012 and the preceding two years are as follows:

Fiscal Year	Beginning Balance	Current Year		Year End Balance
		Claims & Changes in Estimate	Claim Payments	
2012	\$ 1,286,903	\$ 7,138,440	\$ 7,301,964	\$ 1,123,379
2011	1,321,538	6,142,498	6,177,133	1,286,903
2010	1,366,754	6,298,165	6,343,381	1,321,538

VIII. COMMITMENTS, CONTINGENCIES AND LITIGATION

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

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

On March 24, 2003, the Board of County Commissioners of Skagit County entered into a contingent loan agreement with the Skagit Regional Public Facilities District. The District has authorized the issuance and sale of limited sales tax obligation bonds in the amount of \$9,685,000. The County and the District entered into an Interlocal Agreement whereby the County agreed to lend to the District amounts sufficient, together with the sales tax and net operating revenues of the District, to pay all debt service on the bonds

Skagit County, Washington
Notes to the Financial Statements
December 31, 2012

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, 2012, there have been no loans made by the County to the Public Facilities District. In January of 2013, the County signed a new Interlocal agreement with the Public Facilities District. In February of 2013, the County issued \$8.6 million GO Refunding bonds to refund both the County's 2003 bond issue as well as the Public Facilities District's 2003 bond issue. The PFD's portion of the refunding bonds was \$7,985,000. The average interest rate received on the refinancing bonds, which pay principal and interest in 2013 through 2026, is 1.89%. The County will reduce the PFD's dedicated sales and use tax to cover the debt service of the PFD's portion of the refunded bonds. In the event that the PFD cannot cover the debt service for any given year, the County remains responsible for that debt, however; the debt is legally owed to the County by the PFD and secured by the Interlocal agreement.

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, 2012 are as follows:

	Rental Payments
Year	Due
2013	\$ 135,881
2014	135,881
2015	122,613
2016	109,346
2017	21,785
Total	525,506

2012 rent expense for all operating leases, except those with terms of a month or less were all renewed.

Construction

At December 31, 2012, the County had pending construction project contracts in progress. The commitments related to the remaining contract balances are summarized as follows:

	Total	Expended to	Balance
	Contracts	12/31/2012	Unexpended
Governmental Activities			
Clean Water Fund	\$ 1,956,252	\$ 868,577	\$ 1,087,675
Non-Major Government Funds	398,285	139,500	258,785
Road Fund	33,531,669	21,836,218	11,695,452

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 \$3,320,349, of which \$148,000 is the current portion, is reported in the Solid Waste Fund at December 31, 2012.

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.

Skagit County, Washington
Notes to the Financial Statements
December 31, 2012

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 \$2,568,462, of which \$25,000 is the current portion, for the closed Whitmarsh Landfill site. In 2007, Skagit County received notice from the Department of Ecology that it was being named a Potentially Liable Party (PLP) under Washington's Model Toxics Control Act (MTCA), as a former operator of the landfill, for releases of leachate from the landfill to the environment. Skagit County implemented a preliminary investigation of the site in 2008 and entered into an Agreed Order with the Department of Ecology along with 3 other named parties. As of December 31, 2012, 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 \$521,822, of which \$75,000 is the current portion for the closed Sinnes Road Landfill site. The Skagit County Health Department facilitated an Agreed Order between the County and two other parties to address the releases of leachate from the landfill to the environment. As of December 31, 2012, 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 \$201,328, of which \$3,000 is the current portion for costs relating to the monitoring and potential cleanup of soil and water contamination at the site of underground fuel storage tanks. Petroleum-impacted soil and groundwater were initially discovered in 1992 during the removal of three underground fuel storage tanks. Subsequent soil and groundwater investigations were conducted in 1993 by the County. Subsequently, four underground fuel storage tanks were removed. Annual groundwater monitoring using the existing well network was voluntarily implemented in 2003 and has continued to the present. Long-term groundwater monitoring is planned to continue until groundwater conditions improve.

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, 2012, 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 2012. The County's remediation activities to date have consisted of occasional monitoring of nearby wells and surface water.

Skagit County, Washington
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December 31, 2012

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

Park Improvement Fund – A prior period adjustment of \$43,152 was the result of an analysis of the revenues in the fund. This was a correction of a prior year accrual.

Drug Enforcement Fund – A prior period adjustment of \$17,695 was the result of an analysis of the revenues in the fund. This was a correction of a prior year accrual.

Planning and Development Fund – A prior period adjustment of \$110,303 was the result of an analysis of the revenues in the fund. This was a correction of a prior year accrual.

Conservation Futures – A prior period adjustment of \$145,463 was the result of an analysis of the revenues in the fund. This was a correction of a prior year accrual.

Individual and Combining Statements and Schedules



SKAGIT COUNTY, WASHINGTON
Schedule of Revenues Budget (GAAP Basis) and Actual
General Fund
For the Year Ended December 31, 2012

	<u>Budgeted Amounts</u>			Variance with Final Budget
	Original Budget	Final Budget	Actual	
General Property Taxes	23,350,000	23,350,000	23,436,996	86,996
Timber Harvest Taxes	200,000	200,000	331,207	131,207
Retail Sales and Use Taxes	6,819,000	6,819,000	7,563,404	744,404
Business Taxes	200,000	200,000	227,843	27,843
Excise Taxes	240,000	240,000	262,780	22,780
Penalties and Interest on Delinquent Taxes	1,215,000	1,215,000	1,663,698	448,698
Total Taxes	32,024,000	32,024,000	33,485,928	1,461,928
Non-Business Licenses and Permits	27,000	27,000	34,252	7,252
Total Licenses and Permits	27,000	27,000	34,252	7,252
Federal Shared Revenue	817,701	817,701	843,862	26,161
Indirect Federal Grants	811,175	945,765	1,366,330	420,565
State Grants	1,076,435	1,104,274	1,182,855	78,581
State Shared Revenue	598,800	598,800	1,556,606	957,806
In Lieu and State Entitlement Revenue	1,288,741	1,288,741	1,292,620	3,879
Intergovernmental Revenue	2,288,006	2,348,390	2,124,689	(223,701)
Total Intergovernmental Revenue	6,880,858	7,103,671	8,366,962	1,263,291
General Government	1,941,370	1,941,370	1,973,671	32,301
Public Safety	746,700	746,700	575,763	(170,937)
Utilities and Environment	-	-	-	-
Economic Environment	59,500	59,500	55,036	(4,464)
Culture and Recreation	3,650	3,650	3,622	(28)
Interfund Charges for Services	1,534,583	1,549,333	1,724,381	175,048
Total Charges for Goods and Services	4,285,803	4,300,553	4,332,473	31,920
Superior Court Felony/Misdemeanor Penalties	85,500	85,500	108,904	23,404
Civil Penalties	17,050	17,050	15,001	(2,049)
Civil Infraction Penalties	1,305,000	1,305,000	1,254,301	(50,699)
Civil Parking Infraction	5,000	5,000	23,636	18,636
Criminal Traffic Misdemeanor	290,000	290,000	222,401	(67,599)
Criminal Non-Traffic Fines	60,200	60,200	69,359	9,159
Criminal Costs	19,200	19,200	25,708	6,508
Total Fines and Forfeits	1,781,950	1,781,950	1,719,310	(62,640)
Interest Earnings	525,525	525,525	441,399	(84,126)
Rents, Leases, Concessions	219,316	219,316	204,421	(14,895)
Interfund/Interdepartment Miscellaneous	25,696	25,696	23,555	(2,141)
Contributions/Donations	9,310	28,548	15,777	(12,771)
Other Miscellaneous Revenue	118,575	118,575	484,619	366,044
Total Miscellaneous Revenues	898,422	917,660	1,169,771	252,111
Agency Type Deposits	3,000	3,000	2,218	(782)
Total Non-Revenues	3,000	3,000	2,218	(782)
Total Revenues	45,901,033	46,157,834	49,110,914	2,953,080

SKAGIT COUNTY, WASHINGTON
Schedule of Expenditures Budget (GAAP Basis) and Actual
General Fund
For the Year Ended December 31, 2012

	<u>Budgeted Amounts</u>			<u>Variance with Final Budget</u>
	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	
General Government				
<u>Assessor</u>				
Salaries and Wages	1,092,925	1,092,925	1,058,090	(34,835)
Personnel Benefits	524,077	524,077	513,445	(10,632)
Supplies	15,000	15,000	9,057	(5,943)
Other Services and Charges	26,900	26,900	25,127	(1,773)
Interfund Payments for Services	11,100	11,100	11,898	798
Total Assessor	1,670,002	1,670,002	1,617,617	(52,385)
<u>Auditor</u>				
Salaries and Wages	696,103	696,103	697,681	1,578
Personnel Benefits	331,145	331,145	327,960	(3,185)
Supplies	14,200	14,200	10,912	(3,288)
Other Services and Charges	15,000	15,000	12,570	(2,430)
Total Auditor	1,056,448	1,056,448	1,049,123	(7,325)
<u>Board of Equalization</u>				
Salaries and Wages	43,804	43,804	33,952	(9,852)
Personnel Benefits	13,227	13,227	11,916	(1,311)
Supplies	200	200	153	(47)
Other Services and Charges	2,400	2,400	100	(2,300)
Total Board of Equalization	59,631	59,631	46,121	(13,510)
<u>Commissioners</u>				
Salaries and Wages	375,133	376,383	376,378	(5)
Personnel Benefits	136,576	138,051	138,039	(12)
Supplies	1,600	1,600	1,032	(568)
Other Services and Charges	25,940	25,515	23,950	(1,565)
Total Commissioners	539,249	541,549	539,399	(2,150)
<u>Administrative Services</u>				
Salaries and Wages	490,804	490,804	470,831	(19,973)
Personnel Benefits	196,038	196,038	179,566	(16,472)
Supplies	7,500	7,500	4,124	(3,376)
Other Services and Charges	235,172	265,172	205,425	(59,747)
Total Administrative Services	929,514	959,514	859,946	(99,568)
<u>General Maintenance</u>				
Salaries and Wages	536,539	536,539	453,637	(82,902)
Personnel Benefits	287,660	288,205	270,972	(17,233)
Supplies	100,970	100,425	110,352	9,927
Other Services and Charges	1,002,664	1,002,664	780,703	(221,961)
Interfund Payments for Services	122,031	122,031	127,004	4,973
Total General Maintenance	2,049,864	2,049,864	1,742,668	(307,196)

SKAGIT COUNTY, WASHINGTON
Schedule of Expenditures Budget (GAAP Basis) and Actual
General Fund
For the Year Ended December 31, 2012

	<u>Budgeted Amounts</u>			
Prosecuting Attorney				
Salaries and Wages	2,478,325	2,491,540	2,414,973	(76,567)
Personnel Benefits	1,108,044	1,115,476	1,075,042	(40,434)
Supplies	33,950	33,950	38,586	4,636
Other Services and Charges	247,450	262,200	132,043	(130,157)
Total Prosecuting Attorney	3,867,769	3,903,166	3,660,644	(242,522)
Treasurer				
Salaries and Wages	557,702	557,702	516,742	(40,960)
Personnel Benefits	259,109	259,109	246,221	(12,888)
Supplies	17,000	17,000	9,340	(7,660)
Other Services and Charges	115,000	115,000	113,402	(1,598)
Total Treasurer	948,811	948,811	885,705	(63,106)
Non Departmental Expenditures				
Salaries and Wages	-	-	-	-
Personnel Benefits	171,201	171,201	153,146	(18,055)
Supplies	-	-	335	335
Other Services and Charges	1,156,097	1,256,097	659,019	(597,078)
Interfund Payments for Services	5,201,724	6,204,459	5,399,353	(805,106)
Total Non Departmental Expenditures	6,529,022	7,631,757	6,211,853	(1,419,904)
Total General Government	\$ 17,650,310	\$ 18,820,742	\$ 16,613,076	\$ (2,207,666)
Judicial				
County Clerk				
Salaries and Wages	893,511	893,511	869,693	(23,818)
Personnel Benefits	468,179	468,179	462,371	(5,808)
Supplies	20,000	20,000	21,107	1,107
Other Services and Charges	16,000	16,000	17,868	1,868
Total County Clerk	1,397,690	1,397,690	1,371,039	(26,651)
District Court				
Salaries and Wages	1,285,468	1,313,468	1,287,909	(25,559)
Personnel Benefits	574,695	586,720	568,775	(17,945)
Supplies	19,000	19,000	14,890	(4,110)
Other Services and Charges	44,200	61,061	37,669	(23,392)
Interfund Payments for Services	-	-	11,361	11,361
Total District Court	1,923,363	1,980,249	1,920,604	(59,645)
Public Defender				
Salaries and Wages	1,512,476	1,504,476	1,471,970	(32,506)
Personnel Benefits	642,087	642,087	629,055	(13,032)
Supplies	13,110	13,110	9,677	(3,433)
Other Services and Charges	298,792	348,941	352,023	3,082
Total Public Defender	2,466,465	2,508,614	2,462,725	(45,889)
Superior Courts				
Salaries and Wages	947,472	963,721	946,427	(17,294)
Personnel Benefits	316,529	326,036	278,408	(47,628)
Supplies	21,948	24,808	16,005	(8,803)
Other Services and Charges	323,540	348,540	351,182	2,642
Total Superior Courts	1,609,489	1,663,105	1,592,022	(71,083)

SKAGIT COUNTY, WASHINGTON
Schedule of Expenditures Budget (GAAP Basis) and Actual
General Fund
For the Year Ended December 31, 2012

	<u>Budgeted Amounts</u>			
<u>Assigned Counsel</u>				-
Salaries and Wages	130,813	136,013	135,417	(596)
Personnel Benefits	71,455	71,455	71,958	503
Supplies	1,500	1,500	968	(532)
Other Services and Charges	450,500	605,675	565,946	(39,729)
Total Assigned Counsel	<u>654,268</u>	<u>814,643</u>	<u>774,289</u>	<u>(40,354)</u>
<u>Mediation Services</u>				-
Other Services and Charges	77,000	77,000	71,827	(5,173)
Total Mediation Services	<u>77,000</u>	<u>77,000</u>	<u>71,827</u>	<u>(5,173)</u>
Total Judicial	\$ 8,128,275	\$ 8,441,301	\$ 8,192,506	\$ (248,795)
Public Safety				
<u>Coroner</u>				-
Salaries and Wages	98,590	98,590	96,989	(1,601)
Personnel Benefits	44,267	44,267	40,035	(4,232)
Supplies	4,000	4,000	4,641	641
Other Services and Charges	113,612	113,612	112,446	(1,166)
Interfund Payments for Services	18,672	18,672	18,672	-
Total Coroner	<u>279,141</u>	<u>279,141</u>	<u>272,783</u>	<u>(6,358)</u>
<u>District Court Probation</u>				-
Salaries and Wages	304,780	304,780	304,483	(297)
Personnel Benefits	147,122	147,122	146,381	(741)
Supplies	2,500	2,500	1,227	(1,273)
Other Services and Charges	4,225	4,225	3,119	(1,106)
Total District Court Probation	<u>458,627</u>	<u>458,627</u>	<u>455,210</u>	<u>(3,417)</u>
<u>Public Safety Building Maintenance</u>				-
Salaries and Wages	107,728	107,728	95,982	(11,746)
Personnel Benefits	49,216	49,216	47,769	(1,447)
Supplies	23,000	23,000	16,292	(6,708)
Other Services and Charges	278,070	278,070	242,660	(35,410)
Total Public Safety Building Maintenance	<u>458,014</u>	<u>458,014</u>	<u>402,703</u>	<u>(55,311)</u>
<u>Office of Juvenile Court</u>				-
Salaries and Wages	1,715,252	1,715,252	1,683,720	(31,532)
Personnel Benefits	793,730	793,730	782,689	(11,041)
Supplies	29,000	29,000	16,279	(12,721)
Other Services and Charges	136,452	136,452	36,334	(100,118)
Interfund Payments for Services	2,436	2,436	1,548	(888)
Total Office of Juvenile Court	<u>2,676,870</u>	<u>2,676,870</u>	<u>2,520,570</u>	<u>(156,300)</u>
<u>Civil Service Commission</u>				-
Salaries and Wages	24,000	32,000	30,725	(1,275)
Personnel Benefits	4,038	4,758	2,947	(1,811)
Supplies	500	500	476	(24)
Other Services and Charges				-
Total Civil Service Commission	<u>28,538</u>	<u>37,258</u>	<u>34,148</u>	<u>(3,110)</u>
<u>Sheriff</u>				-
Salaries and Wages	7,389,388	7,389,388	7,043,672	(345,716)
Personnel Benefits	3,096,430	3,096,430	2,910,055	(186,375)
Supplies	557,750	557,750	529,477	(28,273)
Other Services and Charges	620,375	620,875	1,006,845	385,970
Interfund Payments for Services	1,154,176	1,154,176	1,036,896	(117,280)
Total Sheriff	<u>12,818,119</u>	<u>12,818,119</u>	<u>12,526,945</u>	<u>(291,674)</u>
Total Public Safety	\$ 16,719,309	\$ 16,728,029	\$ 16,212,359	\$ (516,170)

SKAGIT COUNTY, WASHINGTON
Schedule of Expenditures Budget (GAAP Basis) and Actual
General Fund
For the Year Ended December 31, 2012

	<u>Budgeted Amounts</u>			
Physical Environment				
<u>Sheriff Animal Control</u>				
				-
Salaries and Wages	48,591	48,591	45,642	(2,949)
Personnel Benefits	27,351	27,351	26,589	(762)
Supplies	3,000	3,000	321	(2,679)
Other Services and Charges	66,500	66,500	17,562	(48,938)
Interfund Payments for Services	13,992	13,992	13,992	-
Total Sheriff Animal Control	159,434	159,434	104,106	(55,328)
<u>Noxious Weed Control</u>				
				-
Salaries and Wages	72,718	98,918	71,441	(27,477)
Personnel Benefits	29,540	32,896	30,456	(2,440)
Supplies	3,483	3,483	3,678	195
Other Services and Charges	3,305	3,305	2,632	(673)
Interfund Payments for Services	6,650	6,650	8,496	1,846
Total Noxious Weed Control	115,696	145,252	116,703	(28,549)
<u>Pest Control</u>				
				-
Salaries and Wages	9,665	13,868	13,868	-
Personnel Benefits	1,498	2,391	2,391	-
Supplies	100	100	584	484
Other Services and Charges	8,100	3,004	536	(2,468)
Interfund Payments for Services	1,250	1,250	1,283	33
Total Pest Control	20,613	20,613	18,662	(1,951)
<u>Sustainability</u>				
				-
Salaries and Wages	40,732	56,232	54,646	(1,586)
Personnel Benefits	20,026	27,816	28,432	616
Supplies	2,000	16,600	20,376	3,776
Other Services and Charges	45,650	81,010	69,811	(11,199)
Interfund Payments for Services				-
Total Sustainability	108,408	181,658	173,265	(8,393)
Total Physical Environment	\$ 404,151	\$ 506,957	\$ 412,736	(94,221)
Economic Environment				
<u>Boundary Review Board</u>				
				-
Salaries and Wages	4,845	4,845	4,845	-
Personnel Benefits	2,462	2,462	2,380	(82)
Supplies	100	100	23	(77)
Other Services and Charges	12,900	12,900	5,224	(7,676)
Total Boundary Review Board	20,307	20,307	12,472	(7,835)
<u>Hearing Examiner</u>				
				-
Salaries and Wages	21,804	21,804	21,802	(2)
Personnel Benefits	11,082	11,832	11,591	(241)
Supplies	100	100	149	49
Other Services and Charges	65,000	64,250	60,000	(4,250)
Total Hearing Examiner	97,986	97,986	93,542	(4,444)
<u>AG Advisory Board</u>				
				-
Salaries and Wages	6,217	6,217	4,120	(2,097)
Personnel Benefits	3,106	3,106	2,124	(982)
Other Services and Charges	395	395	81	(314)
Total AG Advisory Board	9,718	9,718	6,325	(3,393)
Total Economic Environment	\$ 128,011	\$ 128,011	\$ 112,339	\$ (15,672)

SKAGIT COUNTY, WASHINGTON
Schedule of Expenditures Budget (GAAP Basis) and Actual
General Fund
For the Year Ended December 31, 2012

	<u>Budgeted Amounts</u>			Variance with Final Budget
	Original Budget	Final Budget	Actual	
<i>Culture and Recreation</i>				
<u>Cooperative Extension</u>				
Salaries and Wages	81,714	81,714	75,604	(6,110)
Personnel Benefits	26,645	27,285	26,740	(545)
Supplies	3,315	3,315	11,271	7,956
Other Services and Charges	99,386	99,386	89,096	(10,290)
Total Cooperative Extension	<u>211,060</u>	<u>211,700</u>	<u>202,711</u>	<u>(8,989)</u>
<u>Historical Museum</u>				
Salaries and Wages	-	-	-	-
Personnel Benefits	-	-	-	-
Supplies	-	-	-	-
Other Services and Charges	150,000	150,000	150,000	-
Total Historical Museum	<u>150,000</u>	<u>150,000</u>	<u>150,000</u>	<u>-</u>
<i>Total Culture and Recreation</i>	\$ 361,060	\$ 361,700	\$ 352,711	\$ (8,989)
Capital Outlay				
<u>Capital Outlay</u>				
Capital Outlay	185,000	343,670	313,118	(30,552)
Total Capital Outlay	<u>185,000</u>	<u>343,670</u>	<u>313,118</u>	<u>(30,552)</u>
<u>Non Department Debt Service</u>				
Debt Service Principal	56,667	56,667	56,667	-
Total Contributions to Active Funds	<u>56,667</u>	<u>56,667</u>	<u>56,667</u>	<u>-</u>
TOTAL EXPENDITURES	\$ 43,632,283	\$ 45,387,577	\$ 42,265,509	\$ (3,122,068)

SKAGIT COUNTY, WASHINGTON
COMBINING BALANCE SHEET
NONMAJOR GOVERNMENTAL FUNDS
AS OF DECEMBER 31, 2012

	Non Major Funds			Total
	Special	Debt	Capital	
	Revenue	Service	Project	
ASSETS and OUTFLOWS of RESOURCES				
Cash/Cash Equivalents	\$ 11,040,035	\$ 81,751	\$ 5,640,319	\$ 16,762,105
Investments	5,903,459	1,972,562	2,482,996	10,359,017
Taxes Receivable	327,208	200	-	327,408
Accounts Receivable	51,420	-	-	51,420
Due From Other Funds	420,379	-	-	420,379
Due From Other Governmental Units	2,429,273	-	388,965	2,818,238
Interfund Loan Receivable	3,000	260,500	-	263,500
Inventory/Prepayments	42,681	-	-	42,681
Total Assets	20,217,455	2,315,013	8,512,280	31,044,748
Deferred Outflows of Resources				
Total Assets and Deferred Outflows of Resources	<u>20,217,455</u>	<u>2,315,013</u>	<u>8,512,280</u>	<u>31,044,748</u>
LIABILITIES, DEFERRED INFLOWS of RESOURCES and FUND BALANCES				
<u>Liabilities</u>				
Accounts/Vouchers Payable	1,159,993	-	\$ 504,734	1,664,727
Due To Other Funds	531,545	-	16,140	547,685
Due To Other Governmental Units	365,420	-	-	365,420
Accrued Wages Payable	254,931	-	-	254,931
Accrued Employee Benefits	62,595	-	-	62,595
Custodial Accounts	57,190	-	-	57,190
Deferred Revenue	519,252	200	61,886	581,338
Long-Term Interfund Loans Payable	-	263,500	-	263,500
Total Liabilities	2,950,926	263,700	582,760	3,797,386
Deferred Inflows of Resources				
<u>Fund Balance</u>				
Nonspendable	45,681	-	-	45,681
Restricted	14,444,595	2,051,313	7,929,520	24,425,428
Committed	2,776,253	-	-	2,776,253
Assigned	-	-	-	-
Unassigned	-	-	-	-
Total Fund Balances	17,266,529	2,051,313	7,929,520	27,247,362
Total Liabilities, Deferred Inflows of Resources and Fund Balances	<u>\$ 20,217,455</u>	<u>\$ 2,315,013</u>	<u>\$ 8,512,280</u>	<u>\$ 31,044,748</u>

SKAGIT COUNTY, WASHINGTON
COMBINING STATEMENT OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCE
NONMAJOR GOVERNMENTAL FUNDS
FOR THE YEAR ENDED DECEMBER 31, 2012

	Non Major Funds			Total
	Special Revenue	Debt Service	Capital Project	
<u>Revenues</u>				
Property Taxes	\$6,144,180	-	\$891,786	\$ 7,035,966
Sales and Use Taxes	6,157,435		2,108,775	8,266,210
Other Taxes	249,481		-	249,481
Licenses and Permits	939,870	-	-	939,870
Intergovernmental	7,301,023	-	-	7,301,023
Charges for Services	4,091,655	-	16,185	4,107,840
Fines and Forfeits	133,487	-	-	133,487
Interest Earnings	31,127	77,573	14,709	123,409
Donations	558,529	-	-	558,529
Other Revenues	303,216	417,416	470,227	1,190,859
Total Revenues	<u>25,910,003</u>	<u>494,989</u>	<u>3,501,682</u>	<u>29,906,674</u>
<u>Expenditures</u>				
Current:				
General Governmental Services	996,840	-	-	996,840
Public Safety	9,036,694	-	-	9,036,694
Physical Environment	3,170,363	-	-	3,170,363
Transportation	162,426	-	-	162,426
Economic Environment	2,401,237	-	1,088,628	3,489,865
Health and Human Services	12,060,457	-	-	12,060,459
Culture and Recreation	1,632,108	-	551,602	2,183,710
Debt Service:	-	-	-	-
Principal	-	1,156,452	-	1,156,452
Interest	-	565,948	-	565,948
Capital Outlay	777,235	-	1,322,748	2,099,983
Total Expenditures	<u>30,237,360</u>	<u>1,722,400</u>	<u>2,962,978</u>	<u>34,922,740</u>
Excess (Deficit) Revenues Over Expenditures	<u>(4,327,357)</u>	<u>(1,227,411)</u>	<u>538,704</u>	<u>(5,016,066)</u>
<u>Other Financing Sources (Uses)</u>				
<u>Interfund Loan receivable</u>				
Issuance of General Long-Term Debt	353,939	-	-	353,939
Proceeds of Capital Assets	6,500	-	-	6,500
Transfers In	5,193,744	1,472,371	1,966,172	8,632,287
Transfers Out	(1,155,609)	-	(1,796,678)	(2,952,287)
Total Other Financing Source (Uses)	<u>4,398,574</u>	<u>1,472,371</u>	<u>169,494</u>	<u>6,040,439</u>
Net Change in Fund Balance	<u>71,217</u>	<u>244,960</u>	<u>708,198</u>	<u>1,024,373</u>
Fund Balance-January 1	17,433,383	1,806,355	7,264,474	26,504,212
Prior Period Adjustment	(238,071)		(43,152)	(281,223)
Fund Balance-December 31	<u>17,266,529</u>	<u>\$2,051,313</u>	<u>7,929,520</u>	<u>\$27,247,362</u>

SKAGIT COUNTY, WASHINGTON
NONMAJOR SPECIAL REVENUE FUNDS
AS OF DECEMBER 31, 2012

Special Revenue Funds are utilized to account for the proceeds from specific revenue sources other than expendable trusts or major capital project that are legally restricted for the purposes so designated. Both revenues and expenditures are budgeted in compliance with the Revised Code of Washington 36.40. The modified accrual basis of accounting is applied. A description of each fund follows:

Public Health Fund - A fund to account for the financial operations of County health programs.

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

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

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

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

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

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

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

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

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

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

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

Mental Health Fund - A fund established to coordinate mental health treatment issues within the County

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

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

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

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

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

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

SKAGIT COUNTY, WASHINGTON
NONMAJOR SPECIAL REVENUE FUNDS
AS OF DECEMBER 31, 2012

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

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, 2012**

ASSETS and OUTFLOWS of RESOURCES	Public Health	Special Paths	Emergency Mgmt	County Fair
Cash and Cash Equivalents	\$381,758	\$237,064	\$349,340	\$426,247
Investments	82,821	549,504		
Taxes Receivable				
Accounts Receivable	9,193		-	
Due from Other Funds	-		90	-
Due from Other Governments	329,369		48,974	
Interfund Loans Receivable				
Inventories	42,681			
Prepaid Items				
Total Assets	845,822	786,568	398,404	426,247
Deferred Outflows of Resources				
Total Assets and Deferred Outflows of Resources	845,822	786,568	398,404	426,247
 LIABILITIES, DEFERRED INFLOWS of REOURCES and FUND BALANCES				
<u>Liabilities</u>				
Accounts and Vouchers Payable	48,077	4,745	856	4,091
Due to Other Funds	222,104	1,491	25,246	4,046
Due to Other Governments	-	-	1,969	
Accrued Wages Payable	78,177	2,590	16,139	-
Accrued Employee Benefits	14,752	470	3,105	-
Custodial Accounts				549
Deferred Revenue	66,124			39,332
Interfund Loans Payable				
Total Liabilities	429,234	9,296	47,315	48,018
Deferred Inflows of Resources				
<u>Fund Balance</u>				
Nonspendable	42,681			
Restricted	288,571	777,272		
Committed	85,336		351,089	378,229
Assigned				
Unassigned				
Total Fund Balances	416,588	777,272	351,089	378,229
Total Liabilities, Deferred Inflows of Resources and Fund Balances	845,822	786,568	398,404	426,247

SKAGIT COUNTY, WASHINGTON
COMBINING BALANCE SHEET
NONMAJOR SPECIAL REVENUE FUNDS
AS OF DECEMBER 31, 2012

ASSETS and OUTFLOWS of RESOURCES	Veterans' Relief	Law Library	River Imp	Treasurer O&M
Cash and Cash Equivalents	\$347,248	\$36,046	\$181,037	\$53,178
Investments			177,760	161,195
Taxes Receivable	7,713			
Accounts Receivable			20,000	
Due from Other Funds			370,197	
Due from Other Governments			18,519	
Interfund Loans Receivable				
Inventories				
Prepaid Items				
Total Assets	354,961	36,046	767,513	214,373
Deferred Outflows of Resources				
Total Assets and Deferred Outflows of Resources	354,961	36,046	767,513	214,373
 LIABILITIES, DEFERRED INFLOWS of REOURCES and FUND BALANCES				
<u>Liabilities</u>				
Accounts and Vouchers Payable	48,203	4,058	957	151
Due to Other Funds	2,766		4,001	
Due to Other Governments		-		
Accrued Wages Payable		2,374	4,014	
Accrued Employee Benefits		363	684	
Custodial Accounts				
Deferred Revenue	7,713			
Interfund Loans Payable				
Total Liabilities	58,682	6,795	9,656	151
Deferred Inflows of Resources				
<u>Fund Balance</u>				
Nonspendable				
Restricted	296,279			214,222
Committed		29,251	757,857	
Assigned				
Unassigned				
Total Fund Balances	296,279	29,251	757,857	214,222
Total Liabilities, Deferred Inflows of Resources and Fund Balances	354,961	36,046	767,513	214,373

**SKAGIT COUNTY, WASHINGTON
COMBINING BALANCE SHEET
NONMAJOR SPECIAL REVENUE FUNDS
AS OF DECEMBER 31, 2012**

ASSETS and OUTFLOWS of RESOURCES	Document Preserv	Election	Parks & Rec	Substance Abuse	Mental Health
Cash and Cash Equivalents	\$257,601	\$64,153	\$380,641	\$456,907	\$3,479,792
Investments	329,338		522,126		2,086,788
Taxes Receivable					14,008
Accounts Receivable	42	-		-	
Due from Other Funds				48,673	
Due from Other Governments		-		470,109	456,965
Interfund Loans Receivable					
Inventories					
Prepaid Items					
Total Assets	<u>586,981</u>	<u>64,153</u>	<u>902,767</u>	<u>975,689</u>	<u>6,037,553</u>
Deferred Outflows of Resources					
Total Assets and Deferred Outflows of Resources	<u>586,981</u>	<u>64,153</u>	<u>902,767</u>	<u>975,689</u>	<u>6,037,553</u>
LIABILITIES, DEFERRED INFLOWS of REOURCES and FUND BALANCES					
<u>Liabilities</u>					
Accounts and Vouchers Payable		311	19,835	155,127	278,590
Due to Other Funds					162,526
Due to Other Governments		-	427	195,453	164,309
Accrued Wages Payable	2,924	6,652	17,134	3,560	21,774
Accrued Employee Benefits	481	1,105	3,102	626	3,677
Custodial Accounts			27,242		
Deferred Revenue			86,338		14,008
Interfund Loans Payable		-			
Total Liabilities	<u>3,405</u>	<u>8,068</u>	<u>154,078</u>	<u>354,766</u>	<u>644,884</u>
Deferred Inflows of Resources					
<u>Fund Balance</u>					
Nonspendable					
Restricted	583,576			620,923	5,392,669
Committed		56,085	748,689		
Assigned					
Unassigned					
Total Fund Balances	<u>583,576</u>	<u>56,085</u>	<u>748,689</u>	<u>620,923</u>	<u>5,392,669</u>
Total Liabilities, Deferred Inflows of Resources and Fund Balances	<u>586,981</u>	<u>64,153</u>	<u>902,767</u>	<u>975,689</u>	<u>6,037,553</u>

**SKAGIT COUNTY, WASHINGTON
COMBINING BALANCE SHEET
NONMAJOR SPECIAL REVENUE FUNDS
AS OF DECEMBER 31, 2012**

ASSETS and OUTFLOWS of RESOURCES	Community Services	Conv. Center	Clean Water	Conserv. Futures
Cash and Cash Equivalents	\$254,045	\$40,487	\$479,511	\$1,281,202
Investments		279,642	300,379	-
Taxes Receivable			69,996	34,264
Accounts Receivable	17,475	519	3,538	
Due from Other Funds				
Due from Other Governments	83,613	39,125	227,958	100,500
Interfund Loans Receivable				
Inventories				
Prepaid Items				
Total Assets	355,133	359,773	1,081,382	1,415,966
Deferred Outflows of Resources				
Total Assets and Deferred Outflows of Resources	355,133	359,773	1,081,382	1,415,966
 LIABILITIES, DEFERRED INFLOWS of REOURCES and FUND BALANCES				
<u>Liabilities</u>				
Accounts and Vouchers Payable	60,887	48,726	158,528	21,735
Due to Other Funds	-	1,449	69,079	
Due to Other Governments	1,725			
Accrued Wages Payable	42,087		20,391	1,140
Accrued Employee Benefits	7,083		3,426	185
Custodial Accounts				
Deferred Revenue			69,996	34,264
Interfund Loans Payable				
Total Liabilities	111,782	50,175	321,420	57,324
Deferred Inflows of Resources				
<u>Fund Balance</u>				
Nonspendable				
Restricted	86,917	309,598	759,962	1,358,642
Committed	156,434			
Assigned				
Unassigned				
Total Fund Balances	243,351	309,598	759,962	1,358,642
Total Liabilities, Deferred Inflows of Resources and Fund Balances	355,133	359,773	1,081,382	1,415,966

**SKAGIT COUNTY, WASHINGTON
COMBINING BALANCE SHEET
NONMAJOR SPECIAL REVENUE FUNDS
AS OF DECEMBER 31, 2012**

ASSETS and OUTFLOWS of RESOURCES	Medic 1	Crime Victim	Comm. System	Water Quality
Cash and Cash Equivalents	\$44,343	\$45,285	\$297,685	\$158,608
Investments		118,376		202,738
Taxes Receivable	169,447			
Accounts Receivable			-	
Due from Other Funds				
Due from Other Governments			431,986	-
Interfund Loans Receivable				
Inventories				
Prepaid Items				
Total Assets	213,790	163,661	729,671	361,346
Deferred Outflows of Resources				
Total Assets and Deferred Outflows of Resources	213,790	163,661	729,671	361,346
LIABILITIES, DEFERRED INFLOWS of REOURCES and FUND BALANCES				
<u>Liabilities</u>				
Accounts and Vouchers Payable	4,401			1,073
Due to Other Funds		330		
Due to Other Governments			1,537	
Accrued Wages Payable		701		
Accrued Employee Benefits		118		
Custodial Accounts				
Deferred Revenue	169,447			
Interfund Loans Payable				
Total Liabilities	173,848	1,149	1,537	1,073
Deferred Inflows of Resources				
<u>Fund Balance</u>				
Nonspendable				
Restricted		162,512	728,134	360,273
Committed	39,942			
Assigned				
Unassigned				
Total Fund Balances	39,942	162,512	728,134	360,273
Total Liabilities, Deferred Inflows of Resources and Fund Balances	213,790	163,661	729,671	361,346

SKAGIT COUNTY, WASHINGTON
COMBINING BALANCE SHEET
NONMAJOR SPECIAL REVENUE FUNDS
AS OF DECEMBER 31, 2012

ASSETS and OUTFLOWS of RESOURCES	Planning & Development	Sedro Woolley Subflood	Hanson Creek Subflood	Lake Mgmt Dist. 1
Cash and Cash Equivalents	\$750,711			(\$1,041)
Investments				50,000
Taxes Receivable				2,604
Accounts Receivable	-			
Due from Other Funds	1,419			
Due from Other Governments	97,639			
Interfund Loans Receivable				
Inventories				
Prepaid Items				
Total Assets	849,769	-	-	51,563
Deferred Outflows of Resources				
Total Assets and Deferred Outflows of Resources	849,769	-	-	51,563
LIABILITIES, DEFERRED INFLOWS of REOURCES and FUND BALANCES				
<u>Liabilities</u>				
Accounts and Vouchers Payable	14,604			
Due to Other Funds	10,179			
Due to Other Governments				
Accrued Wages Payable	34,177			31
Accrued Employee Benefits	23,418			
Custodial Accounts				
Deferred Revenue	250			2,604
Interfund Loans Payable	-		-	
Total Liabilities	82,628	-	-	2,635
Deferred Inflows of Resources				
<u>Fund Balance</u>				
Nonspendable				
Restricted	767,141			48,928
Committed		-	-	
Assigned				
Unassigned				
Total Fund Balances	767,141	-	-	48,928
Total Liabilities, Deferred Inflows of Resources and Fund Balances	849,769	-	-	51,563

**SKAGIT COUNTY, WASHINGTON
COMBINING BALANCE SHEET
NONMAJOR SPECIAL REVENUE FUNDS
AS OF DECEMBER 31, 2012**

ASSETS and OUTFLOWS of RESOURCES	Lake Mgmt Dist. 2	Lake Mgmt Dist. 3	Lake Mgmt Dist. 4	Edison Clean Wtr
Cash and Cash Equivalents	\$24,540	\$33,176	\$3,949	\$76,050
Investments	15,000	-	30,000	100,000
Taxes Receivable	450	512	390	27,824
Accounts Receivable				
Due from Other Funds				
Due from Other Governments				
Interfund Loans Receivable				3,000
Inventories				
Prepaid Items				
Total Assets	39,990	33,688	34,339	206,874
Deferred Outflows of Resources				
Total Assets and Deferred Outflows of Resources	39,990	33,688	34,339	206,874
 LIABILITIES, DEFERRED INFLOWS of REOURCES and FUND BALANCES				
<u>Liabilities</u>				
Accounts and Vouchers Payable	-	-		2,711
Due to Other Funds				
Due to Other Governments				
Accrued Wages Payable	33	32	32	
Accrued Employee Benefits				
Custodial Accounts				
Deferred Revenue	450	512	390	27,824
Interfund Loans Payable				
Total Liabilities	483	544	422	30,535
Deferred Inflows of Resources				
<u>Fund Balance</u>				
Nonspendable				3,000
Restricted	39,507	33,144	33,917	
Committed				173,339
Assigned				
Unassigned				
Total Fund Balances	39,507	33,144	33,917	176,339
Total Liabilities, Deferred Inflows of Resources and Fund Balances	39,990	33,688	34,339	206,874

**SKAGIT COUNTY, WASHINGTON
COMBINING BALANCE SHEET
NONMAJOR SPECIAL REVENUE FUNDS
AS OF DECEMBER 31, 2012**

ASSETS and OUTFLOWS of RESOURCES	Drug Enforce.	Boating Safety	Low Inc. Housing	Title III Projects
Cash and Cash Equivalents	\$57,675	\$45,271	\$10,519	\$71,849
Investments	153,949		197,799	
Taxes Receivable				
Accounts Receivable			120	
Due from Other Funds				
Due from Other Governments	12,386	5,985		48,693
Interfund Loans Receivable				
Inventories				
Prepaid Items				
Total Assets	224,010	51,256	208,438	120,542
Deferred Outflows of Resources				
Total Assets and Deferred Outflows of Resources	224,010	51,256	208,438	120,542
 LIABILITIES, DEFERRED INFLOWS of RECOURCES and FUND BALANCES				
<u>Liabilities</u>				
Accounts and Vouchers Payable	-	899	59,600	8,807
Due to Other Funds		1,346	1,359	
Due to Other Governments				
Accrued Wages Payable		466		
Accrued Employee Benefits				
Custodial Accounts				
Deferred Revenue				
Interfund Loans Payable				
Total Liabilities	-	2,711	60,959	8,807
Deferred Inflows of Resources				
<u>Fund Balance</u>				
Nonspendable				
Restricted	224,010	48,545	147,479	111,735
Committed				
Assigned				
Unassigned				
Total Fund Balances	224,010	48,545	147,479	111,735
Total Liabilities, Deferred Inflows of Resources and Fund Balances	224,010	51,256	208,438	120,542

**SKAGIT COUNTY, WASHINGTON
COMBINING BALANCE SHEET
NONMAJOR SPECIAL REVENUE FUNDS
AS OF DECEMBER 31, 2012**

ASSETS and OUTFLOWS of RESOURCES	Treasurer REET	Housing Assistance	Interlocal Invest.	TOTAL
Cash and Cash Equivalents	\$488	\$699,888	\$14,782	\$11,040,035
Investments	156,638	103,642	285,764	5,903,459
Taxes Receivable				327,208
Accounts Receivable		533	-	51,420
Due from Other Funds			-	420,379
Due from Other Governments			57,452	2,429,273
Interfund Loans Receivable				3,000
Inventories				42,681
Prepaid Items				
Total Assets	157,126	804,063	357,998	20,217,455
Deferred Outflows of Resources				
Total Assets and Deferred Outflows of Resources	157,126	804,063	357,998	20,217,455
LIABILITIES, DEFERRED INFLOWS of REOURCES and FUND BALANCES				
<u>Liabilities</u>				
Accounts and Vouchers Payable		184,751	28,272	1,159,993
Due to Other Funds		2,446	23,177	531,545
Due to Other Governments			-	365,420
Accrued Wages Payable			503	254,931
Accrued Employee Benefits				62,595
Custodial Accounts			29,399	57,190
Deferred Revenue				519,252
Interfund Loans Payable				-
Total Liabilities	-	187,197	81,351	2,950,926
Deferred Inflows of Resources				
<u>Fund Balance</u>				
Nonspendable				45,681
Restricted	157,126	616,866	276,647	14,444,595
Committed				2,776,253
Assigned				-
Unassigned				-
Total Fund Balances	157,126	616,866	276,647	17,266,529
Total Liabilities, Deferred Inflows of Resources and Fund Balances	157,126	804,063	357,998	20,217,455

SKAGIT COUNTY, WASHINGTON
COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND
CHANGES IN FUND BALANCE
NONMAJOR SPECIAL REVENUE FUNDS
FOR THE YEAR ENDED DECEMBER 31, 2012

REVENUES	Public Health	Special Paths	Emergency Mgmt	County Fair
Property Taxes				
Sales and Use Taxes				
Other Taxes				
Licenses and Permits	420,839		11,235	
Intergovernmental	1,625,093	156,148	432,463	19,719
Charges for Services	704,992		10,250	215,348
Fines and Forfeits	4,959			
Interest Earnings	880	8,000		
Donations	20			32,698
Other Revenue	1,942		0	43,088
Total Revenue	2,758,725	164,148	453,948	310,853
 EXPENDITURES				
Current:				
General Governmental Services				
Public Safety			748,257	
Utilities and Environment				
Transportation		162,426		
Economic Environment				
Health & Human Services	3,816,662			
Culture and Recreation				232,139
Debt Service:				
Principal				
Interest				
Capital Outlay		18,063		
Total Expenditures	3,816,662	180,489	748,257	232,139
Excess (Deficit) of Revenues Over Expenditures	(1,057,937)	(16,341)	(294,309)	78,714
 Other Financing Sources (Uses)				
Proceeds from Long Term Debt				
Proceeds from Sale of Capital Assets				
Transfers In	848,442		349,164	50,000
Transfers Out		0		
Total Other Financial Sources (Uses)	848,442	0	349,164	50,000
Net Change in Fund Balance	(209,495)	(16,341)	54,855	128,714
Fund Balance, January 1	626,083	793,613	296,234	249,515
Prior Period Adjustments				
Fund Balance, January 1, restated	626,083	793,613	296,234	249,515
Fund Balance, December 31	\$416,588	\$777,272	\$351,089	\$378,229

SKAGIT COUNTY, WASHINGTON
COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND
CHANGES IN FUND BALANCE
NONMAJOR SPECIAL REVENUE FUNDS
FOR THE YEAR ENDED DECEMBER 31, 2012

REVENUES	Veterans'	Law	River	Treasurer
	Relief	Library	Imp	O&M
Property Taxes	\$163,803			
Sales and Use Taxes	3,298			
Other Taxes				
Licenses and Permits				
Intergovernmental	10,736		27,627	
Charges for Services		52,617	18,500	44,944
Fines and Forfeits				
Interest Earnings	1		858	133
Donations				
Other Revenue	38	2,988		
Total Revenue	<u>177,876</u>	<u>55,605</u>	<u>46,985</u>	<u>45,077</u>
EXPENDITURES				
Current:				
General Governmental Services		131,340		18,840
Public Safety				
Utilities and Environment			553,093	
Transportation				
Economic Environment				
Health & Human Services	128,249			
Culture and Recreation				
Debt Service:				
Principal				
Interest				
Capital Outlay				
Total Expenditures	<u>128,249</u>	<u>131,340</u>	<u>553,093</u>	<u>18,840</u>
Excess (Deficit) of Revenues Over Expenditures	<u>49,627</u>	<u>(75,735)</u>	<u>(506,108)</u>	<u>26,237</u>
Other Financing Sources (Uses)				
Proceeds from Long Term Debt				
Proceeds from Sale of Capital Assets				
Transfers In		104,842	503,292	
Transfers Out				
Total Other Financial Sources (Uses)	<u>0</u>	<u>104,842</u>	<u>503,292</u>	<u>0</u>
Net Change in Fund Balance	<u>49,627</u>	<u>29,107</u>	<u>(2,816)</u>	<u>26,237</u>
Fund Balance, January 1	246,652	144	760,673	187,985
Prior Period Adjustments				
Fund Balance, January 1, restated	<u>246,652</u>	<u>144</u>	<u>760,673</u>	<u>187,985</u>
Fund Balance, December 31	<u>\$296,279</u>	<u>\$29,251</u>	<u>\$757,857</u>	<u>\$214,222</u>

SKAGIT COUNTY, WASHINGTON
COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND
CHANGES IN FUND BALANCE
NONMAJOR SPECIAL REVENUE FUNDS
FOR THE YEAR ENDED DECEMBER 31, 2012

REVENUES	Document Preserv	Election	Parks & Rec	Substance Abuse	Mental Health
Property Taxes					\$312,980
Sales and Use Taxes					2,329,018
Other Taxes					2,134
Licenses and Permits					
Intergovernmental	65,210	3,409		1,583,671	207,452
Charges for Services	61,491	110,853	358,921		1,006,745
Fines and Forfeits					
Interest Earnings	4,192		924		5,135
Donations			9,494		
Other Revenue		0	172,307	(3)	72
Total Revenue	<u>130,893</u>	<u>114,262</u>	<u>541,646</u>	<u>1,583,668</u>	<u>3,863,536</u>
EXPENDITURES					
Current:					
General Governmental Services	132,044	624,805			
Public Safety					
Utilities and Environment					
Transportation					
Economic Environment					
Health & Human Services				2,105,009	3,149,797
Culture and Recreation			1,223,741		
Debt Service:					
Principal					
Interest					
Capital Outlay			6,612		
Total Expenditures	<u>132,044</u>	<u>624,805</u>	<u>1,230,353</u>	<u>2,105,009</u>	<u>3,149,797</u>
Excess (Deficit) of Revenues Over Expenditures	<u>(1,151)</u>	<u>(510,543)</u>	<u>(688,707)</u>	<u>(521,341)</u>	<u>713,739</u>
Other Financing Sources (Uses)					
Proceeds from Long Term Debt					
Proceeds from Sale of Capital Assets					
Transfers In		416,953	598,204	515,387	
Transfers Out				0	(764,481)
Total Other Financial Sources (Uses)	<u>0</u>	<u>416,953</u>	<u>598,204</u>	<u>515,387</u>	<u>(764,481)</u>
Net Change in Fund Balance	<u>(1,151)</u>	<u>(93,590)</u>	<u>(90,503)</u>	<u>(5,954)</u>	<u>(50,742)</u>
Fund Balance, January 1	584,727	149,675	839,192	626,877	5,443,411
Prior Period Adjustments					
Fund Balance, January 1, restated	<u>584,727</u>	<u>149,675</u>	<u>839,192</u>	<u>626,877</u>	<u>5,443,411</u>
Fund Balance, December 31	<u>\$583,576</u>	<u>\$56,085</u>	<u>\$748,689</u>	<u>\$620,923</u>	<u>\$5,392,669</u>

SKAGIT COUNTY, WASHINGTON
COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND
CHANGES IN FUND BALANCE
NONMAJOR SPECIAL REVENUE FUNDS
FOR THE YEAR ENDED DECEMBER 31, 2012

REVENUES	Community Services	Conv. Center	Clean Water	Conserv. Futures
Property Taxes			\$1,270,866	\$764,387
Sales and Use Taxes		298,900		15,438
Other Taxes				
Licenses and Permits				
Intergovernmental	928,986		525,241	447,621
Charges for Services	56,738		127,678	
Fines and Forfeits				
Interest Earnings		327	1,433	2,489
Donations	368,227			148,090
Other Revenue	35,252	519	249	5,177
Total Revenue	<u>1,389,203</u>	<u>299,746</u>	<u>1,925,467</u>	<u>1,383,202</u>
EXPENDITURES				
Current:				
General Governmental Services				
Public Safety				
Utilities and Environment			1,947,544	264,609
Transportation				
Economic Environment				
Health & Human Services	2,348,537			
Culture and Recreation		176,228		
Debt Service:				
Principal				
Interest				
Capital Outlay				610,975
Total Expenditures	<u>2,348,537</u>	<u>176,228</u>	<u>1,947,544</u>	<u>875,584</u>
Excess (Deficit) of Revenues Over Expenditures	<u>(959,334)</u>	<u>123,518</u>	<u>(22,077)</u>	<u>507,618</u>
Other Financing Sources (Uses)				
Proceeds from Long Term Debt				
Proceeds from Sale of Capital Assets				
Transfers In	874,013		65,007	
Transfers Out		(138,300)		
Total Other Financial Sources (Uses)	<u>874,013</u>	<u>(138,300)</u>	<u>65,007</u>	<u>0</u>
Net Change in Fund Balance	<u>(85,321)</u>	<u>(14,782)</u>	<u>42,930</u>	<u>507,618</u>
Fund Balance, January 1	328,672	324,380	717,032	996,487
Prior Period Adjustments				(145,463)
Fund Balance, January 1, restated	<u>328,672</u>	<u>324,380</u>	<u>717,032</u>	<u>851,024</u>
Fund Balance, December 31	<u>\$243,351</u>	<u>\$309,598</u>	<u>\$759,962</u>	<u>\$1,358,642</u>

SKAGIT COUNTY, WASHINGTON
COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND
CHANGES IN FUND BALANCE
NONMAJOR SPECIAL REVENUE FUNDS
FOR THE YEAR ENDED DECEMBER 31, 2012

REVENUES	Medic 1	Crime Victim	Comm. System	Water Quality
Property Taxes	\$3,632,144			
Sales and Use Taxes	24,743		3,486,038	
Other Taxes	48,335		-	
Licenses and Permits				
Intergovernmental	236,897		46,544	98,327
Charges for Services		81,961		2,310
Fines and Forfeits				
Interest Earnings	19	209	386	1,861
Donations				
Other Revenue	840			
Total Revenue	<u>3,942,978</u>	<u>82,170</u>	<u>3,532,968</u>	<u>102,498</u>
EXPENDITURES				
Current:				
General Governmental Services		79,813		
Public Safety	4,105,599		3,466,335	
Utilities and Environment				287,445
Transportation				
Economic Environment				
Health & Human Services				
Culture and Recreation				
Debt Service:				
Principal				
Interest				
Capital Outlay				
Total Expenditures	<u>4,105,599</u>	<u>79,813</u>	<u>3,466,335</u>	<u>287,445</u>
Excess (Deficit) of Revenues Over Expenditures	<u>(162,621)</u>	<u>2,357</u>	<u>66,633</u>	<u>(184,947)</u>
Other Financing Sources (Uses)				
Proceeds from Long Term Debt				353,939
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>353,939</u>
Net Change in Fund Balance	<u>(162,621)</u>	<u>2,357</u>	<u>66,633</u>	<u>168,992</u>
Fund Balance, January 1	202,563	160,155	661,501	191,281
Prior Period Adjustments				
Fund Balance, January 1, restated	<u>202,563</u>	<u>160,155</u>	<u>661,501</u>	<u>191,281</u>
Fund Balance, December 31	<u>\$39,942</u>	<u>\$162,512</u>	<u>\$728,134</u>	<u>\$360,273</u>

SKAGIT COUNTY, WASHINGTON
COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND
CHANGES IN FUND BALANCE
NONMAJOR SPECIAL REVENUE FUNDS
FOR THE YEAR ENDED DECEMBER 31, 2012

REVENUES	Planning & Development	Sedro Woolley Subflood	Hanson Creek Subflood	Lake Mgmt Dist. 1
Property Taxes				
Sales and Use Taxes				
Other Taxes				55,634
Licenses and Permits	507,796			
Intergovernmental	545,965			
Charges for Services	523,875			
Fines and Forfeits	669			
Interest Earnings				33
Donations	0			
Other Revenue	1,583			
Total Revenue	1,579,888	0	0	55,667
EXPENDITURES				
Current:				
General Governmental Services				
Public Safety				
Utilities and Environment			0	39,335
Transportation				
Economic Environment	2,039,591			
Health & Human Services				
Culture and Recreation				
Debt Service:				
Principal				
Interest				
Capital Outlay	134,169			
Total Expenditures	2,173,760	0	0	39,335
Excess (Deficit) of Revenues Over Expenditures	(593,872)	0	0	16,332
Other Financing Sources (Uses)				
Proceeds from Long Term Debt				
Proceeds from Sale of Capital Assets				
Transfers In	868,440			
Transfers Out		(236,680)	(16,148)	
Total Other Financial Sources (Uses)	868,440	(236,680)	(16,148)	0
Net Change in Fund Balance	274,568	(236,680)	(16,148)	16,332
Fund Balance, January 1	602,876	236,680	16,148	32,596
Prior Period Adjustments	(110,303)			
Fund Balance, January 1, restated	492,573	236,680	16,148	32,596
Fund Balance, December 31	\$767,141	\$0	\$0	\$48,928

SKAGIT COUNTY, WASHINGTON
COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND
CHANGES IN FUND BALANCE
NONMAJOR SPECIAL REVENUE FUNDS
FOR THE YEAR ENDED DECEMBER 31, 2012

REVENUES	Lake Mgmt Dist. 2	Lake Mgmt Dist. 3	Lake Mgmt Dist. 4	Edison Clean Wtr
Property Taxes				
Sales and Use Taxes				
Other Taxes	14,522	28,568	20,280	80,008
Licenses and Permits				
Intergovernmental				
Charges for Services				
Fines and Forfeits				
Interest Earnings	32	63	20	65
Donations				
Other Revenue				
Total Revenue	<u>14,554</u>	<u>28,631</u>	<u>20,300</u>	<u>80,073</u>
EXPENDITURES				
Current:				
General Governmental Services				
Public Safety				
Utilities and Environment	2,355	26,177	17,964	31,841
Transportation				
Economic Environment				
Health & Human Services				
Culture and Recreation				
Debt Service:				
Principal				
Interest				
Capital Outlay				
Total Expenditures	<u>2,355</u>	<u>26,177</u>	<u>17,964</u>	<u>31,841</u>
Excess (Deficit) of Revenues Over Expenditures	<u>12,199</u>	<u>2,454</u>	<u>2,336</u>	<u>48,232</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>12,199</u>	<u>2,454</u>	<u>2,336</u>	<u>48,232</u>
Fund Balance, January 1	27,308	30,690	31,581	128,107
Prior Period Adjustments				
Fund Balance, January 1, restated	<u>27,308</u>	<u>30,690</u>	<u>31,581</u>	<u>128,107</u>
Fund Balance, December 31	<u>\$39,507</u>	<u>\$33,144</u>	<u>\$33,917</u>	<u>\$176,339</u>

SKAGIT COUNTY, WASHINGTON
COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND
CHANGES IN FUND BALANCE
NONMAJOR SPECIAL REVENUE FUNDS
FOR THE YEAR ENDED DECEMBER 31, 2012

REVENUES	Drug Enforce.	Boating Safety	Low Inc. Housing	Title III Projects
Property Taxes				
Sales and Use Taxes				
Other Taxes				
Licenses and Permits				
Intergovernmental	49,136	87,364		48,699
Charges for Services			129,329	
Fines and Forfeits				
Interest Earnings	216		428	
Donations				
Other Revenue	33,333	1,080		
Total Revenue	82,685	88,444	129,757	48,699
EXPENDITURES				
Current:				
General Governmental Services				
Public Safety	49,276	91,035		
Utilities and Environment				
Transportation				
Economic Environment			267,934	93,712
Health & Human Services				
Culture and Recreation				
Debt Service:				
Principal				
Interest				
Capital Outlay				
Total Expenditures	49,276	91,035	267,934	93,712
Excess (Deficit) of Revenues Over Expenditures	33,409	(2,591)	(138,177)	(45,013)
Other Financing Sources (Uses)				
Proceeds from Long Term Debt				
Proceeds from Sale of Capital Assets		6,500		
Transfers In				
Transfers Out				
Total Other Financial Sources (Uses)	0	6,500	0	0
Net Change in Fund Balance	33,409	3,909	(138,177)	(45,013)
Fund Balance, January 1	172,906	44,636	285,656	156,748
Prior Period Adjustments	17,695			
Fund Balance, January 1, restated	190,601	44,636	285,656	156,748
Fund Balance, December 31	\$224,010	\$48,545	\$147,479	\$111,735

SKAGIT COUNTY, WASHINGTON
COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND
CHANGES IN FUND BALANCE
NONMAJOR SPECIAL REVENUE FUNDS
FOR THE YEAR ENDED DECEMBER 31, 2012

REVENUES	Treasurer REET	Housing Assistance	Interlocal Invest.	TOTAL
Property Taxes				\$6,144,180
Sales and Use Taxes				6,157,435
Other Taxes				249,481
Licenses and Permits				939,870
Intergovernmental			154,715	7,301,023
Charges for Services		583,756	1,347	4,091,655
Fines and Forfeits			127,859	133,487
Interest Earnings	2,576	183	664	31,127
Donations				558,529
Other Revenue			4,751	303,216
Total Revenue	<u>2,576</u>	<u>583,939</u>	<u>289,336</u>	<u>25,910,003</u>
EXPENDITURES				
Current:				
General Governmental Services	10,000			996,840
Public Safety			576,192	9,036,694
Utilities and Environment				3,170,363
Transportation				162,426
Economic Environment				2,401,237
Health & Human Services		512,203		12,060,457
Culture and Recreation				1,632,108
Debt Service:				
Principal				-
Interest				-
Capital Outlay			7,416	777,235
Total Expenditures	<u>10,000</u>	<u>512,203</u>	<u>583,608</u>	<u>30,237,360</u>
Excess (Deficit) of Revenues Over Expenditures	<u>(7,424)</u>	<u>71,736</u>	<u>(294,272)</u>	<u>(4,327,357)</u>
Other Financing Sources (Uses)				
Proceeds from Long Term Debt				353,939
Proceeds from Sale of Capital Assets				6,500
Transfers In				5,193,744
Transfers Out				(1,155,609)
Total Other Financial Sources (Uses)	<u>0</u>	<u>0</u>	<u>0</u>	<u>4,398,574</u>
Net Change in Fund Balance	<u>(7,424)</u>	<u>71,736</u>	<u>(294,272)</u>	<u>71,217</u>
Fund Balance, January 1	164,550	545,130	570,919	17,433,383
Prior Period Adjustments				(238,071)
Fund Balance, January 1, restated	<u>164,550</u>	<u>545,130</u>	<u>570,919</u>	<u>17,195,312</u>
Fund Balance, December 31	<u>\$157,126</u>	<u>\$616,866</u>	<u>\$276,647</u>	<u>\$17,266,529</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, 2012

	Budgeted Amounts		Actual	Variance with Final Budget
	Original Budget	Final Budget		
Budgeted Fund Balance, January 1			\$ 626,083	
Resources (in-flows)				
Licenses and Permits	463,390	463,390	420,839	(42,551)
Intergovernmental Revenue	1,453,946	1,968,874	1,625,093	(343,781)
Charges for Goods and Services	804,446	758,446	704,992	(53,454)
Fines and Forfeits	5,000	5,000	4,959	(41)
Interest Revenue	325	325	880	555
Donations	1,000	1,000	20	(980)
Transfers In	851,442	851,442	848,442	(3,000)
Miscellaneous Revenues	770	770	1,942	1,172
Total Resources (in-flows)	3,580,319	4,049,247	3,607,167	(442,080)
Amounts Available for Appropriation	3,580,319	4,049,247	4,233,250	
Charges to Appropriations (out-flows)				
Salaries and Wages	1,993,960	2,020,798	2,010,072	(10,726)
Personnel Benefits	928,496	928,496	924,818	(3,678)
Supplies	207,441	431,603	375,393	(56,210)
Services and Charges	121,606	147,056	116,537	(30,519)
Capital Outlays				-
Interfund Payments for Services	328,816	521,294	389,842	(131,452)
Transfers Out				-
Amount Charged to Appropriations (out-flows)	3,580,319	4,049,247	3,816,662	(232,585)
Budgeted Fund Balance, December 31	\$ -	\$ -	\$ 416,588	

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, 2012

	Budgeted Amounts		Actual	Variance with Final Budget
	Original Budget	Final Budget		
Budgeted Fund Balance, January 1	\$ 276,592	\$ 276,592	\$ 793,613	
Resources (in-flows)				
Intergovernmental Revenue	158,000	158,000	156,148	(1,852)
Interest Revenue	2,000	2,000	8,000	6,000
Total Resources (in-flows)	<u>160,000</u>	<u>160,000</u>	<u>164,148</u>	<u>4,148</u>
Amounts Available for Appropriation	436,592	436,592	957,761	
Charges to Appropriations (out-flows)				
Salaries and Wages	66,879	86,879	74,499	(12,380)
Personnel Benefits	30,713	30,713	33,423	2,710
Supplies	14,500	14,500	4,600	(9,900)
Services and Charges	205,500	181,500	42,444	(139,056)
Capital Outlays	115,000	115,000	18,063	(96,937)
Interfund Payments for Services	4,000	8,000	7,460	(540)
Transfers Out	-	-	-	-
Amount Charged to Appropriations (out-flows)	<u>436,592</u>	<u>436,592</u>	<u>180,489</u>	<u>(256,103)</u>
Budgeted Fund Balance, December 31	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 777,272</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, 2012

	Budgeted Amounts		Actual	Variance with Final Budget
	Original Budget	Final Budget		
Budgeted Fund Balance, January 1			\$ 296,234	
Resources (in-flows)				
Licenses and Permits	6,000	6,000	11,235	5,235
Intergovernmental Revenue	510,777	533,499	432,463	(101,036)
Charges for Goods and Services	18,200	18,200	10,250	(7,950)
Transfers In	349,164	349,164	349,164	-
Miscellaneous Revenues	-	-	-	-
Total Resources (in-flows)	884,141	906,863	803,112	(103,751)
Amounts Available for Appropriation	884,141	906,863	1,099,346	
Charges to Appropriations (out-flows)				
Salaries and Wages	428,018	444,640	367,476	(77,164)
Personnel Benefits	164,554	176,284	166,643	(9,641)
Supplies	87,838	118,283	119,401	1,118
Services and Charges	40,567	39,872	23,916	(15,956)
Capital Outlays	74,880	39,500	-	(39,500)
Interfund Payments for Services	88,284	88,284	70,821	(17,463)
Transfers Out	-	-	-	-
Amount Charged to Appropriations (out-flows)	884,141	906,863	748,257	(158,606)
Budgeted Fund Balance, December 31	\$ -	\$ -	\$ 351,089	

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, 2012

	Budgeted Amounts		Actual	Variance with Final Budget
	Original Budget	Final Budget		
Budgeted Fund Balance, January 1	\$ -	\$ -	\$ 249,515	
Resources (in-flows)				
Licenses and Permits				-
Intergovernmental Revenue	19,719	19,719	19,719	-
Charges for Goods and Services	147,300	147,300	215,348	68,048
Donations	22,000	22,000	32,698	10,698
Transfers In	50,000	50,000	50,000	-
Miscellaneous Revenues	49,000	49,000	43,088	(5,912)
Total Resources (in-flows)	288,019	288,019	360,853	72,834
Amounts Available for Appropriation	288,019	288,019	610,368	
Charges to Appropriations (out-flows)				
Salaries and Wages	82,000	82,000	65,128	(16,872)
Personnel Benefits	8,811	8,811	11,012	2,201
Supplies	21,450	21,450	20,303	(1,147)
Services and Charges	152,810	152,810	119,002	(33,808)
Capital Outlays				-
Interfund Payments for Services	22,948	22,948	16,694	(6,254)
Transfers Out	-	-	-	-
Amount Charged to Appropriations (out-flows)	288,019	288,019	232,139	(55,880)
Budgeted Fund Balance, December 31	\$ -	\$ -	\$ 378,229	

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, 2012

	Budgeted Amounts		Actual	Variance with Final Budget
	Original Budget	Final Budget		
Budgeted Fund Balance, January 1	\$ -	\$ -	\$ 246,652	
Resources (in-flows)				
Property Tax	182,700	182,700	167,101	(15,599)
Sales and Use Tax	-	-		-
Intergovernmental Revenue	3,000	3,000	10,736	7,736
Interest Revenue	-	-	1	1
Miscellaneous Revenues	-	-	38	38
Total Resources (in-flows)	185,700	185,700	177,876	(7,824)
Amounts Available for Appropriation	185,700	185,700	424,528	
Charges to Appropriations (out-flows)				
Salaries and Wages				-
Personnel Benefits				-
Supplies				-
Services and Charges	185,700	185,700	125,483	(60,217)
Capital Outlays				-
Interfund Payments for Services	-	-	2,766	2,766
Transfers Out	-	-	-	-
Amount Charged to Appropriations (out-flows)	185,700	185,700	128,249	(57,451)
 Budgeted Fund Balance, December 31	 \$ -	 \$ -	 \$ 296,279	

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, 2012

	Budgeted Amounts		Actual	Variance with Final Budget
	Original Budget	Final Budget		
Budgeted Fund Balance, January 1	\$ (23,243)	\$ (23,243)	\$ 144	
Resources (in-flows)				
Charges for Goods and Services	54,733	54,733	52,617	(2,116)
Donations	-	-	-	-
Transfers In	104,842	104,842	104,842	-
Miscellaneous Revenues	2,484	2,484	2,988	504
Total Resources (in-flows)	162,059	162,059	160,447	(1,612)
Amounts Available for Appropriation	138,816	138,816	160,591	
Charges to Appropriations (out-flows)				
Salaries and Wages	48,182	48,182	48,361	179
Personnel Benefits	24,663	24,663	24,148	(515)
Supplies	8,300	8,300	6,499	(1,801)
Services and Charges	57,671	57,671	52,332	(5,339)
Capital Outlays	-	-	-	-
Interfund Payments for Services	-	-	-	-
Transfers Out	-	-	-	-
Amount Charged to Appropriations (out-flows)	138,816	138,816	131,340	(7,476)
Budgeted Fund Balance, December 31	\$ -	\$ -	\$ 29,251	

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, 2012

	Budgeted Amounts		Actual	Variance with Final Budget
	Original Budget	Final Budget		
Budgeted Fund Balance, January 1	\$ (110,011)	\$ (110,011)	\$ 760,673	
Resources (in-flows)				
Intergovernmental Revenue	560,179	560,179	27,627	(532,552)
Charges for Goods and Services	-	-	18,500	18,500
Interest Revenue	-	-	858	858
Transfers In	278,557	278,557	503,292	224,735
Miscellaneous Revenues	36,500	36,500	-	(36,500)
Total Resources (in-flows)	875,236	875,236	550,277	(324,959)
Amounts Available for Appropriation	765,225	765,225	1,310,950	
Charges to Appropriations (out-flows)				
Salaries and Wages	81,238	115,238	109,436	(5,802)
Personnel Benefits	40,987	58,487	52,269	(6,218)
Supplies	12,000	12,000	400	(11,600)
Services and Charges	554,500	168,000	46,208	(121,792)
Capital Outlays	-	-	-	-
Interfund Payments for Services	76,500	411,500	344,780	(66,720)
Transfers Out	-	-	-	-
Amount Charged to Appropriations (out-flows)	765,225	765,225	553,093	(212,132)
 Budgeted Fund Balance, December 31	 \$ -	 \$ -	 \$ 757,857	

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, 2012

	Budgeted Amounts		Actual	Variance with Final Budget
	Original Budget	Final Budget		
Budgeted Fund Balance, January 1	\$ 88,026	\$ 88,026	\$ 584,727	
Resources (in-flows)				
Intergovernmental Revenue	70,000	70,000	65,210	(4,790)
Charges for Goods and Services	60,000	60,000	61,491	1,491
Interest Revenue	2,500	2,500	4,192	1,692
Total Resources (in-flows)	132,500	132,500	130,893	(1,607)
Amounts Available for Appropriation	220,526	220,526	715,620	
Charges to Appropriations (out-flows)				
Salaries and Wages	72,329	80,829	74,385	(6,444)
Personnel Benefits	40,197	41,697	37,954	(3,743)
Supplies	-	-	-	-
Services and Charges	8,000	8,000	7,397	(603)
Capital Outlays	-	-	-	-
Interfund Payments for Services	100,000	90,000	12,308	(77,692)
Transfers Out	-	-	-	-
Amount Charged to Appropriations (out-flows)	220,526	220,526	132,044	(88,482)
 Budgeted Fund Balance, December 31	 \$ -	 \$ -	 \$ 583,576	

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, 2012

	Budgeted Amounts		Actual	Variance with Final Budget
	Original Budget	Final Budget		
Budgeted Fund Balance, January 1	\$ 32,795	\$ 32,795	\$ 149,675	
Resources (in-flows)				
Intergovernmental Revenue	-	9,907	3,409	(6,498)
Charges for Goods and Services	166,500	166,500	110,853	(55,647)
Transfers In	354,807	416,953	416,953	-
Miscellaneous Revenues	-	-	-	-
Total Resources (in-flows)	<u>521,307</u>	<u>593,360</u>	<u>531,215</u>	<u>(62,145)</u>
Amounts Available for Appropriation	554,102	626,155	680,890	
Charges to Appropriations (out-flows)				
Salaries and Wages	213,583	219,583	218,777	(806)
Personnel Benefits	79,224	81,374	81,981	607
Supplies	23,500	23,500	9,637	(13,863)
Services and Charges	222,000	285,903	299,402	13,499
Capital Outlays	-	-	-	-
Interfund Payments for Services	15,795	15,795	15,008	(787)
Transfers Out	-	-	-	-
Amount Charged to Appropriations (out-flows)	<u>554,102</u>	<u>626,155</u>	<u>624,805</u>	<u>(1,350)</u>
Budgeted Fund Balance, December 31	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 56,085</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, 2012

	Budgeted Amounts		Actual	Variance with Final Budget
	Original Budget	Final Budget		
Budgeted Fund Balance, January 1	\$ 150,000	\$ 150,000	\$ 839,192	
Resources (in-flows)				
Intergovernmental Revenue	4,400	4,400	-	(4,400)
Charges for Goods and Services	342,406	342,406	358,921	16,515
Interest Revenue	1,000	1,000	924	(76)
Donations	8,000	8,000	9,494	1,494
Transfers In	598,204	598,204	598,204	-
Miscellaneous Revenues	147,500	147,500	172,307	24,807
Total Resources (in-flows)	1,101,510	1,101,510	1,139,850	38,340
Amounts Available for Appropriation	1,251,510	1,251,510	1,979,042	
Charges to Appropriations (out-flows)				
Salaries and Wages	499,939	499,939	475,463	(24,476)
Personnel Benefits	207,191	211,191	218,686	7,495
Supplies	84,792	84,467	78,758	(5,709)
Services and Charges	298,296	304,296	305,845	1,549
Capital Outlays	6,300	6,625	6,612	(13)
Interfund Payments for Services	154,992	144,992	144,989	(3)
Transfers Out				-
Amount Charged to Appropriations (out-flows)	1,251,510	1,251,510	1,230,353	(21,157)
Budgeted Fund Balance, December 31	\$ -	\$ -	\$ 748,689	

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, 2012

	Budgeted Amounts			Variance with Final Budget
	Original Budget	Final Budget	Actual	
Budgeted Fund Balance, January 1	\$ 14,732	\$ 128,438	\$ 626,877	
Resources (in-flows)				
Intergovernmental Revenue	1,565,311	1,655,086	1,583,671	(71,415)
Miscellaneous Revenue	-	-	(3)	(3)
Transfers In	640,614	861,206	515,387	(345,819)
Total Resources (in-flows)	2,205,925	2,516,292	2,099,055	(417,237)
Amounts Available for Appropriation	2,220,657	2,644,730	2,725,932	
Charges to Appropriations (out-flows)				
Salaries and Wages	84,999	85,849	85,195	(654)
Personnel Benefits	39,484	39,484	37,576	(1,908)
Supplies	400	400	204	(196)
Services and Charges	2,061,814	2,396,037	1,958,653	(437,384)
Capital Outlays	-	-	-	-
Interfund Payments for Services	33,960	33,960	23,381	(10,579)
Transfers Out	-	-	-	-
Amount Charged to Appropriations (out-flows)	2,220,657	2,555,730	2,105,009	(450,721)
Budgeted Fund Balance, December 31	\$ -	\$ 89,000	\$ 620,923	

SKAGIT COUNTY, WASHINGTON

Mental Health

Schedule of Revenues, Expenditures and Changes in Fund Balance

Budget (GAAP Basis) and Actual

For the Year Ended December 31, 2012

	Budgeted Amounts		Actual	Variance with Final Budget
	Original Budget	Final Budget		
Budgeted Fund Balance, January 1	\$ 455,193	\$ 881,710	\$ 5,443,411	
Resources (in-flows)				
Property Taxes	298,507	298,507	312,980	14,473
Sales and Use Taxes	2,155,292	2,155,292	2,329,018	173,726
Other Taxes	2,254	2,254	2,134	(120)
Intergovernmental Revenue	213,870	213,870	207,452	(6,418)
Charges for Goods and Services	1,238,461	1,238,461	1,006,745	(231,716)
Interest Earnings	6,281	6,281	5,135	(1,146)
Miscellaneous Revenue	114	114	72	(42)
Total Resources (in-flows)	3,914,779	3,914,779	3,863,536	(51,243)
Amounts Available for Appropriation	4,369,972	4,796,489	9,306,947	
Charges to Appropriations (out-flows)				
Salaries and Wages	466,036	479,369	460,024	(19,345)
Personnel Benefits	233,358	240,790	217,960	(22,830)
Supplies	3,100	3,100	1,626	(1,474)
Services and Charges	2,775,382	2,835,542	2,353,659	(481,883)
Capital Outlays				-
Interfund Payments for Services	123,908	123,908	116,528	(7,380)
Transfers Out	768,188	1,113,780	764,481	(349,299)
Amount Charged to Appropriations (out-flows)	4,369,972	4,796,489	3,914,278	(882,211)
 Budgeted Fund Balance, December 31	 \$ -	 \$ -	 \$ 5,392,669	

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, 2012

	Budgeted Amounts		Actual	Variance with Final Budget
	Original Budget	Final Budget		
Budgeted Fund Balance, January 1	\$ 75,000	\$ 75,000	\$ 328,672	
Resources (in-flows)				
Intergovernmental Revenue	907,287	913,297	928,986	15,689
Charges for Goods and Services	66,164	66,164	56,738	(9,426)
Donations	364,173	402,544	368,227	(34,317)
Transfers In	874,013	874,013	874,013	-
Miscellaneous Revenues	42,962	42,962	35,252	(7,710)
Total Resources (in-flows)	<u>2,254,599</u>	<u>2,298,980</u>	<u>2,263,216</u>	<u>(35,764)</u>
Amounts Available for Appropriation	2,329,599	2,373,980	2,591,888	
Charges to Appropriations (out-flows)				
Salaries and Wages	1,193,579	1,143,422	1,130,048	(13,374)
Personnel Benefits	616,564	595,951	597,623	1,672
Supplies	321,468	436,619	416,774	(19,845)
Services and Charges	177,892	177,892	190,802	12,910
Capital Outlays				-
Interfund Payments for Services	20,096	20,096	13,290	(6,806)
Transfers Out				-
Amount Charged to Appropriations (out-flows)	<u>2,329,599</u>	<u>2,373,980</u>	<u>2,348,537</u>	<u>(25,443)</u>
Budgeted Fund Balance, December 31	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 243,351</u>	

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, 2012

	Budgeted Amounts			Variance with Final Budget
	Original Budget	Final Budget	Actual	
Budgeted Fund Balance, January 1	\$ 114,116	\$ 114,116	\$ 324,380	
Resources (in-flows)				
Sales and Use Tax	250,000	250,000	298,900	48,900
Miscellaneous Revenue	-	-	519	519
Interest Revenue	-	-	327	327
Total Resources (in-flows)	250,000	250,000	299,746	49,746
Amounts Available for Appropriation	364,116	364,116	624,126	
Charges to Appropriations (out-flows)				
Salaries and Wages				-
Personnel Benefits				-
Supplies				-
Services and Charges	225,816	225,816	174,779	(51,037)
Capital Outlays				-
Interfund Payments for Services	-	-	1,449	1,449
Transfers Out	138,300	138,300	138,300	-
Amount Charged to Appropriations (out-flows)	364,116	364,116	314,528	(49,588)
 Budgeted Fund Balance, December 31	 \$ -	 \$ -	 \$ 309,598	

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, 2012

	Budgeted Amounts			Variance with Final Budget
	Original Budget	Final Budget	Actual	
Budgeted Fund Balance, January 1	\$ (32,493)	\$ (32,493)	\$ 717,032	
Resources (in-flows)				
Property Tax	1,322,364	1,322,364	1,270,866	(51,498)
Intergovernmental Revenue	687,249	687,249	525,241	(162,008)
Charges for Goods and Services	20,000	207,830	127,678	(80,152)
Interest Revenue	-	-	1,433	1,433
Miscellaneous Revenues	42,798	42,798	249	(42,549)
Transfers In	65,007	65,007	65,007	-
Total Resources (in-flows)	2,137,418	2,325,248	1,990,474	(334,774)
Amounts Available for Appropriation	2,104,925	2,292,755	2,707,506	
Charges to Appropriations (out-flows)				
Salaries and Wages	434,560	527,570	478,602	(48,968)
Personnel Benefits	191,299	248,519	211,928	(36,591)
Supplies	89,400	89,400	133,450	44,050
Services and Charges	815,120	815,120	729,607	(85,513)
Capital Outlays	-	-	-	-
Interfund Payments for Services	574,546	612,146	393,957	(218,189)
Transfers Out	-	-	-	-
Amount Charged to Appropriations (out-flows)	2,104,925	2,292,755	1,947,544	(345,211)
Budgeted Fund Balance, December 31	\$ -	\$ -	\$ 759,962	

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, 2012

	Budgeted Amounts		Actual	Variance with Final Budget
	Original Budget	Final Budget		
Budgeted Fund Balance, January 1	\$ 129,820	\$ 214,867	\$ 851,024	
Resources (in-flows)				
Property Tax	740,000	740,000	764,387	24,387
Sales and Use Tax	14,000	14,000	15,438	1,438
Intergovernmental Revenue	530,000	530,000	447,621	(82,379)
Interest Revenue	100	100	2,489	2,389
Donations	200	200	148,090	147,890
Miscellaneous Revenues	-	-	5,177	5,177
Total Resources (in-flows)	<u>1,284,300</u>	<u>1,284,300</u>	<u>1,383,202</u>	<u>98,902</u>
Amounts Available for Appropriation	1,414,120	1,499,167	2,234,226	
Charges to Appropriations (out-flows)				
Salaries and Wages	92,453	42,212	41,581	(631)
Personnel Benefits	39,167	17,355	16,770	(585)
Supplies	1,200	1,200	301	(899)
Services and Charges	81,300	238,400	205,957	(32,443)
Capital Outlays	1,200,000	1,200,000	610,975	(589,025)
Interfund Payments for Services				-
Transfers Out				-
Amount Charged to Appropriations (out-flows)	<u>1,414,120</u>	<u>1,499,167</u>	<u>875,584</u>	<u>(623,583)</u>
Budgeted Fund Balance, December 31	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 1,358,642</u>	

SKAGIT COUNTY, WASHINGTON

Medic I

Schedule of Revenues, Expenditures and Changes in Fund Balance

Budget (GAAP Basis) and Actual
For the Year Ended December 31, 2012

	Budgeted Amounts		Actual	Variance with Final Budget
	Original Budget	Final Budget		
Budgeted Fund Balance, January 1			\$ 202,563	
Resources (in-flows)				
Property Tax	3,798,143	3,798,143	3,632,144	(165,999)
Sales and Use Tax	58,000	90,600	73,078	(17,522)
Intergovernmental Revenue	68,782	234,582	236,897	2,315
Interest Revenue	50	50	19	(31)
Miscellaneous Revenues	1,500	1,500	840	(660)
Total Resources (in-flows)	3,926,475	4,124,875	3,942,978	(181,897)
Amounts Available for Appropriation	3,926,475	4,124,875	4,145,541	
Charges to Appropriations (out-flows)				
Salaries and Wages				-
Personnel Benefits				-
Supplies				-
Services and Charges	-	52,200	56,599	4,399
Capital Outlays				-
Interfund Payments for Services	3,926,475	4,072,675	4,049,000	(23,675)
Transfers Out				-
Amount Charged to Appropriations (out-flows)	3,926,475	4,124,875	4,105,599	(19,276)
Budgeted Fund Balance, December 31	\$ -	\$ -	\$ 39,942	

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, 2012

	Budgeted Amounts			Variance with Final Budget
	Original Budget	Final Budget	Actual	
Budgeted Fund Balance, January 1	\$ 2,674	\$ 2,674	\$ 160,155	
Resources (in-flows)				
Charges for Goods and Services	90,000	90,000	81,961	(8,039)
Interest Revenue	250	250	209	(41)
Total Resources (in-flows)	90,250	90,250	82,170	(8,080)
Amounts Available for Appropriation	92,924	92,924	242,325	
Charges to Appropriations (out-flows)				
Salaries and Wages	22,096	22,096	14,607	(7,489)
Personnel Benefits	13,628	13,628	8,238	(5,390)
Supplies	200	200	54	(146)
Services and Charges	7,000	7,000	6,584	(416)
Capital Outlays				-
Interfund Payments for Services	50,000	50,000	50,330	330
Transfers Out				-
Amount Charged to Appropriations (out-flows)	92,924	92,924	79,813	(13,111)
 Budgeted Fund Balance, December 31	 \$ -	 \$ -	 \$ 162,512	

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, 2012

	Budgeted Amounts		Actual	Variance with Final Budget
	Original Budget	Final Budget		
Budgeted Fund Balance, January 1			\$ 661,501	
Resources (in-flows)				
Sales and Use Tax	2,400,000	2,400,000	2,326,091	(73,909)
Other Tax	930,000	1,180,000	1,159,948	(20,052)
Interest Earnings			386	386
Intergovernmental Revenue	61,500	61,500	46,544	(14,956)
Total Resources (in-flows)	3,391,500	3,641,500	3,532,969	(108,531)
Amounts Available for Appropriation	3,391,500	3,641,500	4,194,470	
Charges to Appropriations (out-flows)				
Salaries and Wages				-
Personnel Benefits				-
Supplies				-
Services and Charges	3,391,500	3,641,500	3,466,336	(175,164)
Capital Outlays				-
Interfund Payments for Services				-
Transfers Out				-
Amount Charged to Appropriations (out-flows)	3,391,500	3,641,500	3,466,336	(175,164)
 Budgeted Fund Balance, December 31	 \$ -	 \$ -	 \$ 728,134	

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, 2012

	Budgeted Amounts			Variance with Final Budget
	Original Budget	Final Budget	Actual	
Budgeted Fund Balance, January 1	\$ 39,108	\$ 39,108	\$ 191,281	
Resources (in-flows)				
Intergovernmental Revenue	-	-	98,327	98,327
Charges for Goods and Services	7,500	7,500	2,310	(5,190)
Interest Revenue			1,861	1,861
Proceeds of Long Term Debt	426,570	426,570	353,939	(72,631)
Total Resources (in-flows)	434,070	434,070	456,437	22,367
Amounts Available for Appropriation	473,178	473,178	647,718	
Charges to Appropriations (out-flows)				
Salaries and Wages	17,223	17,223	9,151	(8,072)
Personnel Benefits	6,955	6,955	4,155	(2,800)
Supplies	1,500	1,500	-	(1,500)
Services and Charges	407,500	407,500	274,139	(133,361)
Capital Outlays				-
Interfund Payments for Services	40,000	40,000		(40,000)
Transfers Out				-
Amount Charged to Appropriations (out-flows)	473,178	473,178	287,445	(185,733)
 Budgeted Fund Balance, December 31	 \$ -	 \$ -	 \$ 360,273	

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, 2012

	Budgeted Amounts			Variance with Final Budget
	Original Budget	Final Budget	Actual	
Budgeted Fund Balance, January 1	\$ 12,038	\$ 14,266	\$ 492,573	
Resources (in-flows)				
Licenses and Permits	405,200	432,200	507,796	75,596
Intergovernmental Revenue	388,826	861,803	545,965	(315,838)
Charges for Goods and Services	346,400	346,400	523,875	177,475
Fines and Forfeits	5,000	5,000	669	(4,331)
Donations	1,000	1,000	1,583	583
Transfers In	825,000	868,440	868,440	-
Miscellaneous Revenues				-
Total Resources (in-flows)	1,971,426	2,514,843	2,448,328	(66,515)
Amounts Available for Appropriation	1,983,464	2,529,109	2,940,901	
Charges to Appropriations (out-flows)				
Salaries and Wages	1,102,630	1,169,030	1,150,732	(18,298)
Personnel Benefits	439,642	443,682	454,998	11,316
Supplies	15,000	15,000	12,089	(2,911)
Services and Charges	409,800	574,399	385,693	(188,706)
Capital Outlays	-	310,606	134,169	(176,437)
Interfund Payments for Services	16,392	16,392	36,079	19,687
Transfers Out				-
Amount Charged to Appropriations (out-flows)	1,983,464	2,529,109	2,173,760	(355,349)
Budgeted Fund Balance, December 31	\$ -	\$ -	\$ 767,141	

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, 2012

	Budgeted Amounts		Actual	Variance with Final Budget
	Original Budget	Final Budget		
Budgeted Fund Balance, January 1			\$ 236,680	
Resources (in-flows)				
Other Tax				-
Interest Revenue				-
Total Resources (in-flows)	-	-	-	-
Amounts Available for Appropriation	-	-	236,680	
Charges to Appropriations (out-flows)				
Salaries and Wages				-
Personnel Benefits				-
Supplies				-
Services and Charges				-
Capital Outlays				-
Interfund Payments for Services				-
Transfers Out			236,680	236,680
Amount Charged to Appropriations (out-flows)	-	-	236,680	236,680
 Budgeted Fund Balance, December 31	 \$ -	\$ -	\$ -	

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, 2012

	Budgeted Amounts		Actual	Variance with Final Budget
	Original Budget	Final Budget		
Budgeted Fund Balance, January 1			\$ 16,148	
Resources (in-flows)				
Other Tax				-
Total Resources (in-flows)	-	-	-	-
Amounts Available for Appropriation	-	-	16,148	
Charges to Appropriations (out-flows)				
Salaries and Wages				-
Personnel Benefits				-
Supplies				-
Services and Charges				-
Capital Outlays				-
Interfund Payments for Services				-
Transfers Out			16,148	16,148
Amount Charged to Appropriations (out-flows)	-	-	16,148	16,148
 Budgeted Fund Balance, December 31	 \$ -	\$ -	\$ -	

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, 2012

	Budgeted Amounts		Actual	Variance with Final Budget
	Original Budget	Final Budget		
Budgeted Fund Balance, January 1	\$ (11,935)	\$ (11,935)	\$ 32,596	
Resources (in-flows)				
Other Tax	57,190	57,190	55,634	(1,556)
Interest Earnings	-	-	33	33
Total Resources (in-flows)	<u>57,190</u>	<u>57,190</u>	<u>55,667</u>	<u>(1,523)</u>
Amounts Available for Appropriation	45,255	45,255	88,263	
Charges to Appropriations (out-flows)				
Salaries and Wages	3,846	3,846	2,081	(1,765)
Personnel Benefits	1,909	1,909	988	(921)
Supplies	-	-	20	20
Services and Charges	38,000	38,000	36,246	(1,754)
Capital Outlays	-	-	-	-
Interfund Payments for Services	1,500	1,500	-	(1,500)
Transfers Out	-	-	-	-
Amount Charged to Appropriations (out-flows)	<u>45,255</u>	<u>45,255</u>	<u>39,335</u>	<u>(5,920)</u>
Budgeted Fund Balance, December 31	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 48,928</u>	

SKAGIT COUNTY, WASHINGTON

Lake Management District 2

Schedule of Revenues, Expenditures and Changes in Fund Balance

Budget (GAAP Basis) and Actual

For the Year Ended December 31, 2012

	Budgeted Amounts			Variance with Final Budget
	Original Budget	Final Budget	Actual	
Budgeted Fund Balance, January 1	\$ (1,044)	\$ (1,044)	\$ 27,308	
Resources (in-flows)				
Other Tax	14,100	14,100	14,522	422
Interest Earnings			32	
Total Resources (in-flows)	14,100	14,100	14,554	422
Amounts Available for Appropriation	13,056	13,056	41,862	
Charges to Appropriations (out-flows)				
Salaries and Wages	1,099	1,099	723	(376)
Personnel Benefits	545	545	338	(207)
Supplies				-
Services and Charges	11,000	11,000	1,294	(9,706)
Capital Outlays				-
Interfund Payments for Services	412	412		(412)
Transfers Out				-
Amount Charged to Appropriations (out-flows)	13,056	13,056	2,355	(10,701)
Budgeted Fund Balance, December 31	\$ -	\$ -	\$ 39,507	

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, 2012

	Budgeted Amounts		Actual	Variance with Final Budget
	Original Budget	Final Budget		
Budgeted Fund Balance, January 1	\$ (273)	\$ (273)	\$ 30,690	
Resources (in-flows)				
Other Tax	29,500	29,500	28,568	(932)
Interest Earnings			63	63
Total Resources (in-flows)	<u>29,500</u>	<u>29,500</u>	<u>28,631</u>	<u>(869)</u>
Amounts Available for Appropriation	29,227	29,227	59,321	
Charges to Appropriations (out-flows)				
Salaries and Wages	2,198	2,198	831	(1,367)
Personnel Benefits	1,091	1,091	391	(700)
Supplies	30	30		(30)
Services and Charges	25,500	25,500	24,955	(545)
Capital Outlays				-
Interfund Payments for Services	408	408		(408)
Transfers Out				-
Amount Charged to Appropriations (out-flows)	<u>29,227</u>	<u>29,227</u>	<u>26,177</u>	<u>(3,050)</u>
Budgeted Fund Balance, December 31	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 33,144</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, 2012

	Budgeted Amounts			Variance with Final Budget
	Original Budget	Final Budget	Actual	
Budgeted Fund Balance, January 1	\$ (5,874)	\$ (3,624)	\$ 31,581	
Resources (in-flows)				
Other Tax	23,791	23,791	20,280	(3,511)
Interest Earnings			20	20
Total Resources (in-flows)	<u>23,791</u>	<u>23,791</u>	<u>20,300</u>	<u>(3,491)</u>
Amounts Available for Appropriation	17,917	20,167	51,881	
Charges to Appropriations (out-flows)				
Salaries and Wages	1,648	1,648	1,000	(648)
Personnel Benefits	819	819	472	(347)
Supplies				-
Services and Charges	15,000	17,250	16,492	(758)
Capital Outlays				-
Interfund Payments for Services	450	450		(450)
Transfers Out				-
Amount Charged to Appropriations (out-flows)	<u>17,917</u>	<u>20,167</u>	<u>17,964</u>	<u>(2,203)</u>
Budgeted Fund Balance, December 31	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 33,917</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, 2012

	Budgeted Amounts		Actual	Variance with Final Budget
	Original Budget	Final Budget		
Budgeted Fund Balance, January 1		\$ 3,000	\$ 128,107	
Resources (in-flows)				
Property Tax	38,000	38,000	80,008	42,008
Interest Earnings			65	65
Total Resources (in-flows)	<u>38,000</u>	<u>38,000</u>	<u>80,073</u>	<u>42,073</u>
Amounts Available for Appropriation	38,000	41,000	208,180	
Charges to Appropriations (out-flows)				
Salaries and Wages				-
Personnel Benefits				-
Supplies	1,500	1,500	119	(1,381)
Services and Charges	36,500	39,500	31,722	(7,778)
Capital Outlays				-
Interfund Payments for Services				-
Transfers Out				-
Amount Charged to Appropriations (out-flows)	<u>38,000</u>	<u>41,000</u>	<u>31,841</u>	<u>(9,159)</u>
Budgeted Fund Balance, December 31	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 176,339</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, 2012

	Budgeted Amounts			Variance with Final Budget
	Original Budget	Final Budget	Actual	
Budgeted Fund Balance, January 1	\$ (183)	\$ (62)	\$ 190,601	
Resources (in-flows)				
Intergovernmental Revenue	43,525	49,313	49,136	(177)
Interest Revenue	300	300	216	(84)
Miscellaneous Revenues	4,700	4,700	33,333	28,633
Total Resources (in-flows)	<u>48,525</u>	<u>54,313</u>	<u>82,685</u>	<u>28,372</u>
Amounts Available for Appropriation	48,342	54,251	273,286	
Charges to Appropriations (out-flows)				
Salaries and Wages	30,593	25,823	28,773	2,950
Personnel Benefits	9,169	7,463	3,046	(4,417)
Supplies	5,080	17,465	12,385	(5,080)
Services and Charges	3,500	3,500	5,072	1,572
Capital Outlays				-
Interfund Payments for Services				-
Transfers Out				-
Amount Charged to Appropriations (out-flows)	<u>48,342</u>	<u>54,251</u>	<u>49,276</u>	<u>(4,975)</u>
Budgeted Fund Balance, December 31	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 224,010</u>	

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, 2012

	Budgeted Amounts			Variance with Final Budget
	Original Budget	Final Budget	Actual	
Budgeted Fund Balance, January 1	\$ (5,358)	\$ (358)	\$ 44,636	
Resources (in-flows)				
Intergovernmental Revenue	115,000	115,000	87,364	(27,636)
Miscellaneous Revenues		1,900	7,580	5,680
Total Resources (in-flows)	115,000	116,900	94,944	(21,956)
Amounts Available for Appropriation	109,642	116,542	139,580	
Charges to Appropriations (out-flows)				
Salaries and Wages	57,030	57,030	44,041	(12,989)
Personnel Benefits	17,052	17,052	14,940	(2,112)
Supplies	11,000	15,740	14,383	(1,357)
Services and Charges	23,810	25,970	16,325	(9,645)
Capital Outlays	-	-	-	-
Interfund Payments for Services	750	750	1,346	596
Transfers Out				-
Amount Charged to Appropriations (out-flows)	109,642	116,542	91,035	(25,507)
Budgeted Fund Balance, December 31	\$ -	\$ -	\$ 48,545	

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, 2012

	Budgeted Amounts			Variance with Final Budget
	Original Budget	Final Budget	Actual	
Budgeted Fund Balance, January 1	\$ 108	\$ 155,500	\$ 285,656	
Resources (in-flows)				
Charges for Goods and Services	120,000	120,000	129,329	9,329
Interest Revenue	492	492	428	(64)
Total Resources (in-flows)	120,492	120,492	129,757	9,265
Amounts Available for Appropriation	120,600	275,992	415,413	
Charges to Appropriations (out-flows)				
Salaries and Wages				-
Personnel Benefits				-
Supplies				-
Services and Charges	120,600	275,992	266,575	(9,417)
Capital Outlays				-
Interfund Payments for Services			1,359	1,359
Transfers Out				-
Amount Charged to Appropriations (out-flows)	120,600	275,992	267,934	(8,058)
 Budgeted Fund Balance, December 31	 \$ -	 \$ -	 \$ 147,479	

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, 2012

	Budgeted Amounts			Variance with Final Budget
	Original Budget	Final Budget	Actual	
Budgeted Fund Balance, January 1		\$ 106,753	\$ 156,748	
Resources (in-flows)				
Intergovernmental Revenue	50,000	50,000	48,699	(1,301)
Total Resources (in-flows)	50,000	50,000	48,699	(1,301)
Amounts Available for Appropriation	50,000	156,753	205,447	
Charges to Appropriations (out-flows)				
Salaries and Wages				-
Personnel Benefits				-
Supplies				-
Services and Charges	50,000	156,753	93,712	(63,041)
Capital Outlays				-
Interfund Payments for Services				-
Transfers Out				-
Amount Charged to Appropriations (out-flows)	50,000	156,753	93,712	(63,041)
Budgeted Fund Balance, December 31	\$ -	\$ -	\$ 111,735	

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, 2012

	Budgeted Amounts			Variance with Final Budget
	Original Budget	Final Budget	Actual	
Budgeted Fund Balance, January 1		\$ 10,000	\$ 164,550	
Resources (in-flows)				
Intergovernmental Revenue	-	-		-
Interest Revenue	-	-	2,576	2,576
Total Resources (in-flows)	-	-	2,576	2,576
Amounts Available for Appropriation	-	10,000	167,126	
Charges to Appropriations (out-flows)				
Salaries and Wages				-
Personnel Benefits				-
Supplies				-
Services and Charges		10,000	10,000	-
Capital Outlays				-
Interfund Payments for Services				-
Transfers Out				-
Amount Charged to Appropriations (out-flows)	-	10,000	10,000	-
Budgeted Fund Balance, December 31	\$ -	\$ -	\$ 157,126	

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, 2012

	Budgeted Amounts			Variance with Final Budget
	Original Budget	Final Budget	Actual	
Budgeted Fund Balance, January 1		\$ 14,500	\$ 545,130	
Resources (in-flows)				
Charges for Goods and Services	500,000	500,000	583,756	83,756
Interest Revenue	1,500	1,500	183	(1,317)
Total Resources (in-flows)	501,500	501,500	583,939	82,439
Amounts Available for Appropriation	501,500	516,000	1,129,069	
Charges to Appropriations (out-flows)				
Salaries and Wages				-
Personnel Benefits				-
Supplies				-
Services and Charges	501,500	516,000	509,757	(6,243)
Capital Outlays				-
Interfund Payments for Services			2,446	2,446
Transfers Out				-
Amount Charged to Appropriations (out-flows)	501,500	516,000	512,203	(3,797)
Budgeted Fund Balance, December 31	\$ -	\$ -	\$ 616,866	

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, 2012

	Budgeted Amounts			Variance with Final Budget
	Original Budget	Final Budget	Actual	
Budgeted Fund Balance, January 1	\$ 48,866	\$ 90,533	\$ 570,919	
Resources (in-flows)				
Charges for Goods and Services	-	-	1,347	1,347
Intergovernmental Revenue	181,458	181,458	154,715	(26,743)
Fines and Forfeits	324,750	324,750	127,859	(196,891)
Interest Revenue	1,000	1,000	664	(336)
Miscellaneous Revenues	20,000	20,000	4,751	(15,249)
Total Resources (in-flows)	527,208	527,208	289,336	(237,872)
Amounts Available for Appropriation	576,074	617,741	860,255	
Charges to Appropriations (out-flows)				
Salaries and Wages	52,529	52,529	53,113	584
Personnel Benefits	17,795	17,795	16,912	(883)
Supplies	20,000	20,000	17,884	(2,116)
Services and Charges	475,750	517,417	447,622	(69,795)
Capital Outlays	5,000	5,000	7,416	2,416
Interfund Payments for Services	5,000	5,000	40,661	35,661
Transfers Out				-
Amount Charged to Appropriations (out-flows)	576,074	617,741	583,608	(34,133)
 Budgeted Fund Balance, December 31	 \$ -	 \$ -	 \$ 276,647	

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, 2012

SKAGIT COUNTY, WASHINGTON
BALANCE SHEET
Combining Nonmajor Debt Service Fund
As of December 31, 2012

ASSETS AND OTHER DEBITS:	TOTALS
ASSETS:	
Cash	\$81,751
Investments	1,972,562
Accounts Receivable	200
Interfund Loans Receivable	260,500
TOTAL ASSETS	\$2,315,013
LIABILITIES AND FUND BALANCES	
LIABILITIES	
Deferred Revenue	200
Due to Other Funds	263,500
TOTAL LIABILITIES	263,700
FUND BALANCES	
Reserved for Debt Service	2,051,313
TOTAL FUND BALANCES	2,051,313
TOTAL LIABILITIES AND FUND BALANCES	\$2,315,013

SKAGIT COUNTY, WASHINGTON
Combing Statement of Revenues, Expenditures
And Changes in Fund Balances
DEBT SERVICE FUND
For the Year Ended December 31, 2012

REVENUES:	Total
Interest Revenue	\$77,573
Miscellaneous Revenues	417,416
TOTAL REVENUES	494,989
EXPENDITURES:	
Debt Service: Principal	1,156,452
Debt Service: Interest and Related Costs	565,948
TOTAL EXPENDITURES	1,722,400
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	(1,227,411)
OTHER FINANCING SOURCES (USES):	
Transfers In	1,472,371
TOTAL OTHER FINANCING SOURCES (USES)	1,472,371
EXCESS (DEFICIENCY) OF REVENUES AND OTHER FINANCING SOURCES OVER EXPENDITURES AND OTHER FINANCING USES	244,960
FUND BALANCES:	
Fund Balance, January 1	1,806,355
FUND BALANCE, DECEMBER 31	2,051,313

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, 2012

	Budgeted Amounts		Actual	Variance with Final Budget
	Original Budget	Final Budget		
Budgeted Fund Balance, January 1	\$ (120,907)	\$ (120,907)	\$ 1,806,355	
Resources (in-flows)				
Intergovernmental Revenues			-	-
Transfers In	1,512,372	1,512,372	1,472,371	(40,001)
Interest Revenue	66,736	66,736	77,573	10,837
Other Revenue	264,200	264,200	417,416	153,216
Total Resources (in-flows)	<u>1,843,308</u>	<u>1,843,308</u>	<u>1,967,360</u>	<u>124,052</u>
Amounts Available for Appropriation	1,722,401	1,722,401	3,773,715	
Charges to Appropriations (out-flows)				
Debt Service				-
Principal	1,117,656	1,117,656	1,156,452	38,796
Interest	604,745	604,745	565,948	(38,797)
Transfers Out	-	-	-	-
Amount Charged to Appropriations (out-flows)	<u>1,722,401</u>	<u>1,722,401</u>	<u>1,722,400</u>	<u>(1)</u>
Budgeted Fund Balance, December 31	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 2,051,313</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 31,2012

ASSETS:	FACILITY IMPROVEMENTS	CAPITAL IMPROVEMENT	DISTRESSED PUBLIC IMPROVEMENTS	PARKS IMPROVEMENT	2012 TOTALS
ASSETS:					
Cash	\$913,396	\$2,533,697	\$2,095,165	\$98,061	\$5,640,319
Investments	-	621,570	1,711,426	150,000	\$2,482,996
Due from Other Funds	-	-	-	-	\$0
Due from another government unit	-	-	388,965	-	\$388,965
Interfund Loan Receivable	-	-	-	-	0
TOTAL ASSETS	913,396	3,155,267	4,195,556	248,061	\$8,512,280
LIABILITIES AND FUND BALANCES					
LIABILITIES:					
Accounts/vouchers payable	124,357	-	303,056	77,321	504,734
Due to other funds	16,567	-	-	(427)	16,140
Deferred Revenue	-	-	-	61,886	61,886
TOTAL LIABILITIES	140,924	-	303,056	138,780	\$582,760
FUND BALANCES					
Fund balances:					
Nonspendable	-	-	-	-	-
Restricted	772,472	3,155,267	3,892,500	109,281	7,929,520
Committed	-	-	-	-	-
Unassigned	-	-	-	-	-
TOTAL FUND BALANCES	772,472	3,155,267	3,892,500	109,281	\$7,929,520
TOTAL LIABILITIES AND FUND BALANCES	\$913,396	\$3,155,267	\$4,195,556	\$248,061	\$8,512,280

SKAGIT COUNTY, WASHINGTON
COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES
IN FUND BALANCE
NONMAJOR CAPITAL PROJECTS FUNDS
For the Year Ended December 31, 2012

	Facility IMPROVEMENTS FUND	CAPITAL IMPROVEMENTS FUND	DISTRESSED PUBLIC IMPROVEMENT	PARK IMPROVEMENT FUND	2012 TOTALS
REVENUES:					
Property Taxes	\$0	\$891,786			\$891,786
Excise Taxes			\$2,108,775	\$0	\$2,108,775
Intergovernmental Revenue	-	-	-	-	\$0
Charges for Goods and Services	250	-	-	15,935	\$16,185
Interest Revenue	57	9,510	4,330	812	\$14,709
Other Revenue	15,338	-	-	454,889	470,227
TOTAL REVENUES	15,645	901,296	2,113,105	471,636	3,501,682
EXPENDITURES:					
Current	-	-	-	-	-
Economic Environment			1,088,628		1,088,628
Culture and Recreation	-	-		551,602	551,602
Capital Outlay	1,287,336	-	-	35,412	1,322,748
Total Expenditures	1,287,336	-	1,088,628	587,014	2,962,978
TOTAL EXPENDITURES	1,287,336	-	1,088,628	587,014	2,962,978
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	(1,271,691)	901,296	1,024,477	(115,378)	538,704
OTHER FINANCING SOURCES (USES):					
Issuance of Long Term Debt	-	-	-	-	-
Proceeds of Capital Assets	-	-	-	-	-
Transfers In	1,839,275	-	-	126,897	1,966,172
Transfers Out	-	(1,202,950)	(593,728)	-	(1,796,678)
TOTAL OTHER FINANCING SOURCES (USES)	1,839,275	(1,202,950)	(593,728)	126,897	169,494
EXCESS (DEFICIENCY) OF REVENUES AND OTHER FINANCING SOURCES OVER EXPENDITURES AND OTHER FINANCING USE	567,584	(301,654)	430,749	11,519	708,198
FUND BALANCES:					
Fund Balance, January 1	204,888	3,456,921	3,461,751	140,914	7,264,474
Prior Period Adjustment				(43,152)	(43,152)
FUND BALANCE, DECEMBER 31	\$772,472	\$3,155,267	\$3,892,500	109,281	7,929,520

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, 2012

	<u>Budgeted Amounts</u>			Variance with Final Budget
	Original Budget	Final Budget	Actual	
Budgeted Fund Balance, January 1	\$ 898,106	\$ 484,993	\$ 204,888	
Resources (in-flows)				
Intergovernmental Revenues	-	50,000	-	(50,000)
Transfers In	300,000	1,839,275	1,839,275	-
Interest Revenue			57	57
Other Revenue			15,588	15,588
Total Resources (in-flows)	<u>-</u>	<u>1,889,275</u>	<u>1,854,920</u>	<u>(34,355)</u>
Amounts Available for Appropriation	898,106	2,374,268	2,059,808	
Charges to Appropriations (out-flows)				
Salaries and Wages	34,487	37,217	37,200	(17)
Personnel Benefits	15,637	17,337	16,853	(484)
Supplies				-
Services and Charges	272,982	1,109,714	1,079,464	(30,250)
Capital Outlays	575,000	1,210,000	153,819	(1,056,181)
Interfund Payments for Services				-
Transfers Out	-	-	-	-
Amount Charged to Appropriations (out-flows)	<u>898,106</u>	<u>2,374,268</u>	<u>1,287,336</u>	<u>(1,086,932)</u>
Budgeted Fund Balance, December 31	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 772,472</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, 2012

	Budgeted Amounts		Actual	Variance with Final Budget
	Original Budget	Final Budget		
Budgeted Fund Balance, January 1	\$ 476,053	\$ 602,950	\$ 3,456,921	
Resources (in-flows)				
Property Tax	600,000	600,000	891,786	291,786
Interest Revenue			9,510	9,510
Total Resources (in-flows)	600,000	600,000	901,296	301,296
Amounts Available for Appropriation	1,076,053	1,202,950	4,358,217	
Charges to Appropriations (out-flows)				
Salaries and Wages				-
Personnel Benefits				-
Supplies				-
Services and Charges				-
Capital Outlays				-
Interfund Payments for Services				-
Transfers Out	1,076,053	1,202,950	1,202,950	-
Amount Charged to Appropriations (out-flows)	1,076,053	1,202,950	1,202,950	-
Budgeted Fund Balance, December 31	\$ -	\$ -	\$ 3,155,267	

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, 2012

	<u>Budgeted Amounts</u>			Variance with Final Budget
	Original Budget	Final Budget	Actual	
Budgeted Fund Balance, January 1	\$ 1,188,256	\$ 1,188,256	\$ 3,461,751	
Resources (in-flows)				
Sales and Use Tax	1,900,000	1,900,000	2,108,775	208,775
Interest Revenue	3,000	3,000	4,330	1,330
Total Resources (in-flows)	<u>1,903,000</u>	<u>1,903,000</u>	<u>2,113,105</u>	<u>210,105</u>
Amounts Available for Appropriation	3,091,256	3,091,256	5,574,856	
Charges to Appropriations (out-flows)				
Salaries and Wages				-
Personnel Benefits				-
Supplies				-
Services and Charges	74,700	74,700	75,001	301
Capital Outlays				-
Interfund Payments for Services	2,422,828	2,422,828	1,013,627	(1,409,201)
Transfers Out	593,728	593,728	593,728	-
Amount Charged to Appropriations (out-flows)	<u>3,091,256</u>	<u>3,091,256</u>	<u>1,682,356</u>	<u>(1,408,900)</u>
Budgeted Fund Balance, December 31	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 3,892,500</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, 2012

	Budgeted Amounts			Variance with Final Budget
	Original Budget	Final Budget	Actual	
Budgeted Fund Balance, January 1	\$ 339,000	\$ 212,103	\$ 97,762	
Resources (in-flows)				
Intergovernmental Revenue	-	-	-	-
Charges for Goods and Services	17,500	17,500	15,935	(1,565)
Interest Earnings			812	812
Transfers In	-	126,897	126,897	-
Donations	418,500	418,500	454,889	36,389
Total Resources (in-flows)	436,000	562,897	598,533	35,636
Amounts Available for Appropriation	775,000	775,000	696,295	
Charges to Appropriations (out-flows)				
Salaries and Wages		9,000	8,896	(104)
Personnel Benefits	-	1,620	1,494	(126)
Supplies	3,500	3,500	3,235	(265)
Services and Charges	130,000	119,380	537,977	418,597
Capital Outlays	641,500	641,500	35,412	(606,088)
Interfund Payments for Services				-
Transfers Out				-
Amount Charged to Appropriations (out-flows)	775,000	775,000	587,014	(187,986)
Budgeted Fund Balance, December 31	\$ -	\$ -	\$ 109,281	

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Nonmajor Enterprise Funds



SKAGIT COUNTY, WASHINGTON

NONMAJOR ENTERPRISE FUNDS

For the Year ended December 31, 2012, 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 Net Position
December 31, 2012

Assets	Equipment Rental Fund	Insurance Service Fund	Central Services Fund	Unemployment Compensation Fund	2012 Total
Current Assets					
Cash and Cash Equivalents	\$4,539,698	\$9,883,474	\$927,951	\$199,998	\$15,551,119
Accounts Receivable	8,571	-	465,448	-	474,019
Due From Other Funds	14,464	1,501,012	1,559,062	-	3,074,538
Due From Other Governments			66,293		66,293
Inventories and Prepayments	5,253,656	-	-	-	5,253,656
Total Current Assets	9,816,389	11,384,486	3,018,755	199,998	24,419,625
Noncurrent Assets					
Capital Assets					
Buildings	180,888	-	-	-	180,888
Machinery and Equipment	15,377,838	-	1,633,349	-	17,011,187
Less Accumulated Depreciation	(7,838,246)	-	(1,298,353)	-	(9,136,599)
Total noncurrent assets	7,720,480	-	334,996	-	8,055,476
Total Assets	17,536,869	11,384,486	3,353,751	199,998	32,475,101
Liabilities and Fund Equity					
Current Liabilities					
Accounts/Vouchers Payable	120,154	112,887	42,497	19,914	295,452
Claims and Judgements Payable		4,010,038			4,010,036
Accrue Wages Payable	21,554	11,800	79,443	11,047	123,845
Due to other Funds	180,194	37,302	400,516		618,012
Accrued Employee Benefits	4,179	1,519	13,005	-	18,703
Other Accrued Liabilities	3,000	-	-	-	3,000
Total Current Liabilities	329,081	4,173,547	535,461	30,962	5,069,048
Non-Current Liabilities					
Compensated Absences	41,960	7,595	152,800		202,355
Environmental Liability	198,328				198,328
Other Accrued Liabilities	-	-	-	-	-
Total Non-Current Liabilities	240,288	7,595	152,800	-	400,683
Total Liabilities	569,369	4,181,141	688,261	30,962	5,469,730
Net Position					
Net Investment in Capital Assets,	7,720,480	-	334,996	-	8,055,474
Unrestricted	9,247,020	7,203,345	2,330,494	169,036	18,949,897
Total Net Position	\$ 16,967,500	\$7,203,345	\$2,665,490	\$ 169,036	\$ 27,005,371

SKAGIT COUNTY, WASHINGTON
Combining Statement of Revenues, Expenses and Changes in Fund Net Position
Internal Service Funds
December 31, 2012

	Equipment Rental Fund	Insurance Services Fund	Central Services Fund	Unemployment Compensation Fund	2012 Total
Operating Revenues:					
Charges For Services	\$6,656,908	\$2,001,012	\$6,181,378	\$470,014	\$15,309,312
Miscellaneous	66,877	10,754,507	0	0	10,821,384
Total Operating Revenue	<u>6,723,785</u>	<u>12,755,519</u>	<u>6,181,378</u>	<u>470,014</u>	<u>26,130,697</u>
Operating Expenses:					
Personal services	704,990	360,710	2,823,759	476,775	4,366,234
Contractual services	-	1,764,806	-	-	1,764,806
Other supplies and expenses	4,377,150	54,494	2,972,307	-	7,403,951
Depreciation	812,588	-	187,784	-	1,000,372
Payment to Claimants	-	8,131,376	-	236,378	8,367,754
Total Operating Expenses	<u>5,894,728</u>	<u>10,311,386</u>	<u>5,983,850</u>	<u>713,153</u>	<u>22,903,117</u>
Operating Income (Loss)	<u>829,057</u>	<u>2,444,133</u>	<u>197,528</u>	<u>(243,140)</u>	<u>3,227,580</u>
Non-Operating Revenues (Expenses):					
Interest Revenue	2,415	2,270	356	-	5,042
Miscellaneous Revenue	-	1,050	10,663	-	11,713
Gain (Loss) on Fixed Asset Disposal	(193,812)	-	-	-	(193,812)
Miscellaneous Expense	-	-	-	-	-
Total non-operating revenues	<u>(191,397)</u>	<u>3,320</u>	<u>11,019</u>	<u>-</u>	<u>(177,058)</u>
Net Income (Loss) Before Operating Transfers Contributions and Special Items	<u>637,661</u>	<u>2,447,454</u>	<u>208,546</u>	<u>(243,140)</u>	<u>3,050,522</u>
Transfers In	204,177	-	-	200,000	404,177
Transfers Out	-	-	-	-	-
Changes in Net Position	<u>841,838</u>	<u>2,447,454</u>	<u>208,546</u>	<u>(43,140)</u>	<u>3,454,699</u>
Net Position as of January 1	16,125,661	4,755,891	2,456,944	212,176	23,550,672
Prior Period Correction	-	-	-	-	0
Net Position as of December 31	<u>\$16,967,500</u>	<u>\$7,203,345</u>	<u>2,665,490</u>	<u>\$169,036</u>	<u>27,005,371</u>

SKAGIT COUNTY, WASHINGTON
Combining Statement of Cash Flows
Internal Service Funds
December 31, 2012

	Equipment Rental Fund	Insurance Service Fund	Central Services Fund	Unemployment Compensation Fund	2012 Total
<u>Cash Flows From Operating Activities:</u>					
Receipts from Customers	\$16,757	\$649,536	\$479,018	\$0	\$1,145,311
Receipts from interfund services provided	6,696,968	11,985,252	4,987,459	920,013	24,589,692
Payments to Employees	(726,631)	(364,215)	(3,263,777)	(493,903)	(4,848,526)
Payments to Suppliers	(2,313,435)	(2,131,778)	(2,981,627)	-	(7,426,840)
Payments to Claimants	0	(8,163,036)	-	(289,124)	(8,452,160)
Payments for interfund services used	(1,900,135)	(35,749)	390,028	-	(1,545,856)
Miscellaneous receipts(payments)	(2,533)	66,523	10,663	-	74,653
Net cash provided (used) by operating activities	1,770,991	2,006,533	(378,236)	136,986	3,536,274
<u>Cash Flows From Non-Capital And Related Financing Activities</u>					
Transfers to Other Funds	(218,642)	-	-	-	(218,642)
Transfers From Other Funds	-	-	-	-	-
Net cash provided (used) by Non-Capital and related financing activities	(218,642)	-	-	-	(218,642)
<u>Cash Flows From Capital And Related Financing Activities</u>					
Capital Grant Received	-	-	124,985	-	124,985
Proceeds from sale of capital assets	(1,045,398)	-	(258,302)	-	(1,303,700)
Purchases of capital assets	307,646	-	-	-	307,646
Net cash provided (used) by capital and related financing activities	(737,752)	-	(133,317)	-	(871,069)
<u>Cash Flows From Investing Activities:</u>					
Interest Received	2,415	2,270	356	-	5,041
Net Cash Provided by Investing Activities	2,415	2,270	356	-	5,041
Net Increase in Cash & Cash Equivalents	817,012	2,008,803	(511,197)	136,986	2,451,604
Balances as of January 1	3,722,686	7,874,671	1,439,147	63,012	13,099,516
Balances as of December 31	4,539,698	9,883,474	927,951	199,998	15,551,120
Operating Income/(Loss)	829,057	2,444,133	197,528	(243,140)	3,227,579

SKAGIT COUNTY, WASHINGTON
Reconciliation of Operating Income to Net Cash Provided
Internal Service Funds
December 31, 2012

	Equipment Rental Fund	Insurance Service Fund	Central Services Fund	Unemployment Compensation Fund	2012 Total
Reconciliation of Operating Income (Loss) to Net Cash Provided (Used) by Operating Activities					
Operating Income (Loss)	\$ 829,057	\$ 2,444,133	\$ 197,528	\$ (243,140)	\$ 3,227,578
Adjustments to Reconcile Operating Income to Net Cash Provided (Used) by Operating Activities:					
Depreciation Expense	812,588		187,784		1,000,372
Miscellaneous Receipts	(2,533)	1,050	10,663	200,000	209,180
Changes in Assets and Liabilities:					
Receivables, Net	(10,062)	(55,257)	(714,901)	250,000	(530,220)
Prepayables	-	-	(413,773)		(413,773)
Inventories	218,898				218,898
Accounts and Other Payables	(76,957)	(383,393)	354,463	(69,874)	(175,761)
Net Cash Provided (Used) by Operating Activities	<u>\$ 1,770,991</u>	<u>\$ 2,006,533</u>	<u>\$(378,236)</u>	<u>\$ 136,986</u>	<u>\$ 3,536,274</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, 2012

ASSETS	TRUST FUNDS	CLEARING FUNDS	STATE FUNDS	NW CLEAN AIR AGENCY FUNDS
Cash	\$ 366,695	\$ 2,573,864	\$ 835,362	\$ 38,507
Investments				2,178,924
Taxes Receivable			1,544,553	
Deposits		2,422		
TOTAL ASSETS	366,695	2,576,286	2,379,915	2,217,431
LIABILITIES				
Warrants Payable		2,230,715		
Due to Other Funds				
Custodial Accounts	366,695	345,571	2,379,915	2,217,431
TOTAL LIABILITIES	\$ 366,695	\$ 2,576,286	\$ 2,379,915	\$ 2,217,431

ASSETS	LIBRARY FUNDS	SKAGIT HOUSING FUND	CITIES AND TOWNS FUNDS	PORT OF ANACORTES FUNDS
Cash	\$ 178,760	\$ 7	\$ 268,856	\$ 508,956
Investments	604,636	724,336		8,419,741
Taxes Receivable	25,949		820,961	14,863
Deposits				
TOTAL ASSETS	809,345	724,343	1,089,817	8,943,560
LIABILITIES				
Warrants Payable	9,776			20,952
Due to Other Funds				
Custodial Accounts	799,569	724,343	1,089,817	8,922,608
TOTAL LIABILITIES	\$ 809,345	\$ 724,343	\$ 1,089,817	\$ 8,943,560

SKAGIT COUNTY, WASHINGTON
COMBINING BALANCE SHEET

As of December 31, 2012

ASSETS	COUNCIL OF GOVERNMENTS FUNDS	FICALGO PARK FUNDS	AFFILIATED HEALTH SERVICES FUNDS
Cash	\$ 50,859	\$ 296,007	\$ 402
Investments	425,706		423,405
Taxes Receivable		14,198	
Deposits			
TOTAL ASSETS	476,565	310,205	423,807
LIABILITIES			
Warrants Payable	17,251	-	401
Due to Other Funds			
Custodial Accounts	459,314	310,205	423,406
TOTAL LIABILITIES	\$ 476,565	\$ 310,205	\$ 423,807

ASSETS	PORT OF SKAGIT FUNDS	DIKE DISTRICTS FUNDS	SKAGIT TRANSPORTATION FUNDS
Cash	\$ 2,259,233	\$ 5,249,559	
Investments	8,591,246	2,800,589	8,488,489
Taxes Receivable	84,867	306,445	
Deposits			
TOTAL ASSETS	10,935,346	8,356,593	8,488,489
LIABILITIES			
Warrants Payable	135,059	54,953	
Due to Other Funds			
Custodial Accounts	10,800,287	8,301,640	8,488,489
TOTAL LIABILITIES	\$ 10,935,346	\$ 8,356,593	\$ 8,488,489

**SKAGIT COUNTY, WASHINGTON
COMBINING BALANCE SHEET**

As of December 31, 2012

ASSETS	HOSPITAL DISTRICT 1 FUNDS	HOSPITAL DISTRICT 2 FUNDS	HOSPITAL DISTRICT 304 FUNDS	WATER DISTRICT FUNDS
Cash	\$ 2,166,600	\$ 605,388	\$ 348,198	\$ 39,176
Investments	98,096,998	18,088,130	7,296,961	196,875
Taxes Receivable	215,973	91,839	49,651	
Deposits				
TOTAL ASSETS	100,479,571	18,785,357	7,694,810	236,051
LIABILITIES				
Warrants Payable	5,678,282	171,374	174,055	-
Due to Other Funds				
Custodial Accounts	94,801,289	18,613,983	7,520,755	236,051
TOTAL LIABILITIES	\$ 100,479,571	\$ 18,785,357	\$ 7,694,810	\$ 236,051

ASSETS	DRAINAGE DISTRICT FUNDS	SCHOOL DISTRICTS FUNDS	CEMETARY DISTRICTS FUNDS	SKAGIT COMMUNITY NETWORK
Cash	\$ 325,777	\$ 11,395,984	\$ 242,575	\$ 1,801
Investments	1,156,862	53,173,331	543,712	
Taxes Receivable	21,179	2,658,068	9,317	
Deposits				
TOTAL ASSETS	1,503,818	67,227,383	795,604	1,801
LIABILITIES				
Warrants Payable	22,606	8,194,763	6,082	
Due to Other Funds				
Custodial Accounts	1,481,212	59,032,620	789,522	1,801
TOTAL LIABILITIES	\$ 1,503,818	\$ 67,227,383	\$ 795,604	\$ 1,801

SKAGIT COUNTY, WASHINGTON
COMBINING BALANCE SHEET

As of December 31, 2012

ASSETS	SEWER DISTRICT FUNDS	FIRE DISTRICT FUNDS	NORTH SOUND RSN FUNDS
Cash	\$ 75,193	\$ 2,534,444	\$ 6,162,768
Investments	2,502,616	3,591,416	25,219,450
Taxes Receivable	10,080	194,829	
Deposits			
TOTAL ASSETS	2,587,889	6,320,689	31,382,218
LIABILITIES			
Warrants Payable	258,311	162,828	6,792,091
Due to Other Funds			
Custodial Accounts	2,329,578	6,157,861	24,590,127
TOTAL LIABILITIES	\$ 2,587,889	\$ 6,320,689	\$ 31,382,218

ASSETS	PUBLIC FACILITIES DISTRICT	SKAGIT EMERGENCY COMM	2012 TOTALS
Cash	\$ 136,276	\$ 410,786	\$ 37,072,033
Investments	978,829	812,649	244,314,901
Taxes Receivable			6,062,772
Deposits			2,422
TOTAL ASSETS	1,115,105	1,223,435	287,452,128
LIABILITIES			
Warrants Payable		35,518	23,965,018
Due to Other Funds			-
Custodial Accounts	1,115,105	1,187,917	263,487,110
TOTAL LIABILITIES	\$ 1,115,105	\$ 1,223,435	\$ 287,452,128

SKAGIT COUNTY, WASHINGTON
COMBINING STATEMENT OF CHANGES IN ASSETS AND LIABILITIES
Fiscal Year Ended December 31, 2012

TRUST FUNDS	Balance			Balance		
	January 1, 2012	Additions	Deductions	January 1, 2012	Additions	Deductions
ASSETS						
Cash	\$ 285,462	\$ 8,107,638	\$ 8,026,405	\$ 366,695		
Investments				-		
Taxes Receivable				-		
Deposits				-		
TOTAL ASSETS	285,462	8,107,638	8,026,405	366,695		
LIABILITIES						
Warrants Payable				-		
Due to Other Funds				-		
Custodial Accounts	285,462	8,107,638	8,026,405	366,695		
TOTAL LIABILITIES	\$ 285,462	\$ 8,107,638	\$ 8,026,405	\$ 366,695		

CLEARING FUNDS	Balance			Balance		
	January 1, 2012	Additions	Deductions	January 1, 2012	Additions	Deductions
ASSETS						
Cash	\$ 2,128,857	\$ 268,128,300	\$ 267,683,293	\$ 2,573,864		
Investments				-		
Taxes Receivable				-		
Deposits	406	2,422	406	2,422		
TOTAL ASSETS	2,129,263	268,130,722	267,683,699	2,576,286		
LIABILITIES						
Warrants Payable	1,758,211	201,954,202	201,481,697	2,230,716		
Due to Other Funds				-		
Custodial Accounts	371,052	66,176,520	66,202,002	345,570		
TOTAL LIABILITIES	\$ 2,129,263	\$ 268,130,722	\$ 267,683,699	\$ 2,576,286		

STATE FUNDS	Balance			Balance		
	January 1, 2012	Additions	Deductions	January 1, 2012	Additions	Deductions
ASSETS						
Cash	\$ 1,206,134	\$ 46,775,898	\$ 47,146,670	\$ 835,362		
Investments				-		
Taxes Receivable	1,505,739	34,594,253	34,555,439	1,544,553		
Deposits				-		
TOTAL ASSETS	2,711,873	81,370,151	81,702,109	2,379,915		
LIABILITIES						
Warrants Payable				-		
Due to Other Funds				-		
Custodial Accounts	2,711,873	81,370,151	81,702,109	2,379,915		
TOTAL LIABILITIES	\$ 2,711,873	\$ 81,370,151	\$ 81,702,109	\$ 2,379,915		

SKAGIT COUNTY, WASHINGTON
COMBINING STATEMENT OF CHANGES IN ASSETS AND LIABILITIES
Fiscal Year Ended December 31, 2012

NW AIR POLLUTION FUNDS	Balance			Balance	
	January 1, 2012	Additions	Deductions	December 31, 2012	
ASSETS					
Cash	\$ 112,625	\$ 6,793,678	\$ 6,867,795	\$	38,508
Investments	2,312,202	2,925,602	3,058,881		2,178,923
Taxes Receivable					-
Deposits					-
TOTAL ASSETS	2,424,827	9,719,280	9,926,676		2,217,431
LIABILITIES					
Warrants Payable					-
Due to Other Funds					-
Custodial Accounts	2,424,827	9,719,280	9,926,676		2,217,431
TOTAL LIABILITIES	\$ 2,424,827	\$ 9,719,280	\$ 9,926,676	\$	\$ 2,217,431

COUNCIL OF GOV'T FUNDS	Balance			Balance	
	January 1, 2012	Additions	Deductions	December 31, 2012	
ASSETS					
Cash	\$ 374,228	\$ 971,568	\$ 1,294,937	\$	50,859
Investments		580,816	155,110		425,706
Taxes Receivable					-
Deposits					-
TOTAL ASSETS	374,228	1,552,384	1,450,047		476,565
LIABILITIES					
Warrants Payable	56,147	354,364	393,260		17,251
Due to Other Funds					-
Custodial Accounts	318,081	1,198,020	1,056,787		459,314
TOTAL LIABILITIES	\$ 374,228	\$ 1,552,384	\$ 1,450,047	\$	\$ 476,565

LIBRARY FUNDS	Balance			Balance	
	January 1, 2012	Additions	Deductions	December 31, 2012	
ASSETS					
Cash	\$ 322,946	\$ 1,385,733	\$ 1,529,919	\$	178,760
Investments	451,634	976,393	823,391		604,636
Taxes Receivable	25,664	419,305	419,020		25,949
Deposits					-
TOTAL ASSETS	800,244	2,781,431	2,772,330		809,345
LIABILITIES					
Warrants Payable	8,185	207,711	206,120		9,776
Due to Other Funds					-
Custodial Accounts	792,059	2,573,720	2,566,210		799,569
TOTAL LIABILITIES	\$ 800,244	\$ 2,781,431	\$ 2,772,330	\$	\$ 809,345

SKAGIT COUNTY, WASHINGTON
COMBINING STATEMENT OF CHANGES IN ASSETS AND LIABILITIES
Fiscal Year Ended December 31, 2012

SKAGIT HOUSING	Balance		Balance	
	January 1, 2012	Additions	Deductions	December 31, 2012
ASSETS				
Cash	\$ -	\$ 452,468	\$ 452,461	\$ 7
Investments	695,721	356,616	328,001	724,336
Taxes Receivable				-
Deposits				-
TOTAL ASSETS	695,721	809,084	780,462	724,343
LIABILITIES				
Warrants Payable				-
Due to Other Funds				-
Custodial Accounts	695,721	809,084	780,462	724,343
TOTAL LIABILITIES	\$ 695,721	\$ 809,084	\$ 780,462	\$ 724,343

CITIES AND TOWNS FUNDS	Balance		Balance	
	January 1, 2012	Additions	Deductions	December 31, 2012
ASSETS				
Cash	\$ 164,984	\$ 18,566,310	\$ 18,462,438	\$ 268,856
Investments				-
Taxes Receivable	800,841	17,104,593	17,084,473	820,961
Deposits				-
TOTAL ASSETS	965,825	35,670,903	35,546,911	1,089,817
LIABILITIES				
Warrants Payable				-
Due to Other Funds				-
Custodial Accounts	965,825	35,670,903	35,546,911	1,089,817
TOTAL LIABILITIES	\$ 965,825	\$ 35,670,903	\$ 35,546,911	\$ 1,089,817

PORT OF ANACORTES FUNDS	Balance		Balance	
	January 1, 2012	Additions	Deductions	December 31, 2012
ASSETS				
Cash	\$ 819,816	\$ 33,442,879	\$ 33,753,739	\$ 508,956
Investments	8,946,966	9,432,256	9,959,481	8,419,741
Taxes Receivable	15,421	532,691	533,249	14,863
Deposits				-
TOTAL ASSETS	9,782,203	43,407,826	44,246,469	8,943,560
LIABILITIES				
Warrants Payable	308,535	15,022,184	15,309,767	20,952
Due to Other Funds				-
Custodial Accounts	9,473,668	28,385,642	28,936,702	8,922,608
TOTAL LIABILITIES	\$ 9,782,203	\$ 43,407,826	\$ 44,246,469	\$ 8,943,560

SKAGIT COUNTY, WASHINGTON
COMBINING STATEMENT OF CHANGES IN ASSETS AND LIABILITIES
Fiscal Year Ended December 31, 2012

PORT OF SKAGIT FUNDS	Balance			Balance	
	January 1, 2012	Additions	Deductions	December 31, 2012	
ASSETS					
Cash	\$ 1,403,590	\$ 39,847,365	\$ 38,991,722	\$ 2,259,233	
Investments	4,700,397	13,070,941	9,180,092	8,591,246	
Taxes Receivable	67,544	1,826,354	1,809,031	84,867	
Deposits	-	-	-	-	
TOTAL ASSETS	6,171,531	54,744,660	49,980,845	10,935,346	
LIABILITIES					
Warrants Payable	38,866	14,739,043	14,642,849	135,060	
Due to Other Funds	-	-	-	-	
Custodial Accounts	6,132,665	40,005,617	35,337,996	10,800,286	
TOTAL LIABILITIES	\$ 6,171,531	\$ 54,744,660	\$ 49,980,845	\$ 10,935,346	

FIDALGO PARK FUNDS	Balance			Balance	
	January 1, 2012	Additions	Deductions	December 31, 2012	
ASSETS					
Cash	\$ 162,569	\$ 917,206	\$ 783,768	\$ 296,007	
Investments	-	-	-	-	
Taxes Receivable	13,862	483,647	483,311	14,198	
Deposits	-	-	-	-	
TOTAL ASSETS	176,431	1,400,853	1,267,079	310,205	
LIABILITIES					
Warrants Payable	50,599	691,152	741,751	-	
Due to Other Funds	-	-	-	-	
Custodial Accounts	125,832	709,701	525,328	310,205	
TOTAL LIABILITIES	\$ 176,431	\$ 1,400,853	\$ 1,267,079	\$ 310,205	

AFFILIATED HEALTH FUNDS	Balance			Balance	
	January 1, 2012	Additions	Deductions	December 31, 2012	
ASSETS					
Cash	\$ 401	\$ 120,269	\$ 120,268	\$ 402	
Investments	515,440	14,117	106,152	423,405	
Taxes Receivable	-	-	-	-	
Deposits	-	-	-	-	
TOTAL ASSETS	515,841	134,386	226,420	423,807	
LIABILITIES					
Warrants Payable	401	106,151	106,151	401	
Due to Other Funds	-	-	-	-	
Custodial Accounts	515,440	28,235	120,269	423,406	
TOTAL LIABILITIES	\$ 515,841	\$ 134,386	\$ 226,420	\$ 423,807	

SKAGIT COUNTY, WASHINGTON
COMBINING STATEMENT OF CHANGES IN ASSETS AND LIABILITIES
Fiscal Year Ended December 31, 2012

HOSPITAL DISTRICT 1 FUNDS	Balance			Balance	
	January 1, 2012	Additions	Deductions	December 31, 2012	
ASSETS					
Cash	\$ 3,779,637	\$ 710,499,820	\$ 712,112,857	\$	2,166,600
Investments	88,126,617	350,598,945	340,628,564		98,096,998
Taxes Receivable	182,893	4,203,271	4,170,191		215,973
Deposits					-
TOTAL ASSETS	92,089,147	1,065,302,036	1,056,911,612		100,479,571
LIABILITIES					
Warrants Payable	6,652,218	183,313,539	184,287,475		5,678,282
Due to Other Funds					-
Custodial Accounts	85,436,929	881,988,497	872,624,137		94,801,289
TOTAL LIABILITIES	\$ 92,089,147	\$ 1,065,302,036	\$ 1,056,911,612	\$	100,479,571

HOSPITAL DISTRICT 2 FUNDS	Balance			Balance	
	January 1, 2012	Additions	Deductions	December 31, 2012	
ASSETS					
Cash	\$ 968,024	\$ 135,792,014	\$ 136,154,650	\$	605,388
Investments	15,152,775	24,698,740	21,763,385		18,088,130
Taxes Receivable	93,272	3,146,839	3,148,272		91,839
Deposits					-
TOTAL ASSETS	16,214,071	163,637,593	161,066,307		18,785,357
LIABILITIES					
Warrants Payable	242,124	40,251,376	40,322,126		171,374
Due to Other Funds					-
Custodial Accounts	15,971,947	123,386,217	120,744,181		18,613,983
TOTAL LIABILITIES	\$ 16,214,071	\$ 163,637,593	\$ 161,066,307	\$	18,785,357

HOSPITAL DISTRICT 304 FUNDS	Balance			Balance	
	January 1, 2012	Additions	Deductions	December 31, 2012	
ASSETS					
Cash	\$ 846,378	\$ 105,072,747	\$ 105,570,927	\$	348,198
Investments	8,372,594	49,540,495	50,616,128		7,296,961
Taxes Receivable	50,578	886,952	887,879		49,651
Deposits					-
TOTAL ASSETS	9,269,550	155,500,194	157,074,934		7,694,810
LIABILITIES					
Warrants Payable	716,144	29,630,377	30,172,466		174,055
Due to Other Funds					-
Custodial Accounts	8,553,406	125,869,817	126,902,468		7,520,755
TOTAL LIABILITIES	\$ 9,269,550	\$ 155,500,194	\$ 157,074,934	\$	7,694,810

SKAGIT COUNTY, WASHINGTON
COMBINING STATEMENT OF CHANGES IN ASSETS AND LIABILITIES
Fiscal Year Ended December 31, 2012

DIKE FUNDS	Balance			Balance	
	January 1, 2012	Additions	Deductions	December 31, 2012	
ASSETS					
Cash	\$ 4,279,102	\$ 11,002,148	\$ 10,031,691	\$	5,249,559
Investments	2,406,939	3,003,650	2,610,000		2,800,589
Taxes Receivable	319,842	5,374,081	5,387,478		306,445
Deposits					-
TOTAL ASSETS	7,005,883	19,379,879	18,029,169		8,356,593
LIABILITIES					
Warrants Payable	1,072,795	3,806,133	4,823,975		54,953
Due to Other Funds					-
Custodial Accounts	5,933,088	15,573,746	13,205,194		8,301,640
TOTAL LIABILITIES	\$ 7,005,883	\$ 19,379,879	\$ 18,029,169	\$	8,356,593

SKAGIT TRANSIT	Balance			Balance	
	January 1, 2012	Additions	Deductions	December 31, 2012	
ASSETS					
Cash	\$ -	\$ 2,640,141	\$ 2,640,141	\$	-
Investments	5,848,348	2,640,141			8,488,489
Taxes Receivable					-
Deposits					-
TOTAL ASSETS	5,848,348	5,280,282	2,640,141		8,488,489
LIABILITIES					
Warrants Payable					-
Due to Other Funds					-
Custodial Accounts	5,848,348	5,280,282	2,640,141		8,488,489
TOTAL LIABILITIES	\$ 5,848,348	\$ 5,280,282	\$ 2,640,141	\$	8,488,489

DRAINAGE DISTRICT FUNDS	Balance			Balance	
	January 1, 2012	Additions	Deductions	December 31, 2012	
ASSETS					
Cash	\$ 262,871	\$ 1,172,065	\$ 1,109,159	\$	325,777
Investments	1,185,704	201,657	230,499		1,156,862
Taxes Receivable	25,611	715,041	719,473		21,179
Deposits					-
TOTAL ASSETS	1,474,186	2,088,763	2,059,131		1,503,818
LIABILITIES					
Warrants Payable	57,246	650,216	684,856		22,606
Due to Other Funds					-
Custodial Accounts	1,416,940	1,438,547	1,374,275		1,481,212
TOTAL LIABILITIES	\$ 1,474,186	\$ 2,088,763	\$ 2,059,131	\$	1,503,818

SKAGIT COUNTY, WASHINGTON
COMBINING STATEMENT OF CHANGES IN ASSETS AND LIABILITIES
Fiscal Year Ended December 31, 2012

SCHOOL DISTRICT FUNDS	Balance			Balance
	January 1, 2012	Additions	Deductions	December 31, 2012
ASSETS				
Cash	\$ 9,379,559	\$ 405,031,247	\$ 403,014,822	\$ 11,395,984
Investments	65,844,426	148,666,460	161,337,555	53,173,331
Taxes Receivable	2,490,055	56,624,960	56,456,947	2,658,068
Deposits				-
TOTAL ASSETS	77,714,040	610,322,667	620,809,324	67,227,383
LIABILITIES				
Warrants Payable	6,122,397	168,409,704	166,337,338	8,194,763
Due to Other Funds				-
Custodial Accounts	71,591,643	441,912,963	454,471,986	59,032,620
TOTAL LIABILITIES	\$ 77,714,040	\$ 610,322,667	\$ 620,809,324	\$ 67,227,383

CEMETERY DISTRICT FUNDS	Balance			Balance
	January 1, 2012	Additions	Deductions	December 31, 2012
ASSETS				
Cash	\$ 384,148	\$ 949,832	\$ 1,091,405	\$ 242,575
Investments	639,642	500,371	596,301	543,712
Taxes Receivable	10,986	292,543	294,212	9,317
Deposits				-
TOTAL ASSETS	1,034,776	1,742,746	1,981,918	795,604
LIABILITIES				
Warrants Payable	5,392	403,136	402,446	6,082
Due to Other Funds				-
Custodial Accounts	1,029,384	1,339,610	1,579,472	789,522
TOTAL LIABILITIES	\$ 1,034,776	\$ 1,742,746	\$ 1,981,918	\$ 795,604

WATER DISTRICT FUNDS	Balance			Balance
	January 1, 2012	Additions	Deductions	December 31, 2012
ASSETS				
Cash	\$ 24,914	\$ 42,311	\$ 28,049	\$ 39,176
Investments	196,527	348		196,875
Taxes Receivable				-
Deposits				-
TOTAL ASSETS	221,441	42,659	28,049	236,051
LIABILITIES				
Warrants Payable	2,183	23,704	25,887	-
Due to Other Funds				-
Custodial Accounts	219,258	18,955	2,162	236,051
TOTAL LIABILITIES	\$ 221,441	\$ 42,659	\$ 28,049	\$ 236,051

SKAGIT COUNTY, WASHINGTON
COMBINING STATEMENT OF CHANGES IN ASSETS AND LIABILITIES
Fiscal Year Ended December 31, 2012

SEWER DISTRICT FUNDS	Balance			Balance
	January 1, 2012	Additions	Deductions	December 31, 2012
ASSETS				
Cash	\$ 58,633	\$ 3,532,513	\$ 3,515,953	\$ 75,193
Investments	3,816,201	1,319,127	2,632,712	2,502,616
Taxes Receivable	24,562		14,482	10,080
Deposits				-
TOTAL ASSETS	3,899,396	4,851,640	6,163,147	2,587,889
LIABILITIES				
Warrants Payable	28,601	1,970,908	1,741,198	258,311
Due to Other Funds				-
Custodial Accounts	3,870,795	2,880,732	4,421,949	2,329,578
TOTAL LIABILITIES	\$ 3,899,396	\$ 4,851,640	\$ 6,163,147	\$ 2,587,889

FIRE DISTRICT FUNDS	Balance			Balance
	January 1, 2012	Additions	Deductions	December 31, 2012
ASSETS				
Cash	\$ 2,563,396	\$ 10,962,468	\$ 10,991,420	\$ 2,534,444
Investments	3,837,686	3,166,023	3,412,293	3,591,416
Taxes Receivable	186,860	4,489,269	4,481,300	194,829
Deposits				-
TOTAL ASSETS	6,587,942	18,617,760	18,885,013	6,320,689
LIABILITIES				
Warrants Payable	159,178	4,102,892	4,099,242	162,828
Due to Other Funds				-
Custodial Accounts	6,428,764	14,514,868	14,785,771	6,157,861
TOTAL LIABILITIES	\$ 6,587,942	\$ 18,617,760	\$ 18,885,013	\$ 6,320,689

NORTH SOUND RSN	Balance			Balance
	January 1, 2012	Additions	Deductions	December 31, 2012
ASSETS				
Cash	\$ 841,824	\$ 83,716,931	\$ 78,395,987	\$ 6,162,768
Investments	22,135,894	16,307,112	13,223,556	25,219,450
Taxes Receivable				-
Deposits				-
TOTAL ASSETS	22,977,718	100,024,043	91,619,543	31,382,218
LIABILITIES				
Warrants Payable	7,358,762	59,213,647	59,780,318	6,792,091
Due to Other Funds				-
Custodial Accounts	15,618,956	40,810,396	31,839,225	24,590,127
TOTAL LIABILITIES	\$ 22,977,718	\$ 100,024,043	\$ 91,619,543	\$ 31,382,218

SKAGIT COUNTY, WASHINGTON
COMBINING STATEMENT OF CHANGES IN ASSETS AND LIABILITIES
Fiscal Year Ended December 31, 2012

SKAGIT EMERGENCY COMM	Balance				Balance
	January 1, 2012	Additions	Deductions		December 31, 2012
ASSETS					
Cash	\$ 485,004	\$ 4,458,371	\$ 4,532,589	\$	410,786
Investments	518,078	294,571			812,649
Taxes Receivable					-
Deposits					-
TOTAL ASSETS	1,003,082	4,752,942	4,532,589		1,223,435
LIABILITIES					
Warrants Payable	15,864	530,101	510,447		35,518
Due to Other Funds					-
Custodial Accounts	987,218	4,222,841	4,022,142		1,187,917
TOTAL LIABILITIES	\$ 1,003,082	\$ 4,752,942	\$ 4,532,589	\$	1,223,435

SKAGIT COMMUNITY NETWORK	Balance				Balance
	January 1, 2012	Additions	Deductions		December 31, 2012
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, 2012	Additions	Deductions		December 31, 2012
ASSETS					
Cash	\$ 58,342	\$ 2,960,397	\$ 2,882,463	\$	136,276
Investments	1,098,131	1,159,613	1,278,915		978,829
Taxes Receivable					-
Deposits					-
TOTAL ASSETS	1,156,473	4,120,010	4,161,378		1,115,105
LIABILITIES					
Warrants Payable					-
Due to Other Funds					-
Custodial Accounts	1,156,473	4,120,010	4,161,378		1,115,105
TOTAL LIABILITIES	\$ 1,156,473	\$ 4,120,010	\$ 4,161,378	\$	1,115,105

SKAGIT COUNTY, WASHINGTON
COMBINING STATEMENT OF CHANGES IN ASSETS AND LIABILITIES
Fiscal Year Ended December 31, 2012

TRUST AGENCY FUNDS	Balance January 1, 2012	Additions	Deductions	Balance December 31, 2012
ASSETS				
Cash	\$ 30,915,247	\$ 1,903,342,314	\$ 1,897,185,528	\$ 37,072,033
Investments	236,801,922	629,453,995	621,941,016	244,314,901
Taxes Receivable	5,813,730	130,693,799	130,444,757	6,062,772
Deposits	406	2,422	406	2,422
TOTAL ASSETS	273,531,305	2,663,492,530	2,649,571,707	287,452,128
LIABILITIES				
Warrants Payable	24,653,854	725,380,533	726,069,369	23,965,018
Due to Other Funds	-	-	-	-
Custodial Accounts	248,877,451	1,938,111,997	1,923,502,338	263,487,110
TOTAL LIABILITIES	\$ 273,531,305	\$ 2,663,492,530	\$ 2,649,571,707	\$ 287,452,128

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 Position by Component
Last Ten Fiscal years
(Accrual Basis of Accounting)

	Fiscal Year				
	2003	2004	2005	2006	2007
Government Activities					
Net Investment in Capital Assets	\$ 404,523,601	\$ 395,086,287	\$ 381,055,873	\$ 366,147,997	\$ 357,149,388
Restricted	23,912,628	32,336,318	21,211,901	22,616,026	31,094,299
Unrestricted	13,445,849	1,174,685	10,587,650	19,952,312	19,336,537
Total Governmental Activities Net Position	<u>441,882,078</u>	<u>428,597,290</u>	<u>412,855,424</u>	<u>408,716,335</u>	<u>407,580,224</u>
Business-Type Activities					
Net Investment in Capital Assets	(3,948,367)	(2,957,718)	(1,849,849)	(488,175)	367,220
Restricted	-	-	-	-	-
Unrestricted	5,933,623	6,538,339	5,733,014	5,230,238	1,760,885
Total Business-Type Activities Net Position	<u>1,985,256</u>	<u>3,580,621</u>	<u>3,883,165</u>	<u>4,742,063</u>	<u>2,128,105</u>
Primary Government					
Net Investment in Capital Assets	400,575,234	392,128,569	379,206,024	365,659,822	357,516,608
Restricted	23,912,628	32,336,318	21,211,901	22,616,026	31,094,299
Unrestricted	19,379,472	7,713,024	16,320,664	25,182,550	21,097,422
Total Primary Government Net Position	<u>\$ 443,867,334</u>	<u>\$ 432,177,911</u>	<u>\$ 416,738,589</u>	<u>\$ 413,458,398</u>	<u>\$ 409,708,329</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
Net Position by Component
Last Ten Fiscal years
(Accrual Basis of Accounting)

	Fiscal Year				
	2008	2009	2010	2011	2012
Government Activities					
Net Investment in Capital Assets	\$ 348,749,188	\$ 369,397,842	\$ 359,956,151	\$ 327,995,991	\$ 324,898,837
Restricted	33,205,191	24,794,518	27,543,125	29,091,499	28,152,145
Unrestricted	14,966,923	14,514,433	16,234,084	24,183,225	29,312,177
Total Governmental Activities Net Position	<u>396,921,302</u>	<u>408,706,793</u>	<u>403,733,360</u>	<u>381,270,715</u>	<u>382,363,159</u>
Business-Type Activities					
Net Investment in Capital Assets	1,183,845	592,025	3,843,894	4,669,373	6,207,740
Restricted	-	-	-	-	-
Unrestricted	285,705	2,293,537	(2,267,094)	(1,589,457)	(1,926,699)
Total Business-Type Activities Net Position	<u>1,469,550</u>	<u>2,885,562</u>	<u>1,576,800</u>	<u>3,079,916</u>	<u>4,281,041</u>
Primary Government					
Net Investment in Capital Assets	349,933,033	369,989,867	363,800,045	332,665,364	331,197,577
Restricted	33,205,191	24,794,518	27,543,125	29,091,499	28,152,145
Unrestricted	15,252,628	16,807,970	13,966,990	22,593,768	27,385,478
Total Primary Government Net Position	<u>\$ 398,390,852</u>	<u>\$ 411,592,355</u>	<u>\$ 405,310,160</u>	<u>\$ 384,350,631</u>	<u>\$ 386,735,200</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 Position by Function

Last Ten Fiscal Years

(Accrual Basis of Accounting)

	Fiscal Year				
	2003	2004	2005	2006	2007
Expenses					
Governmental Activities					
General Government	\$ 24,267,759	\$ 25,021,132	\$ 24,063,135	\$ 22,760,258	\$ 23,993,651
Judicial	-	-	-	-	-
Public Safety	17,143,366	21,411,406	21,022,495	22,496,619	24,872,632
Physical Environment	3,138,267	4,289,893	2,680,477	2,161,454	3,509,248
Transportation	15,574,415	28,630,892	35,666,953	32,499,589	32,079,278
Economic Environment	4,932,713	5,409,542	7,346,469	6,149,970	5,763,176
Health and Human Services	5,732,219	6,045,448	6,688,020	8,409,308	9,293,864
Culture and Recreation	4,991,191	2,611,408	2,721,796	2,809,835	3,020,552
Interest on Long-Term Debt	518,743	530,488	523,482	544,820	708,941
Total Governmental Activities	<u>76,298,673</u>	<u>93,950,209</u>	<u>100,712,827</u>	<u>97,831,853</u>	<u>103,241,342</u>
Business-Type Activities					
Solid Waste	7,132,390	7,523,230	8,744,612	8,548,400	8,775,500
Drainage Utility	374,143	351,798	769,880	644,188	787,587
Total Business-Type Activities	<u>7,506,533</u>	<u>7,875,028</u>	<u>9,514,492</u>	<u>9,192,588</u>	<u>9,563,087</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>	<u><u>112,804,429</u></u>
Program Revenues					
Governmental Activities					
Property Tax	26,274,851	28,043,642	29,189,439	30,847,043	34,519,624
Sales and Other Tax	12,223,084	15,168,724	17,340,242	20,435,624	22,179,773
Interest and Investments	1,330,705	1,229,215	1,878,787	3,183,945	4,578,687
Charges for Services					
General Government	6,600,790	4,868,606	5,453,668	5,589,012	6,116,977
Judicial	-	-	-	-	-
Public Safety	1,176,767	1,174,478	1,128,315	1,384,252	1,449,743
Physical Environment	347,186	346,421	383,437	351,242	440,067
Transportation	2,062,133	2,286,975	2,853,613	3,996,397	3,918,644
Economic Environment	2,188,125	2,143,732	2,427,374	2,768,354	2,576,391
Health and Human Services	718,319	768,609	854,792	838,835	1,691,416
Culture and Recreation	2,322,665	706,967	774,545	960,501	931,713
Operating Grants and Contributions	14,447,434	15,204,303	14,843,903	16,196,475	22,093,519
Capital Grants and Contributions	9,242,276	9,355,516	7,721,163	6,623,961	2,667,303
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>	<u>103,163,857</u>
Business-Type Activities					
Interest and Investments	60,784	78,106	154,382	192,586	266,841
Charges for Services					
Solid Waste	11,552,468	8,230,434	8,564,058	8,806,633	9,231,853
Drainage Utility	965,973	972,069	987,945	986,778	1,028,099
Operating Grants and Contributions	154,314	178,300	232,330	246,250	203,909
Capital Grants and Contributions	-	24,399	-	-	-
Gain (Loss) from Sale of Capital Assets	-	-	-	-	-
Total Business-Type Activities Program Revenues	<u>12,733,539</u>	<u>9,483,308</u>	<u>9,938,715</u>	<u>10,232,247</u>	<u>10,730,702</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>	<u><u>113,894,559</u></u>
Net (Expense) Revenue					
Governmental Activities	3,104,715	(13,216,457)	(15,863,549)	(4,238,637)	(77,485)
Business-Type Activities	5,227,006	1,608,280	424,223	1,039,659	1,167,615
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>	<u><u>\$ 1,090,131</u></u>

Note: The County began separating out Judicial in 2009

SKAGIT COUNTY, WASHINGTON

Changes in Net Position by Function

Last Ten Fiscal Years

(Accrual Basis of Accounting)

	Fiscal Year				
	2008	2009	2010	2011	2012
Expenses					
Governmental Activities					
General Government	\$ 34,187,307	\$ 32,293,073	\$ 30,411,707	\$ 29,694,591	\$ 32,996,294
Judicial	6,385,303	6,786,074	6,281,910	6,528,192	6,762,929
Public Safety	22,665,563	24,713,361	20,015,584	20,622,410	19,980,408
Physical Environment	3,008,208	2,185,797	3,560,748	2,672,643	2,729,881
Transportation	28,136,224	27,080,176	27,144,427	29,952,995	29,724,498
Economic Environment	5,947,702	5,348,995	3,467,987	3,162,607	3,233,397
Health and Human Services	12,606,481	11,340,490	10,134,616	10,387,711	10,391,910
Culture and Recreation	2,782,984	2,573,312	2,566,016	1,642,170	2,066,029
Interest on Long-Term Debt	687,761	660,210	559,293	516,260	222,519
Total Government Activities	<u>116,407,533</u>	<u>112,981,488</u>	<u>104,142,288</u>	<u>105,179,579</u>	<u>108,107,865</u>
Business-Type Activities					
Solid Waste	8,216,764	7,723,823	8,705,787	7,252,470	6,952,600
Drainage Utility	905,641	1,626,049	1,240,898	1,412,499	1,716,453
Total Business-Type Activities	<u>9,122,405</u>	<u>9,349,872</u>	<u>9,946,685</u>	<u>8,664,969</u>	<u>8,669,053</u>
Total Primary Government	<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>	<u><u>116,776,918</u></u>
Program Revenues					
Government Activities					
Property Tax	37,192,117	38,020,570	40,839,173	40,612,732	41,460,187
Sales and Other Tax	20,586,592	17,367,314	15,939,206	18,124,427	18,898,614
Interest and Investments	3,040,686	1,432,797	1,104,621	781,032	589,613
Charges for Services					
General Government	10,110,482	7,888,910	8,468,108	9,081,343	7,670,970
Judicial	2,515,475	3,931,874	3,922,658	3,962,902	3,923,771
Public Safety	3,408,760	3,577,904	3,268,388	3,590,375	2,813,154
Physical Environment	521,983	89,253	113,852	125,144	201,726
Transportation	7,693,881	6,188,799	6,227,702	6,354,529	6,756,935
Economic Environment	1,788,532	1,424,780	1,195,078	894,872	1,088,468
Health and Human Services	3,999,141	3,555,103	3,057,962	3,322,591	3,026,346
Culture and Recreation	935,070	719,082	884,659	894,709	666,661
Operating Grants and Contributions	9,659,021	11,271,785	10,628,645	8,961,787	9,492,002
Capital Grants and Contributions	1,496,744	3,384,760	3,471,716	5,685,601	13,169,596
Gain (Loss) from Sale of Capital Assets	(82,021)	(59,262)	14,837	(118,394)	-
Total Governmental Activities Program Revenues	<u>102,866,463</u>	<u>98,793,669</u>	<u>99,136,605</u>	<u>102,273,650</u>	<u>109,758,043</u>
Business-Type Activities					
Interest and Investments	138,581	44,502	21,111	(545,115)	(485,298)
Charges for Services					
Solid Waste	8,531,366	7,809,298	8,253,739	8,194,581	8,084,972
Drainage Utility	1,353,038	1,752,753	1,670,508	1,544,370	1,604,197
Operating Grants and Contributions	266,239	485,717	303,245	397,974	480,798
Capital Grants and Contributions				71,451	-
Gain (Loss) from Sale of Capital Assets				700	-
Total Business-Type Activities Program Revenues	<u>10,289,224</u>	<u>10,092,270</u>	<u>10,248,603</u>	<u>9,663,961</u>	<u>9,684,669</u>
Total Primary Government Program Revenues	<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>	<u><u>119,442,712</u></u>
Net (Expense) Revenue					
Governmental Activities	(13,541,070)	(14,187,819)	(5,005,683)	(2,905,929)	1,650,178
Business-Type Activities	1,166,819	742,398	301,918	998,992	1,015,616
Total Primary Government Net Expense	<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>	<u><u>\$ 2,665,794</u></u>

Note: The County began separating out Judicial in 2011

SKAGIT COUNTY, WASHINGTON

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

	Fiscal Year				
	2003	2004	2005	2006	2007
General Revenues and Other Changes in Net Position					
Governmental Activities					
Property Taxes	\$ 26,274,851	\$ 28,043,642	\$ 29,189,439	\$ 30,847,043	\$ 34,519,624
Sales/Use Tax	8,972,722	10,725,952	12,028,184	14,454,242	16,628,142
Other Tax	3,250,312	4,442,772	5,312,058	5,981,382	5,551,631
Interest and Investment Earnings	1,330,705	1,229,215	1,878,787	3,183,945	4,578,687
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	131,923
Total Governmental Activities	43,965,894	43,891,060	43,965,894	43,891,060	48,530,145
Interest on Long-Term Debt	60,784	78,106	154,382	192,586	266,841
Gain (Loss) From Sale of Assets	-	-	-	-	-
Transfers	(1,184)	(12,915)	(121,677)	(180,761)	(131,923)
Total Business-Type Activities	59,600	65,191	32,705	11,825	134,918
Total Primary Government	44,025,494	43,956,251	48,562,850	55,076,773	61,544,925
Changes in Net Position					
Government Activities	6,772,916	(13,203,542)	(15,741,868)	(4,057,876)	54,439
Business-Type Charges for Services	1,558,755	1,595,365	302,546	858,898	1,035,692
Total Primary Government	\$ 8,331,671	\$ (11,608,177)	\$ (15,439,322)	\$ (3,198,978)	\$ 1,090,131

* 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 Position Last Ten Fiscal Years (Accrual Basis of Accounting)

	Fiscal Year				
	2008	2009	2010	2011	2012
General Revenues and Other Changes in Net Position					
Governmental Activities					
Property Taxes	\$ 37,192,117	\$ 38,020,570	\$ 40,839,173	\$ 40,612,732	\$ 41,460,187
Sales/Use Tax	15,301,986	13,850,662	13,065,954	15,478,629	16,447,958
Other Tax	5,284,606	3,516,652	2,873,252	2,645,798	2,450,656
Interest and Investment Earnings	3,040,686	1,432,797	1,104,621	781,032	589,613
Gain (Loss) From Sale of Assets	(82,021)	(59,262)	14,837	(118,394)	-
Special Item	-	-			
Transfers	154,075	(83,945)	(84,008)	9,142	(185,509)
Total Governmental Activities	55,064,948	61,410,007	57,813,829	59,408,939	60,762,905
Interest on Long-Term Debt	138,581	44,502	21,111	(545,115)	(485,298)
Gain (Loss) From Sale of Assets	-	-	-	700	-
Transfers	(154,075)	83,945	84,008	(9,142)	185,509
Total Business-Type Activities	(15,494)	128,447	105,119	(553,557)	(299,789)
Total Primary Government	60,875,955	56,805,921	57,918,948	58,855,382	60,463,116
Changes in Net Position					
Government Activities	(13,386,995)	(14,271,764)	(5,089,691)	(2,896,787)	1,464,669
Business-Type Charges for Services	1,012,744	826,343	385,926	989,850	1,201,125
Total Primary Government	\$ (12,374,251)	\$ (13,445,421)	\$ (4,703,765)	\$ (1,906,937)	\$ 2,665,794

* 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 Ten Fiscal Years
(Modified Accrual Basis of Accounting)

	2003	2004	2005	2006	2007
General Fund*					
Nonspendable					
Restricted					
Committed					
Assigned					
Unassigned					
Reserved	405,591	284,052	292,959	553,183	605,636
Unreserved	8,487,764	6,778,484	3,761,632	4,461,601	6,441,097
Total General Fund	<u>8,893,355</u>	<u>7,062,536</u>	<u>4,054,591</u>	<u>5,014,784</u>	<u>7,046,733</u>
All Other Governmental Funds*					
Nonspendable					
Restricted					
Committed					
Assigned					
Unassigned					
Reserved, Reported in:					
Prepaid Items	52,701	52,810	66,441	53,253	73,808
Loans Receivables	-	400,000	717,013	-	-
Debt Service	663868	699,145	925,618	1,214,492	1,658,600
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	26,123,516
Capital Projects Funds	9,815,681	9,469,935	6,159,606	14,938,555	14,115,766
Total All Other Governmental Funds	<u>\$ 28,132,530</u>	<u>\$ 26,818,590</u>	<u>\$ 25,782,606</u>	<u>\$ 34,890,053</u>	<u>\$ 41,971,690</u>

* 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 Ten Fiscal Years
(Modified Accrual Basis of Accounting)

	2008	2009	2010	2011	2012
General Fund*					
Nonspendable					
Restricted					
Committed				350,000	
Assigned					
Unassigned				10,349,381	11,915,249
Reserved	343,754	2,210,372	146,500	-	-
Unreserved	7,683,278	4,397,640	7,752,934	-	-
Total General Fund	<u>8,027,032</u>	<u>6,608,012</u>	<u>7,899,434</u>	<u>10,699,381</u>	<u>11,915,249</u>
All Other Governmental Funds*					
Nonspendable				60,685	45,681
Restricted				31,305,595	30,877,381
Committed				3,480,815	2,776,253
Assigned				10,349,381	
Unassigned					
Reserved, Reported in:					
Prepaid Items	101,101	286,266	76,143	-	-
Loans Receivables	434,000	3,003,000	2,374,000	-	-
Debt Service	775,311	1,149,878	1,507,334	-	-
Petty Cash and Inventory	51,877	40,614	-	-	-
Unreserved, Reported in:					
Special Revenue Funds	29,212,957	24,966,994	23,992,632	-	-
Capital Projects Funds	6,399,111	(115,505)	2,870,512	-	-
Total All Other Governmental Funds	<u>\$ 36,974,357</u>	<u>\$ 31,383,747</u>	<u>\$ 30,820,621</u>	<u>\$ 45,196,476</u>	<u>\$ 33,699,315</u>

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

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

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

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

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

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

	2010	2011	2012
Revenues			
Property Tax	\$ 39,891,962	\$ 40,654,187	\$ 41,270,011
Sales/Use Tax	13,065,954	15,478,629	16,447,958
Other Tax	2,873,252	2,645,798	2,450,656
License and Permits	1,104,621	970,105	1,039,551
Intergovernmental	25,397,870	26,894,695	33,469,657
Charges for Services	9,757,448	10,019,437	10,309,648
Fines and Forfeits	1,957,965	2,285,628	1,852,797
Interest Earnings	919,121	756,562	584,571
Donations	524,932	350,297	574,306
Other Revenues	1,707,960	1,299,538	2,019,288
Total Revenues	<u>97,201,085</u>	<u>101,354,876</u>	<u>110,018,443</u>
Expenditures			
General Government	16,556,020	16,633,997	18,111,961
Judicial	7,479,340	7,823,116	8,192,507
Public Safety	24,420,953	24,533,549	25,249,050
Physical Environment	4,394,408	3,467,079	3,583,100
Transportation	17,027,304	17,585,104	18,953,032
Economic Environment	3,949,022	3,606,739	3,602,203
Health and Human Services	11,261,219	11,617,447	12,060,459
Culture and Recreation	3,209,727	2,016,505	2,536,420
Debt Service			
Principal	1,058,134	1,116,572	1,213,119
Interest	589,480	600,115	565,948
Capital Outlay	4,704,095	5,750,727	15,023,756
Total Expenditures	<u>94,649,702</u>	<u>94,750,950</u>	<u>109,091,555</u>
Excess (deficiency) of Revenues over (under) Expenditures	<u>2,551,383</u>	<u>6,603,926</u>	<u>926,888</u>
Other Financial Sources (Uses)			
Proceeds of Long Term Debt	415,042	201,035	353,939
Proceeds from Sale of Capital Assets		1,200	8,172
Transfers In	8,622,743	8,588,548	8,808,381
Transfers Out	(8,706,751)	(8,829,405)	(9,398,067)
Total Other Financing Sources (Uses)	<u>331,034</u>	<u>(38,622)</u>	<u>(227,575)</u>
Net Change in Fund Balance	<u>\$ 2,882,417</u>	<u>\$ 6,565,304</u>	<u>\$ 699,313</u>
Debt Service as a percentage of noncapital Expenditures	1.9%	2.0%	1.9%

SKAGIT COUNTY, WASHINGTON
STATISTICAL TABLES
ASSESSED VALUE OF TAXABLE PROPERTY
For a Thirteen 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
2012	13,010,191,978	1,153,862,901	14,164,054,879	3.81

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

	2001	2002	2003	2004	2005	2006
General Fund	1.64	1.60	1.58	1.57	1.55	1.52
Special Revenue Fund	2.40	2.28	2.25	2.27	2.23	1.99
Total	4.04	3.88	3.83	3.84	3.78	3.51
School Districts	34.08	35.60	35.89	36.29	35.34	32.05
Fire Districts	15.42	15.18	16.14	15.26	14.42	14.25
Cemetery Districts	0.43	0.41	0.39	0.39	0.37	0.35
Port Districts	0.35	0.31	0.28	0.25	0.22	0.24
Cities and Towns	22.40	21.78	21.36	21.39	20.02	18.89
State of Washington	3.09	2.85	2.82	2.78	2.71	2.51
Special Assessment Districts	-	-	-	-	-	-
Hospitals	0.91	0.84	0.81	0.73	2.07	2.08
Parks and Recreation	0.13	0.12	0.11	0.10	0.10	0.09
Dike and Drainage Districts	115.60	109.94	120.74	124.05	103.67	109.42
Library Districts	0.84	0.83	1.30	1.46	1.37	1.35
Total	197.29	191.74	203.67	206.54	184.07	184.74

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

	2007	2008	2009	2010	2011	2012
General Fund	1.32	1.21	1.24	1.45	1.55	1.62
Special Revenue Fund	1.92	1.77	1.66	1.87	1.97	2.19
Total	3.24	2.98	2.90	3.32	3.52	3.81
School Districts	27.64	24.83	27.91	31.39	39.90	37.82
Fire Districts	12.48	11.04	13.01	13.01	13.83	14.65
Cemetery Districts	0.21	0.29	0.29	0.34	0.35	0.36
Port Districts	0.20	0.20	0.20	0.20	0.30	0.30
Cities and Towns	17.00	16.72	15.12	17.26	18.09	17.41
State of Washington	2.17	2.01	1.96	2.21	2.37	2.55
Special Assessment Districts	-	-	-	-	-	-
Hospitals	2.17	2.01	2.06	1.80	1.93	1.82
Parks and Recreation	0.08	0.07	0.07	0.11	0.11	0.14
Dike and Drainage Districts	115.50	115.53	106.39	110.89	122.14	123.86
Library Districts	1.30	-	1.05	1.25	1.31	1.41
Total	181.99	175.68	170.96	181.78	203.86	204.13

SKAGIT COUNTY, WASHINGTON
STATISTICAL TABLES
PROPERTY TAX LEVIES AND COLLECTIONS
For a Eighteen 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%
2012	171,985,718	167,991,026	97.67%	4,165,855	172,156,881	100.00%	7,966,597	4.63%

- (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
2012	102,887	1,470,508	1,471,216	102,179

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 Thirteen 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
2012	117,500	14,164,054,879	22,415,000	0.1583%	191

SKAGIT COUNTY, WASHINGTON
Limitation of Indebtedness
Last Ten Fiscal Years

	2003	2004	2005	2006	2007
Total Taxable Property Value	\$ 9,109,187,252	\$ 9,635,294,684	\$ 10,221,638,386	\$ 11,594,699,782	\$ 14,004,423,861
Indebtedness for General Purpose Without a Vote					
Debt Limit - 1.5% of Total Assessed Value	136,637,809	144,529,420	153,324,576	173,920,497	210,066,358
Debt Applicable to Limit:					
Outstanding Debt	19,832,680	18,801,931	17,800,275	22,265,000	21,025,000
Add Assets Available	12,592,445	11,868,644	7,744,883	9,163,481	9,145,795
Total Debt Applicable to Limit	7,240,235	6,933,287	10,055,392	13,101,519	11,879,205
Remaining Debt Capacity Without a Vote	129,397,574	137,596,133	143,269,184	160,818,978	198,187,153
Indebtedness for General Purpose With a Vote					
Debt Limit - 2.5% of Total Assessed Value	240,882,367	255,540,960	289,867,495	350,110,597	404,167,063
Remaining Debt Capacity Including Voted Debt	\$ 104,244,558	\$ 111,011,539	\$ 136,542,919	\$ 176,190,100	\$ 194,100,705
Total net debt applicable to the limit as a percentage of debt limit	5.30%	4.80%	6.56%	7.53%	5.65%

*2012 Outstanding Debt includes
7,985,000 Public Facilities District

SKAGIT COUNTY, WASHINGTON
Limitation of Indebtedness
Last Ten Fiscal Years

	2008	2009	2010	2011	2012
Total Taxable Property Value	\$ 16,166,682,507	\$ 16,868,200,169	\$ 15,210,471,781	\$ 14,494,671,744	\$ 14,164,054,879
Indebtedness for General Purpose Without a Vote					
Debt Limit - 1.5% of Total Assessed Value	242,500,238	253,023,003	228,157,077	217,420,076	212,460,823
Debt Applicable to Limit:					
Outstanding Debt	19,485,000	17,880,000	25,945,000	24,210,000	30,400,000
Add Assets Available	9,636,104	6,735,282	11,324,248	16,395,142	13,861,676
Total Debt Applicable to Limit	9,848,896	11,144,718	14,620,752	7,814,858	16,538,324
Remaining Debt Capacity Without a Vote	232,651,342	241,878,285	213,536,325	209,605,218	195,922,499
Indebtedness for General Purpose With a Vote					
Debt Limit - 2.5% of Total Assessed Value	421,705,004	421,705,004	380,261,795	362,366,794	354,101,372
Remaining Debt Capacity Including Voted Debt	\$ 179,204,767	\$ 168,682,002	\$ 152,104,718	\$ 144,946,717	\$ 141,640,549
Total net debt applicable to the limit as a percentage of debt limit	4.06%	4.40%	6.41%	3.59%	7.78%

*2012 Outstanding Debt includes
7,985,000 Public Facilities District

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

Fiscal Year	Governmental Activities		Business- Type Activities		Percentage of Personal Income	Per Capita		
	General Obligation	Bonds	General Obligation Bonds	Total Primary Government				
2003	\$	12,568,622	\$	7,985,000	\$	20,553,622	0.64%	193
2004		12,295,382		7,225,000		19,520,382	0.58%	179
2005		12,121,474		6,450,000		18,571,474	0.52%	167
2006		19,660,153		5,480,000		25,140,153	0.63%	222
2007		20,479,969		4,670,000		25,149,969	0.58%	218
2008		19,162,639		3,960,000		23,122,639	0.52%	197
2009		18,535,164		3,225,000		21,760,164	0.49%	183
2010		17,892,073		12,200,000		30,092,073	0.96%	257
2011		16,886,503		11,410,000		28,296,503	0.63%	241
2012		11,825,000		10,590,000		22,415,000	0.69%	190

SKAGIT COUNTY, WASHINGTON
STATISTICAL TABLES
COMPUTATION OF DIRECT & OVERLAPPING DEBT
FOR THE YEAR ENDED DECEMBER 31, 2012

JURISDICTION	NET DEBT OUTSTANDING	PERCENTAGE APPLICABLE TO SKAGIT COUNTY	AMOUNT APPLICABLE TO SKAGIT COUNTY
Direct Debt			
Skagit County	\$30,400,000	100%	\$30,400,000
Total Direct Debt	<u>30,400,000</u>		<u>30,400,000</u>
Overlapping debt			
Port Districts	26,710,000	100%	26,710,000
Hospital Districts	93,320,000	100%	93,320,000
School Districts	95,143,750	100%	95,143,750
Cities in Skagit County	n/a	100%	n/a
Dike Districts	1,375,675	100%	1,375,675
Fire Districts	2,396,582	100%	2,396,582
Total Overlapping Debt	<u>218,946,007</u>		<u>218,946,007</u>
Total Direct & Overlapping Debt	<u><u>\$249,346,007</u></u>		<u><u>\$249,346,007</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 THIRTEEN 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%
2012	1,213,119	565,948	1,779,067	92,288,732	1.93%

* 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

	2001	2002	2003	2004	2005	2006
Unincorporated	49,820	45,205	45,830	46,455	47,250	47,886
Incorporated	56,180	59,895	60,870	62,345	63,650	65,214
Totals	106,000	105,100	106,700	108,800	110,900	113,100
Income Per Capita	\$29,269	\$29,716	\$30,126	\$30,947	\$32,288	\$35,422
Unemployment Rate	7.4%	9.1%	8.6%	7.9%	6.4%	5.5%
School Enrollment	18,916	18,185	19,280	18,932	19,332	19,233

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

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

	2007	2008	2009	2010	2011	2012
Unincorporated	48,640	49,720	49,915	48,112	48,255	48,345
Incorporated	66,660	67,780	68,985	68,789	69,145	69,605
Totals	115,300	117,500	118,900	116,901	117,400	117,950
Income						
Per Capita	\$37,289	\$37,989	\$37,076	\$26,925	\$38,225	\$27,447
Unemployment						
Rate	4.8%	5.6%	10.2%	10.7%	10.2%	9.2%
School						
Enrollment	19,249	19,296	18,723	18,878	18,668	18,920

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

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

Taxpayer	2012			2002		
	Taxable Assessed Value	Rank	Percentage of Total Taxable Assessed Value	Taxable Assessed Value	Rank	Percentage of Total Taxable Assessed Value
Equilon Enterprises LLC	\$497,026,900	1	3.43%	\$ 282,617,113	1	3.10%
Tesoro Refining and Marketing Corp	280,950,600	2	1.94%	235,422,243	2	2.58%
Puget Sound Energy/Electric	194,694,434	3	1.34%	141,264,174	3	1.55%
Sierra Pacific Industries	70,555,700	4	0.49%			
Pacific Woodtech Corporation	53,235,000	5	0.37%	40,325,000	6	0.44%
Frontier Property Tax Dept NCA	44,971,091	6	0.31%			
NW Pipeline Corp	36,622,834	7	0.25%			
PPR Cascade LLC	34,046,700	8	0.23%	30,630,600	7	0.34%
Dakota Creek Industries	28,501,600	9	0.20%			
Stratford Hall Inc.	27,522,700	10	0.19%			
	1,268,127,559		8.75%			8.02%
Total County Assessed Value	\$ 14,494,671,744			\$ 9,109,187,252		

Source: Skagit County Assessor

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

Employer	2012			2002		
	Number of Employees	Rank	Percentage of Total Labor Force	Number of Employees	Rank	Percentage of Total Labor Force
Skagit Valley Hospital	1,800	1	3.19%	1,164	2	2.27%
Skagit County Government	854	2	1.51%			
Mount Vernon School District	825	3	1.46%	1,092	3	2.13%
Island Hospital	736	4	1.30%	460	5	
Skagit Valley Casino	561	5	0.80%			
Burlington-Edison School District	544	6	0.96%			
Swinomish Casino	461	7	0.80%			
Draper Valley Farms	454	8	0.99%	588	4	1.15%
Shell Oil	450	9	0.82%			
Skagit Valley College	427	10	0.76%			
Total Top Ten Employees	<u>7,112</u>		<u>11.84%</u>	<u>3,304</u>		<u>5.55%</u>
Total County Labor Force	<u>56,440</u>			<u>51,280</u>		

Source: Infogroup, Omaha NE via Washington State Employment Security
Various Payroll & HR Departments

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

Function	Full-Time Equivalent Employees as of December 31									
	<u>2003</u>	<u>2004</u>	<u>2005</u>	<u>2006</u>	<u>2007</u>	<u>2008</u>	<u>2009</u>	<u>2010</u>	<u>2011</u>	<u>2012</u>
General Government	154	158	165	163	174	182	175	202	216	178
Judicial	52	53	54	53	53	58	57	57	96	64
Public Safety	165	162	168	169	178	182	162	147	75	141
Utilities	36	37	36	34	39	39	37	40	30	41
Transportation	118	119	124	128	130	133	127	122	77	108
Natural & Economic Environment	122	57	59	58	57	55	44	25	34	48
Social Services	52	53	60	62	71	74	45	45	79	46
Culture and Recreation	27	24	27	28	24	27	17	9	9	
Total	<u>726</u>	<u>663</u>	<u>693</u>	<u>695</u>	<u>726</u>	<u>750</u>	<u>664</u>	<u>647</u>	<u>616</u>	<u>626</u>

Source: Skagit County Auditor

SKAGIT COUNTY, WASHINGTON

MISCELLANEOUS STATISTICAL REPORT

For a Ten Year Period

	2003	2004	2005	2006	2007
(A) MILES OF ROAD					
Roads, paved	765	765	757	757	757
Roads, unpaved	38	38	39	39	38
(B) BUILDING PERMITS					
Permits issued	962	1,036	1,036	988	927
Value of buildings	\$78,917,211	\$91,786,911	\$93,228,793	\$ 110,000,000	\$ 106,903,097
(C) FIRE PROTECTION					
Number of districts	16	16	16	17	17
Number of paid firefighters	60	62	64	60	65
Number of volunteer firefighters	718	538	682	523	515
(D) POLICE PROTECTION					
Number of employees, commissioned	56	59	59	59	59
Number of employees, civilian and limited commission	51	54	55	56	56
Average daily jail population	227	223	224	233	240
Police patrol units, vehicle	70	72	70	60	60
Police patrol units, boats	3	3	3	3	3
(E) RECREATIONAL FACILITIES					
Number of parks	36	32	32	33	34
Park acreage	1,430	1,747	1,751	1,827	2,227
(F) GENERAL ELECTIONS					
Number of registered voters	54,318	63,185	67,968	67,167	63,604
Number of votes cast	26,118	52,577	38,599	41,641	33,455
Percentage voting	48%	83%	57%	62%	53%
(G) PUBLIC EDUCATION					
Elementary	25	25	25	25	25
Middle/Junior High	6	6	6	6	6
High	8	8	8	8	8
Community College	1	1	1	1	1
Alternative	8	8	10	7	7
Special Education	2	2	3	4	5

SOURCE:

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

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

	<u>2008</u>	<u>2009</u>	<u>2010</u>	<u>2011</u>	<u>2012</u>
(A) MILES OF ROAD					
Roads, paved	756	758	761	761	760
Roads, unpaved	41	41	41	41	41
(B) BUILDING PERMITS					
Permits issued	632	547	414	416	424
Value of buildings	\$ 48,838,303	\$ 41,441,249	\$ 42,538,000	\$ 38,893,281	\$ 40,588,568
(C) FIRE PROTECTION					
Number of districts	17	18	18	18	18
Number of paid firefighters	67	66	65	65	65
Number of volunteer firefighters	509	550	585	568	561
(D) POLICE PROTECTION					
Number of employees, commissioned	61	62	58	46	44
Number of employees, civilian and limited commission	57	58	53	53	59
Average daily jail population	241	275	243	196	226.3
Police patrol units, vehicle	61	62	54	49	71
Police patrol units, boats	3	4	4	5	5
(E) RECREATIONAL FACILITIES					
Number of parks	34	35	36	26	32
Park acreage	2227	2240	2255	2300	2153.5
(F) GENERAL ELECTIONS					
Number of registered voters	69,335	68,119	68,936	\$ 68,996	72,966
Number of votes cast	56,632	36,160	48,960	\$ 38,256	56,262
Percentage voting	82%	53%	71%	59%	83%
(G) PUBLIC EDUCATION					
Elementary	25	25	25	25	25
Middle/Junior High	5	5	5	5	5
High	8	9	9	6	6
Community College	1	1	1	1	1
Alternative	6	4	4	6	8
Special Education	5	5	4	4	5

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, 2012

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 Etach Creek		545.00		1
Department of Agriculture Farm Service Agency	Conservation Reserve Program	10.069	CREP 2003 0055 Day Creek		220.00		1
Department of Agriculture Farm Service Agency	Conservation Reserve Program	10.069	CREP 2005 0072 Martin Slough-Rockport		5,233.00		1
Department of Agriculture Farm Service Agency						5,998.00	
Department of Agriculture Food and Nutrition Service/Washington State Department of Health	Special Supplemental Nutrition Program for Women, Infants and Children - Breast Feeding	10.557	C16899(6)	2,936.00			1,4d
Department of Agriculture Food and Nutrition Service/Washington State Department of Health	Special Supplemental Nutrition Program for Women, Infants and Children - Local Support	10.557	C16899(1)	95,100.00			1,4d
Department of Agriculture Food and Nutrition Service						98,036.00	
Department of Agriculture Food and Nutrition Service/Washington State Department of Health	WIC Farmers' Market Nutrition Program (FMNP)	10.572	C16899(6)	135.00			1,4d
Department of Agriculture Food and Nutrition Service						135.00	
Department of Agriculture Food and Nutrition Program/Northwest Regional Council	Senior Farmers Market Nutrition Program	10.576	124009- NUTR(01)	4,884.00			1,2
Department of Agriculture Food and Nutrition Program						4,884.00	
Department of Agriculture Forest Service	Schools and Roads - Grants to States	10.665	Title I Forest Yield		295,642.74		1
Department of Agriculture Forest Service	Schools and Roads - Grants to States	10.665	Title III Forest Yield		48,698.97		1
Department of Agriculture Forest Service						344,341.71	
Department of Agriculture Natural Resources Conservation Service	Farm and Ranch Lands Protection Program	10.913	73-0546-11-003		196,250.00		1,2

SKAGIT COUNTY, WASHINGTON
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
For the Year Ended December 31, 2012

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 Natural Resources Conservation Service						196,250.00	
Department of Commerce National Oceanic and Atmospheric Administration (NOAA)/State of Washington Department of Ecology	Coastal Zone Management Administrative Awards	11.419	G1200389	38,939.38			1
Department of Commerce National Oceanic and Atmospheric Administration (NOAA)						38,939.38	
Department of Housing and Urban Development Office of Community Planning and Development/State of Washington Department of Commerce	Community Development Block Grants/State's program and Non- Entitlement Grants in Hawaii	14.228	12-65400-017	25,894.15			1,5
Department of Housing and Urban Development Office of Community Planning and Development						25,894.15	
Department of Justice Drug Enforcement Administration/Washington State Patrol	Law Enforcement Assistance_Narcotics and Dangerous Drugs_Laboratory Analysis	16.001	Domestic Cannabis Eradication/Supp ression C110862FED	30,610.82			1,2
Department of Justice Drug Enforcement Administration						30,610.82	
Department of Justice Office of Juvenile Justice and Delinquency Prevention/WA St Dept of Social & Health Services	Juvenile Accountability Block Grant	16.523	JABG FFY10 0663-98417	3,169.13			1,2
Department of Justice Office of Juvenile Justice and Delinquency Prevention						3,169.13	
Department of Justice Office of Victims of Crime/State of Washington Department of Commerce	Crime Victim Assistance	16.575	SWV0000323-06	17,321.76			1,2
Department of Justice Office of Victims of Crime						17,321.76	

SKAGIT COUNTY, WASHINGTON
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
For the Year Ended December 31, 2012

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 Violence Against Women Office/State of Washington Department of Commerce	ARRA-Violence Against Women Formula Grant	16.588	F11-31103-056	14,637.64			1,6
Department of Justice Violence Against Women Office						14,637.64	
Department of Justice Bureau of Justice Assistance/Washigton State Department of Social & Health Services	Residential Substance Abuse Treatment for State Prisoners	16.593	1163-38470	103,840.99			1,2,4b
Department of Justice Bureau of Justice Assistance						103,840.99	
Department of Justice Bureau of Justice Assistance	State Criminal Alien Assistance Program	16.606	2011-H4555-WA- AP		28,881.00		1
Department of Justice Bureau of Justice Assistance						28,881.00	
Department of Justice Bureau of Justice Assistance	Bulletproof Vest Partnership Program	16.607	www.vests.ojp.go v		2,645.67		1
Department of Justice Bureau of Justice Assistance						2,645.67	
Department of Justice Office of Community Oriented Policing Services/Washington Association of Sheriffs & Police Chiefs	Public Safety Partnership and Community Policing Grants	16.710	WSMI 10104	18,525.00			1,2
Department of Justice Office of Community Oriented Policing Services						18,525.00	
Department of Justice Bureau of Justice Assistance/State of Washington Department of Commerce	Edward Byrne Memorial Justice Assistance Grant Program	16.738	2010-DJ-BX- 0625	933.32			1,5
Department of Justice Bureau of Justice Assistance/State of Washington Department of Commerce	Edward Byrne Memorial Justice Assistance Grant Program	16.738	2011-DJ-BX- 2692	4,089.68			1,5
Department of Justice Bureau of Justice Assistance/State of Washington Department of Commerce	Edward Byrne Memorial Justice Assistance Grant Program	16.738	M11-34021-014	58,835.85			1

SKAGIT COUNTY, WASHINGTON
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
For the Year Ended December 31, 2012

Federal Agency Name/Pass Through Agency Name	Federal Program Name	CFDA Number	Other I.D. Number	Expenditures			Foot Note Ref
				From Pass - Through Awards	From Direct Awards	Total	
Department of Justice Bureau of Justice Assistance/State of Washington Department of Commerce	Edward Byrne Memorial Justice Assistance Grant Program	16.738	M12-34021-014	95,879.17			1
Department of Justice Bureau of Justice Assistance						159,738.02	
Department of Justice Bureau of Justice Assistance	Criminal and Juvenile Justice and Mental Health Collaboration Program	16.745	2009-MO-BX-0034		93,055.54		1
Department of Justice Bureau of Justice Assistance						93,055.54	
Department of Justice	ARRA - Edward Byrne Memorial Justice Assistance Grant (JAG) Program/Grants to Units of Local Government	16.804	2009-SB-B9-0530		52.45		1,5,6
Department of Justice						52.45	
Department of Transportation Federal Highway Administration (FHWA)	ARRA-Highway Planning and Construction	20.205	Skagit River Bridge Modification & Interstate Highway LA6652		27,627.06		1,6
Department of Transportation Federal Highway Administration (FHWA)/Washington State Department of Transportation	Highway Planning and Construction	20.205	Anacortes Ferry Dock Rehabilitation LA6843	15,245.67			1,2
Department of Transportation Federal Highway Administration (FHWA)/Washington State Department of Transportation	Highway Planning and Construction	20.205	Guemes Island Ferry Dock Repair LA6651	74,352.06			1,2
Department of Transportation Federal Highway Administration (FHWA)/Washington State Department of Transportation	Highway Planning and Construction	20.205	Anderson Road/LaVenture Road Extension LA6690	769,077.20			1,2
Department of Transportation Federal Highway Administration (FHWA)/Washington State Department of Transportation	Highway Planning and Construction	20.205	Anderson/LaVenture Road Extension LA6689	3,495,749.60			1,2

SKAGIT COUNTY, WASHINGTON
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
For the Year Ended December 31, 2012

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 Administration (FHWA)/Washington State Department of Transportation	Highway Planning and Construction	20.205	Francis Rd, Curve Realign LA6955	629,072.16			1
Department of Transportation Federal Highway Administration (FHWA)/Washington State Department of Transportation	Highway Planning and Construction	20.205	9 to 5 Corridor Safety Project LA7086	228,704.07			1
Department of Transportation Federal Highway Administration (FHWA)/Washington State Department of Transportation	Highway Planning and Construction	20.205	Run-off Road & Intersection Safety Project LA7466	347,339.89			1
Department of Transportation Federal Highway Administration (FHWA)/Washington State Department of Transportation	Highway Planning and Construction	20.205	Samish River Prairie Road Bridge Deck Repair LA7489	278,065.22			1,2
Department of Transportation Federal Highway Administration (FHWA)/Washington State Department of Transportation	Highway Planning and Construction	20.205	Cascade River Road 97950	300,000.00			1
Department of Transportation Federal Highway Administration (FHWA)						6,165,232.93	
Department of Transportation National Highway Traffic Safety Administration (NHTSA)/Washington Traffic Safety Commission	State and Community Highway Safety	20.600	Law Enforcement Liaison	473.03			1
Department of Transportation National Highway Traffic Safety Administration (NHTSA)/Washington Traffic Safety Commission	State and Community Highway Safety	20.600	CP12-03	8,936.45			1
Department of Transportation National Highway Traffic Safety Administration (NHTSA)						9,409.48	

SKAGIT COUNTY, WASHINGTON
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
For the Year Ended December 31, 2012

Federal Agency Name/Pass Through Agency Name	Federal Program Name	CFDA Number	Other I.D. Number	Expenditures			Foot Note Ref
				From Pass - Through Awards	From Direct Awards	Total	
Department of Transportation National Highway Traffic Safety Administration (NHTSA)/Washington Traffic Safety Commission	Alcohol Impaired Driving Countermeasures Incentive Grants I	20.601	Target Zero Corridor Project-DUI	5,459.74			1,2
Department of Transportation National Highway Traffic Safety Administration (NHTSA)						5,459.74	
Department of Transportation Pipeline and Hazardous Materials Safety Administration	Technical Assistance Grant	20.710	DTPH56-10-G-PHPT12		1,434.18		1,2
Department of Transportation Pipeline and Hazardous Materials Safety Administration						1,434.18	
Environmental Protection Agency Region 10	Puget Sound Watershed Management Assistance	66.120	PO00J09601		273,975.79		1,2,4a,5
Environmental Protection Agency Region 10	Puget Sound Watershed Management Assistance	66.120	PO-00J08201-3		111,992.40		1
Environmental Protection Agency Region 10						385,968.19	
Environmental Protection Agency Region 10/Washington State Department of Health	Puget Sound Action Agenda; Technical Investigations and Implementation Assistance Program	66.123	On-site Sewage Management NEP C16899(6)	59,022.94			1,4d
Environmental Protection Agency Region 10/Washington State Department of Health	Puget Sound Action Agenda; Technical Investigations and Implementation Assistance Program	66.123	Pollution ID and Correction (PIC) NEP C16899(6)	87,980.57			1,4d
Environmental Protection Agency Region 10/Washington State Department of Health	Puget Sound Action Agenda; Technical Investigations and Implementation Assistance Program	66.123	Livestock Mgmt Ag BMP's NEP C16899(6)	2,459.66			1,4d
Environmental Protection Agency Region 10/State of Washington Department of Commerce	Puget Sound Action Agenda: Technical Investigations and Implementation Assistance Program	66.123	12-63401-005	32,356.24			1
Environmental Protection Agency Region 10						181,819.41	
Environmental Protection Agency Office of Water	Targeted Watershed Grants	66.439	WS - 96082901-3		22,094.56		1,2

SKAGIT COUNTY, WASHINGTON
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
For the Year Ended December 31, 2012

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 Office of Water						22,094.56	
Environmental Protection Agency Office of Water/State of Washington Department of Ecology	National Estuary Program	66.456	G1200389	15,143.08			1
Environmental Protection Agency Office of Water						15,143.08	
Environmental Protection Agency Office of Water/Washington State Department of Health	ARRA-Capitalization Grants for Drinking Water State Recovery Funds	66.468	Drinking Water Group A - TA C16899(4)	2,000.00			1,4d,6
Environmental Protection Agency Office of Water/Washington State Department of Health	ARRA-Capitalization Grants for Drinking Water State Recovery Funds	66.468	Drinking Waster Group A - Spatial Dataset C16899(4)	97.00			1,6
Environmental Protection Agency Office of Water						2,097.00	
Department of Energy	ARRA -Energy Efficiency & Conservation Block Grant Program (EECBG)	81.128	DE-SC0003098		126,302.02		1,6
Department of Energy/Washington State Department of Commerce	ARRA -Energy Efficiency & Conservation Block Grant Program (EECBG)	81.128	F10-52110-065	30,309.46			1,5,6
Department of Energy						156,611.48	
U.S. Election Assistance Commission/State of Washington, Office of Secretary of State, Elections Division	Help America Vote Act Requirements Payments	90.401	OSOS No. G-2855	3,408.64			1
U.S. Election Assistance Commission						3,408.64	
Department of Health and Human Services Administration for Community Living/Northwest Regional Council	Special Programs for the Aging_ Title III, Part C_Nutrition Services	93.045	Nutrition Incentive Program (Fee for Services)124009-NUTR(01)	84,715.00			1,2
Department of Health and Human Services Administration for Community Living/Northwest Regional Council	Special Programs for the Aging_ Title III, Part C_Nutrition Services	93.045	Congregate & Home Delivered Meals 124009-NUTR(01)	186,147.00			1,2

SKAGIT COUNTY, WASHINGTON
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
For the Year Ended December 31, 2012

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 Administration for Community Living						270,862.00	
Department of Health and Human Services Centers for Disease Control and Prevention/Washington State Department of Health	Public Health Emergency Preparedness	93.069	PHEPR LHJ C16899(4)	30,968.71			1,4d
Department of Health and Human Services Centers for Disease Control and Prevention						30,968.71	
Department of Health and Human Services Food and Drug Administration/Washington State Department of Health	Food and Drug Administration_Research	93.103	Retail Food Program Self-Assessment Used to Identify and Establish Regulatory Program	2,500.00			1
Department of Health and Human Services Food and Drug Administration						2,500.00	
Department of Health and Human Services Centers for Disease Control and Prevention	Project Grants and Cooperative Agreements for Tuberculosis Control Programs	93.116	C16899(4)		2,761.05		1,4d
Department of Health and Human Services Centers for Disease Control and Prevention						2,761.05	
Department of Health and Human Services Substance Abuse and Mental Health Services Administration/State of Washington Dept of Social & Health Services-Recovery Support	Substance Abuse and Mental Health Services_Projects of Regional and National Significance	93.243	1163-24773	54,193.55			1
Department of Health and Human Services Substance Abuse and Mental Health Services Administration						54,193.55	
Department of Health and Human Services Centers for Disease Control and Prevention/Washington State Department of Health	Immunization Cooperative Agreements	93.268	AFIX C16889(6)	22,303.00			1,4d

SKAGIT COUNTY, WASHINGTON
 SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
 For the Year Ended December 31, 2012

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/Washington State Department of Health	Immunization Cooperative Agreements	93.268	VFC Ops 16889(6)	9,943.00			1,4d
Department of Health and Human Services Centers for Disease Control and Prevention/Washington State Department of Health	Immunization Cooperative Agreements	93.268	Ops C16899(6)	5,948.00			1,4d
Department of Health and Human Services Centers for Disease Control and Prevention/Washington State Department of Health	Immunization Cooperative Agreements	93.268	Vaccine in Lieu of Cash C16899(6)	127,280.96			1,3,7
Department of Health and Human Services Centers for Disease Control and Prevention/Washington State Department of Health	Immunization Cooperative Agreements	93.268	Program Income C16899(6)	15,659.23			1,7
Department of Health and Human Services Centers for Disease Control and Prevention						181,134.19	
Department of Health and Human Services Health Resources and Services Administration/Thrive by 5 Washington	Affordable Care Act (ACA) Maternal, Infant, and Early Childhood Home Visiting Program	93.505	n/a	9,143.66			1,4b
Department of Health and Human Services Health Resources and Services Administration						9,143.66	
Department of Health and Human Services Administration for Children and Families/Washington State Dept of Social & Health Services	Child Support Enforcement	93.563	75-1501-0-1-609/2110-80608	144,912.00			1,4c
Department of Health and Human Services Administration for Children and Families/Washington State Dept of Social & Health Services	Child Support Enforcement	93.563	75-1501-0-1-609/2110-80608	443,858.00			1,4d
Department of Health and Human Services Administration for Children and Families/Washington State Dept of Social & Health Services	Child Support Enforcement	93.563	0763-15102-01	19,686.00			1,2

SKAGIT COUNTY, WASHINGTON
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
For the Year Ended December 31, 2012

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 Administration for Children and Families						806,824.00	
Department of Health and Human Services Administration for Children and Families/Washington State Department of Health	Child Care Development Block Grant	93.575		7,768.36			1,4e
Department of Health and Human Services Administration for Children and Families/Washington State Department of Health	Child Care Development Block Grant	93.575		5,608.65			1,4e
Department of Health and Human Services Administration for Children and Families						13,377.01	
Department of Health and Human Service Centers for Medicare and Medicaid Services	Medical Assistance Program	93.778	Medical Admin Match 1163-35474		87,427.79		1,2
Department of Health and Human Service Centers for Medicare and Medicaid Services	Medical Assistance Program	93.778			76,595.19		1,2
Department of Health and Human Service Centers for Medicare and Medicaid Services						164,022.98	
Department of Health and Human Services Substance Abuse and Mental Health Services Administration/North Sound Mental Health Administration	Block Grants for Community Mental Health Services	93.958	County MHBG-11-12	58,421.77			1,2,5
Department of Health and Human Services Substance Abuse and Mental Health Services Administration						58,421.77	
Department of Health and Human Services Substance Abuse and Mental Health Services Administration/Washington State Dept of Social & Health Services	Block Grants for Prevention and Treatment of Substance Abuse	93.959	1163-27323	112,586.40			1,2

SKAGIT COUNTY, WASHINGTON
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
For the Year Ended December 31, 2012

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/Washington State Dept of Social & Health Services	Block Grants for Prevention and Treatment of Substance Abuse	93.959	1163-27323	61,011.46			1
Department of Health and Human Services Substance Abuse and Mental Health Services Administration						173,597.86	
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	MCHBG MCH Concon C16899(6)	122,259.00			1,4d
Department of Health and Human Services Health Resources and Services Administration						122,259.00	
Executive Office of the President/United General Hospital	High Intensity Drug Trafficking Area (HIDTA)	95.001	n/a	843.72			1
Executive Office of the President						843.72	
Department of Homeland Security/Washington State Parks and Recreation Commission	Boating Safety Financial Assistance	97.012	n/a	16,628.57			1
Department of Homeland Security/Washington State Parks and Recreation Commission	Boating Safety Financial Assistance	97.012	n/a	15,844.64			1
Department of Homeland Security						32,473.21	
Department of Homeland Security/Washington State Military Department	Disaster Grants-Public Assistance(Presidentially Declared Disasters)	97.036	D09-095	366,568.65			1,2
Department of Homeland Security						366,568.65	
Department of Homeland Security/Washington State Military Department	Hazard Mitigation Grant	97.039	E11-133	132,542.22			1,2
Department of Homeland Security						132,542.22	
Department of Homeland Security/Washington State Military Department-Snohomish County	Emergency Management Performance Grants	97.042	E12-060	43,280.00			1,2

SKAGIT COUNTY, WASHINGTON
 SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
 For the Year Ended December 31, 2012

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/Washington State Military Department-Snohomish County	Emergency Management Performance Grants	97.042	E12-360	43,375.00			1,2
Department of Homeland Security						86,655.00	
Department of Homeland Security/Marine Exchange of Puget Sound	Port Security Grant Program	97.056	2011-PU-T0-K033-22	289,587.30			1
Department of Homeland Security/Marine Exchange of Puget Sound	Port Security Grant Program	97.056	2009-PU-T9-K044-67	400,488.75			1,2
Department of Homeland Security						690,076.05	
Department of Homeland Security/Washington State Military Department-Snohomish County	Homeland Security Grant Program	97.067	K1032-CCP-11	269.23			1
Department of Homeland Security/Washington State Military Department-Snohomish County	Homeland Security Grant Program	97.067	E11-093	125,848.66			1
Department of Homeland Security/Washington State Military Department-Snohomish County	Homeland Security Grant Program	97.067	K855-CCP	2,162.04			1
Department of Homeland Security/Washington State Military Department-Snohomish County	Homeland Security Grant Program	97.067	E10-206	51,986.00			1
Department of Homeland Security						180,265.93	
FEDERAL AWARD TOTAL						\$11,515,125.51	

SKAGIT COUNTY, WASHINGTON

NOTES TO THE SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS

For the year ended December 31, 2012

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 2012 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) 5.96% (b) 10.00%, (c) 13.97%, (d) 15.28%, (e) 25.00%, (d) 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 \$142,940.19 received as program income.

SKAGIT COUNTY, WASHINGTON
 SCHEDULE OF STATE AND LOCAL FINANCIAL ASSISTANCE
 For the Year Ending December 31, 2012

Grantor/Program Title	Identification Number	Current Year Expenditures
Administrative Office of the Courts		
Witness Fees	RCW 10.46.230	\$1,578.31
Becca Bill	IAA12046	\$254,806.04
Interpreter Fee	IAA12191	\$6,633.53
<u>Total Administrative Office of the Courts</u>		<u>\$263,017.88</u>
County Road Administration Board		
County Roads - Arterial Preservation	n/a	\$510,520.54
<u>Total County Road Administration Board</u>		<u>\$510,520.54</u>
Department of Agriculture		
Spartina Program	K724	\$14,472.41
<u>Total Department of Agriculture</u>		<u>\$14,472.41</u>
Department of Early Learning		
Home Visiting Service Account (HVSA)	201208013	\$1,641.67
<u>Total Department of Early Learning</u>		<u>\$1,641.67</u>
Department of Ecology		
Waste Tire Disposal	C1200107	\$6,411.68
Site Hazard Assessment	G1200170	\$38,028.53
Local Source Control Partnership	C1200058	\$85,255.57
Solid Waste Enforcement	G1200222	\$100,198.44
Well Delegation	CO900012	\$7,625.00
Natural Resources Stewardship Program	G09000062	\$140,858.94
Reducing Fecal Coliform from Recreational Users	G1200104	\$1,222.78
Samish Bay Watershed	C1100185	\$49,102.95
On Site Septic Grant with Loan	L1100016	\$73,039.98
On Site Septic Grant with Loan	L1000053	\$25,287.23
Shoreline Master Program Update	G1100205	\$223,454.58
Community Litter Cleanup Program	C1200012	\$35,000.00
Coordinated Prevention Grant	G1200236	\$223,682.09
Municipal Stormwater Capacity Grant Program	G11000097	\$30,654.13
<u>Total Department of Ecology</u>		<u>\$1,039,821.90</u>
Department of Health		
Sexual Predator Reimbursement	n/a	\$11,823.28
Local Capacity GFS & HSA	C16899(6)	\$130,306.00
PS OSS MLP Implementation Clearing	C16899(6)	\$30,501.02
Rec Shellfish/Biotxin(PSAA)	C16899(6)	\$3,085.01
Vaccine in Lieu of Cash	C16899(6)	\$69,548.97
Blue Ribbon Local Health Funds	C16899 (6)	\$95,876.00
<u>Total Department of Health</u>		<u>\$341,140.28</u>

SKAGIT COUNTY, WASHINGTON
 SCHEDULE OF STATE AND LOCAL FINANCIAL ASSISTANCE
 For the Year Ending December 31, 2012

Grantor/Program Title	Identification Number	Current Year Expenditures
Department of Social & Health Services		
Child Support Enforcement Reimbursement	2110-80608	\$23,808.00
Juvenile Rehabilitation Administration	CJS At-Risk 1163-33536	\$112,267.67
Juvenile Rehabilitation Administration	Intensive Diversion 1263-43166	\$32,728.18
Juvenile Rehabilitation Administration	Diagnostics 1263-43166	\$8,812.00
Juvenile Rehabilitation Administration	HB3900 1263-43166	\$46,119.00
Juvenile Rehabilitation Administration	SSODA 1263-43166	\$1,748.00
Child Support Enforcement	n/a	\$3,267.00
Child Support Enforcement	75-1501-0-1-609/2110-80608	\$198,346.00
Civil Commitment Costs	RCW.71.09.110 WAC388-885-01	\$187,878.56
Early Family Support Services- Alternative Response Systems	1263-54951	\$5,580.23
Early Family Support Services- Alternative Response Systems	1163-30443	\$6,522.00
Early Intervention Program (EIP)	1263-54839	\$1,354.12
Substance Abuse Service Treatment	1163-27323	\$1,114,092.80
NSMHA Jail Services	Jail Services 11-13	\$73,519.12
NSMHA-SKAGIT-ADMIN-11	Admin-11	\$55,164.00
Juvenile Rehabilitation Administraton-Treatment & Intergovt Prog	1163-35702	\$72,474.12
<u>Total Department of Social & Health Services</u>		<u>\$1,943,680.80</u>
Northwest Clean Air Agency		
Cooperative Outdoor Burning Program	n/a	\$10,319.28
<u>Total Northwest Clean Air Agency</u>		<u>\$10,319.28</u>
Office Of Public Defense		
Parent's Representation Program	CSV10055	\$124,236.00
<u>Total Northwest Clean Air Agency</u>		<u>\$124,236.00</u>
Office Of Public Defense		
Readiness to Learn	678011	\$162,156.51
<u>Total Office of Superintendent of Public Instruction</u>		<u>\$162,156.51</u>
Samish Indian Nation		
Knotweed Control	n/a	\$6,218.18
<u>Total Samish Indian Nation</u>		<u>\$6,218.18</u>
State of Washington		
Elected Official Salary Match	RCW 36.17.020	\$74,415.96
<u>Total State of Washington</u>		<u>\$74,415.96</u>
State of Washington County Program		
Francis Road	2909-01	\$1,016,882.87
<u>Total State of Washington County Program</u>		<u>\$1,016,882.87</u>
State of Washington Office of Juvenile Justice, DSHS		
Juvenile Detention Alternative Initiative	I-501-00611	\$11,606.16
<u>Total State of Washington Office of Juvenile Justice, DSHS</u>		<u>\$11,606.16</u>

SKAGIT COUNTY, WASHINGTON
 SCHEDULE OF STATE AND LOCAL FINANCIAL ASSISTANCE
 For the Year Ending December 31, 2012

Grantor/Program Title	Identification Number	Current Year Expenditures
State of Washington Transportaiton Improvement Board Anderson/LaVenture Road Extension <u>Total State of Washington Transportaiton Improvement Board</u>	9-W-029(002)1	\$4,853,595.88 <u>\$4,853,595.88</u>
State Treasurer 40% Autopsy Reimbursement <u>Total State Treasurer</u>	RCW 68.08.104	\$40,220.32 <u>\$40,220.32</u>
Washington Association of Sheriffs & Police Chiefs Registered Sex Offender Address & Residency Verification Program <u>Total Washington Association of Sheriffs & Police Chiefs</u>	RSO 12-13 Skagit	\$104,888.40 <u>\$104,888.40</u>
Washington State Department of Agriculture Knotweed Control (Grandy Creek) <u>Total Washington State Department of Agriculture</u>	n/a	\$12,868.17 <u>\$12,868.17</u>
Washington State Department of Commerce Victim/Witness Asistance Grant Program <u>Total Washington State Department of Commerce</u>	S13-31102-526	\$18,124.34 <u>\$18,124.34</u>
Washington State Military Department 1817-DR-WA Professional Development & Operational E911 Hazard Mitigation Grant <u>Total Washington State Military Department</u>	D09-095 E12-002 E11-133	\$61,095.11 \$46,544.25 \$22,090.37 <u>\$129,729.73</u>
Washington State Recreation and Conservation Office Farmland Preservation - Firdell Farm <u>Total Washington State Recreation and Conservation Office</u>	RCFB 10-1549A	\$201,250.00 <u>\$201,250.00</u>
	TOTAL STATE AWARDS	<u>\$10,880,807.28</u>

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