

Skagit County Washington Comprehensive Annual Financial Report



Fiscal Year Ending December 31, 2014

SKAGIT COUNTY WASHINGTON

COMPREHENSIVE ANNUAL FINANCIAL REPORT

FISCAL YEAR ENDED DECEMBER 31, 2014

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SKAGIT COUNTY WASHINGTON
COMPREHENSIVE ANNUAL FINANCIAL REPORT
Year Ended December 31, 2014

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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
SKAGIT COUNTY AUDITOR

P.O. BOX 1306
Mount Vernon, WA 98273

Barbara Leander
Chief Deputy Auditor

Jana Robbins
Chief Accountant

David Cunningham
Elections Supervisor

June 29, 2015

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, 2014 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, 2013, 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, 2013 are fairly presented in conformity with GAAP. The independent auditor's report is presented as the first component of the financial section of this report.

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

The County is required to undergo an annual single audit in conformity with the provisions of the Single Audit Act of 1984 and U.S. Office of Management and Budget (OMB) (Circular A-133, Audits of State, Local Governments and Non-Profit Organizations). Information related to 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. 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 sixty days after the close of each fiscal year. All expenditures incurred prior to year-end, but not paid until this sixty-day period are considered expenditures against the budget for the prior year and are reported as accounts payable.

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

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

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

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

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

Economic Condition

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

As is the case throughout the nation, Skagit County's local economy has been directly impacted by the current global recession, and subsequent slow recovery. Economic conditions have a direct impact on the County's revenues and the demand for County services. Because of this, the information presented in the financial statements is best understood while taking the nation's current economic environment into consideration.

The County has demonstrated its commitment to maintaining a strong general fund balance. In 2009, the County implemented 5 non-paid closure days which resulted in an approximate savings to the General Fund of \$600,000 in wages and benefits. In 2010, the County Commissioners increased those closure days to 12, resulting in an approximate savings to the General Fund of \$1,440,000 in wages and benefits. In 2011, the non-paid closure days were reduced to 9, which continued in 2012 and were reduced in 2013 to 6. During 2014, it was deemed no longer necessary, and was discontinued after 2 closure days. 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

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 completed in 2013. The project received Best in State Silver Award at the American Council of Engineering Companies (ACEC) Washington's Engineering Excellence Awards ceremony on January 23, 2015.

In 2013, the County entered into an interlocal agreement with the major cities and other partners in the County to share the costs of a new jail facility. A sales tax initiative was passed by the voters to help fund the facility.

In 2014, the County created a new enterprise fund called the Jail Fund. This fund issued bonds for the planning and constructing a 400 bed regional jail facility. The County purchased the land in 2014 and is now preparing construction documents for the facility. The estimated completion date for the jail facility is spring of 2017.

In 2014, the County merged with the County's EMS component unit, dissolving the EMS commission and absorbing the activities of the legally separate entity.

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, 2013. 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



Government Finance Officers Association

**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, 2013

Executive Director/CEO

**SKAGIT COUNTY, WASHINGTON
ELECTED OFFICIALS**

TERM
EXPIRES

COUNTY COMMISSIONERS

DISTRICT NUMBER 1 RON WESEN.....DECEMBER 2016
DISTRICT NUMBER 2 KENNETH DAHLSTEDTDECEMBER 2016
DISTRICT NUMBER 3 LISA JANICKI.....DECEMBER 2018

SUPERIOR COURT JUDGES

SUSAN COOKDECEMBER 2016
MICHAEL RICKERTDECEMBER 2016
JOHN MEYER.....DECEMBER 2016
DAVE NEEDYDECEMBER 2016

DISTRICT COURT JUDGES

WARREN GILBERT.....DECEMBER 2018
DAVID SVARENDECEMBER 2018

ASSESSOR

DAVE THOMASDECEMBER 2018

AUDITOR

JEANNE YOUNGQUISTDECEMBER 2018

CLERK

MAVIS BETZ.....DECEMBER 2018

CORONER

DANIEL DEMPSEY.....DECEMBER 2018

PROSECUTING ATTORNEY

RICHARD WEYRICH.....DECEMBER 2018

SHERIFF

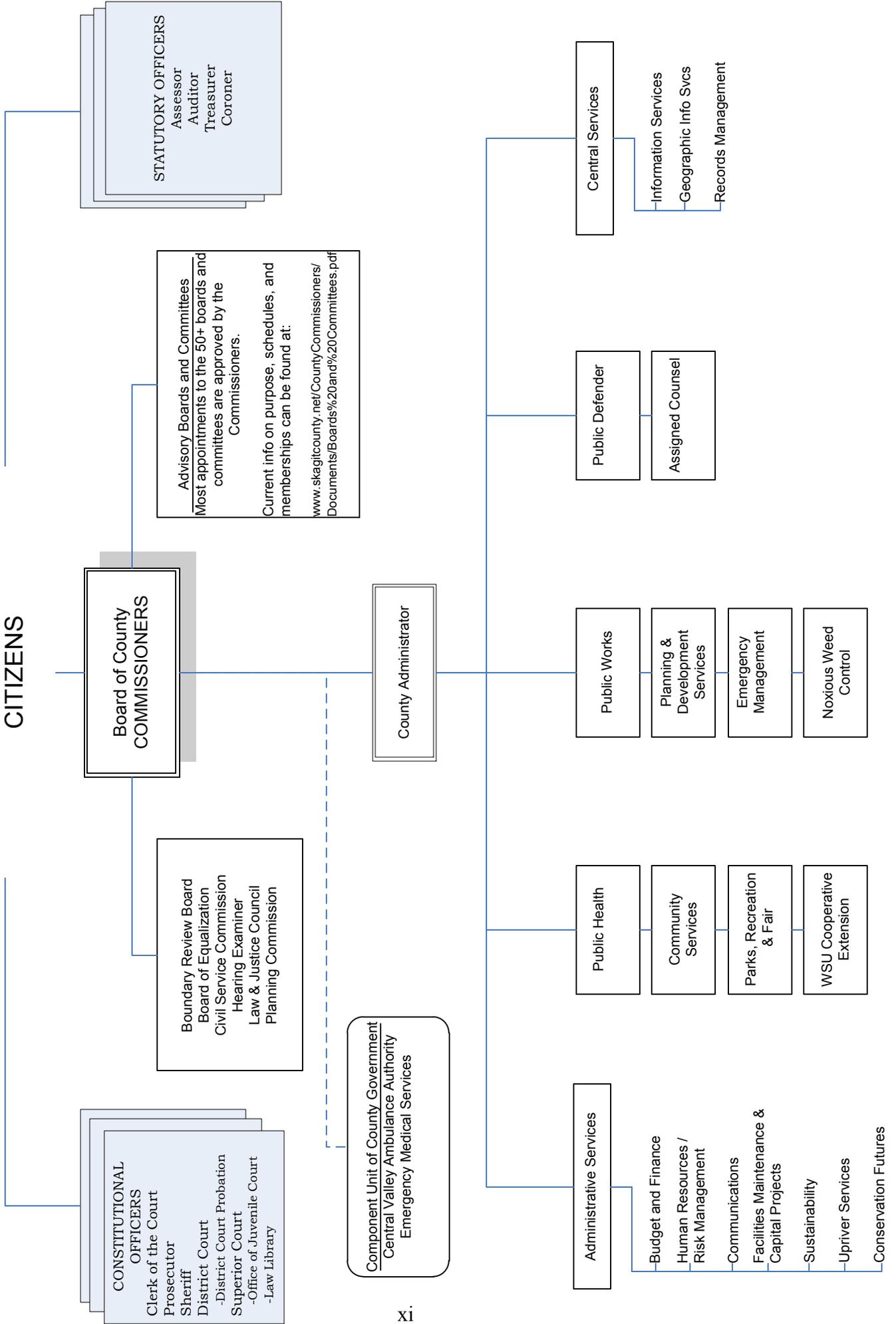
WILL REICHARDT.....DECEMBER 2018

TREASURER

KATIE JUNGQUISTDECEMBER 2018

SKAGIT COUNTY

CITIZENS



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Financial Section





Washington State Auditor's Office

INDEPENDENT AUDITOR'S REPORT ON FINANCIAL STATEMENTS

June 29, 2015

Board of Commissioners
Skagit County
Mount Vernon, Washington

REPORT ON THE FINANCIAL STATEMENTS

We have audited the accompanying financial statements of the governmental activities, the business-type activities, the discretely presented component unit, each major fund and the aggregate remaining fund information of Skagit County, Washington, as of and for the year ended December 31, 2014, 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 an opinion 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 discretely presented component unit, each major fund and the aggregate remaining fund information of Skagit County, Washington, as of December 31, 2014, and the respective changes in financial position and, where applicable, cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Matter of Emphasis

As described in Note 1, during the year ended December 31, 2014, the County has implemented the Governmental Accounting Standards Board Statement No. 69, *Government Combinations and Disposals of Government Operations*. 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 4 through 14, budgetary comparison information on pages 69 through 77, notes to the required supplemental information on page 78 and information on postemployment benefits other than pensions on page 79 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. The accompanying information listed as combining financial statements and supplementary information on pages 80 through 165 is presented for purposes of additional analysis. The accompanying Schedule of Expenditures of Federal Awards on pages 190 through 194 is also presented for purposes of additional analysis as required by U.S. Office of Management and Budget Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*. These schedules are 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, Statistical Section, and the Schedule of State and Local Financial Assistance 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 June 29, 2015, 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,



JAN M. JUTTE, CPA, CGFM

ACTING STATE AUDITOR

OLYMPIA, WA

June 29, 2015

This discussion and analysis provides a narrative overview of Skagit County's financial activities for the fiscal year ended December 31, 2014. 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, 2014, total assets of the County exceeded total liabilities by \$362 million. Net invested in capital assets (net of depreciation and related debt) account for 84.6% of this amount, at \$306 million. Of the remaining Net Position, \$30.4 million was restricted for specific purposes and \$25.3 million was unrestricted.
- Ending unassigned fund balance for the General Fund was \$13.8 million, a decrease of \$.1 million over the previous year. This was due to a conservative approach to spending practices.
- Ending fund balance for the County Road fund was \$2.1 million, a decrease of \$.16 million over the previous year. This was mainly due to decreased revenue streams.
- Ending fund balance for the Mental Health fund was \$5.8 million, an increase of \$.3 million over the previous year. This was mainly due to slight changes in grant revenues and a conservative approach to spending.
- Total long-term liabilities of the County were \$91.5 million at December 31, 2014. This is an increase of \$54 million, mainly attributable to debt issuance for the construction of a regional jail facility.

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, and a jail fund.

The Statement of Net Position presents all of Skagit County's assets, deferred outflows of resources, liabilities, and deferred inflows of resources with the difference of assets plus deferred outflows and liabilities plus deferred inflows 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 Central Valley Ambulance Authority, a component unit of Skagit County. The component unit is not covered in this discussion. Additional information concerning this entity may be found in Note I of the notes to the financial statements.

Fund Financial Statements

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

Governmental Funds

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

Skagit County's major funds, the General Fund, the County Road Fund, and the Mental Health Funds 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 three enterprise funds - solid waste, a drainage utility and a jail fund. The Jail fund was created in January of 2014. See Note X Accounting and Reporting Changes in the Notes to the Financial Statements for more information. Internal service funds are used to account for the County's vehicle fleet, medical and unemployment insurance, computer systems, and other administrative services.

**Skagit County, Washington
Management's Discussion and Analysis
December 31, 2014**

Fiduciary Funds

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

Notes to the Financial Statements

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

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

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 Activities		Business-Type Activities		Total		% Change
	2014	2013	2014	2013	2014	2013	
ASSETS							
Current and Other Assets	\$92,466,381	\$88,071,614	\$61,974,928	\$5,089,795	\$154,441,309	\$93,161,409	65.78%
Capital Assets and Construction in Progress (Net of Depreciation)	288,981,407	301,896,811	23,640,989	16,811,569	312,622,396	318,708,380	-1.91%
Total Assets	381,447,788	\$389,968,425	85,615,917	\$21,901,364	467,063,705	411,869,789	13.40%
LIABILITIES							
Long-Term Liabilities	20,059,935	20,694,280	71,456,924	16,319,237	91,516,859	37,013,517	147.25%
Other Liabilities	11,042,473	12,482,136	2,716,452	1,282,224	13,758,925	13,764,360	-0.04%
Total Liabilities	31,102,408	33,176,416	74,173,376	17,601,461	105,275,784	50,777,877	107.33%
DEFERRED INFLOW OF RESOURCES	42,547	96,262	-	-	42,547	-	100.00%
NET POSITION							
Net Investments in Capital Assets	291,628,047	291,055,467	14,405,733	7,110,665	306,033,780	298,166,132	2.64%
Restricted	30,418,711	31,055,769	-	-	30,418,711	31,055,769	-2.05%
Unrestricted	28,256,073	34,584,508	(2,963,191)	(2,810,762)	25,292,882	31,773,746	-20.40%
Total Net Position	\$350,302,831	\$356,695,744	\$11,442,542	\$ 4,299,903	\$361,745,373	\$360,995,647	0.21%

Of the \$154.4 million in current and other assets at December 31, 2014, \$127.6 million is cash, cash equivalents and investments. A very small portion of this amount, \$1.2 million, is restricted for specific purposes. Accounts receivable, Notes receivable and amounts due from other governments total \$20.6 million. Inventories/prepayments total \$5.1 million. The remaining \$0.7 million is internal balances. Cash, cash equivalents and investments represented 83% (compared to 72% in 2013), while accounts receivable, notes receivable and amounts due from other governments accounted for 13.3% (compared to 19% from 2013).

At December 31, 2014, the County had outstanding long-term liabilities of \$91 million, as compared to \$42 million in 2013. This is the result of a new Jail Fund bond issued in 2014. In January 2014, the County created the Jail enterprise fund (activities for the jail have been

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historically recorded in the General Fund). Of this total, \$4.6 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 \$9.2 million. These represent primarily accounts payable and accrued liabilities due as a result of ordinary operations.

The largest portion of the County's Net Position (84.6%) reflects its investment in capital assets, less any outstanding related debt used to acquire those assets. The County's capital assets are used to provide services to citizens and are therefore not available to finance future spending. 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, 8.4% of the County's net position is subject to legal restrictions for specific purposes. The remaining balance of Net Position, \$25.3 million (7%), 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 decreased by \$5 million in 2014, primarily due to limited changes in infrastructure assets and increased depreciation. Governmental activities reflected a decrease of \$11 million while the Net Position of business-type activities increased \$5.9 million, mainly due to the new jail fund. Revenues and expenditures prior to the jail fund creation were recorded in the general fund. Key elements in these changes are shown in the following table:

	Changes in Net Assets					
	Governmental Activities		Business-Type Activities		Total Primary Government	
	2014	2013	2014	2013	2014	2013
REVENUES						
Program Revenues						
Charges for Services	\$27,039,213	\$29,885,783	\$22,798,505	\$10,262,833	\$49,837,718	\$40,148,616
Operating Grants and Contributions	8,098,345	7,423,603	1,044,605	446,909	9,142,950	7,870,512
Capital Grants and Contributions	4,097,331	4,165,511	-	54,414	4,097,331	4,219,925
General Revenues						
Taxes	62,720,019	63,104,028	-	-	62,720,019	63,104,028
Interest Earnings on Investments	1,559,578	2,001,010	6,505	7,592	1,566,083	2,008,602
Total Revenues	<u>103,514,486</u>	<u>\$106,579,935</u>	<u>23,849,615</u>	<u>\$10,771,748</u>	<u>127,364,101</u>	<u>117,351,683</u>
PROGRAM EXPENSES						
General Government	33,434,058	31,210,941	-	-	33,434,058	31,210,941
Judicial	6,993,755	7,068,715	-	-	6,993,755	7,068,715
Public Safety	21,504,017	22,333,986	-	-	21,504,017	22,333,986
Physical Environment	2,241,397	2,835,410	-	-	2,241,397	2,835,410
Transportation	32,912,501	32,986,406	-	-	32,912,501	32,986,406
Economic Environment	2,836,294	3,188,571	-	-	2,836,294	3,188,571
Health and Human Services	11,366,884	11,895,878	-	-	11,366,884	11,895,878
Culture and Recreation	2,010,042	1,699,884	-	-	2,010,042	1,699,884
Solid Waste	-	-	8,065,622	8,826,690	8,065,622	8,826,690
Drainage Utility	-	-	2,495,934	1,468,019	2,495,934	1,468,019
Jail Fund	-	-	6,944,227	-	6,944,227	-
Interest on Long Term Debt	2,572,433	969,862	412,567	511,926	2,985,000	1,481,788
Total Expenses	<u>115,871,381</u>	<u>114,189,653</u>	<u>17,918,350</u>	<u>10,806,635</u>	<u>133,789,731</u>	<u>124,996,288</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures before transfers	(12,356,895)	(7,609,718)	5,931,265	(34,887)	(6,425,630)	(7,644,605)
Special Items - Gain on Sale of Capital Assets	(340,575)	1,292,478	-	8,372	(340,575)	-
Special Items - Issuance of Long Term Debt	1,786,614	-	-	-	1,786,614	-
Transfers	(50,845)	104,000	50,844	(104,000)	-	-
Change in Net Position	<u>(10,961,701)</u>	<u>(6,213,240)</u>	<u>5,982,109</u>	<u>(130,515)</u>	<u>(4,979,591)</u>	<u>(7,644,605)</u>
Net Position, January 1	360,532,657	382,454,159	4,299,905	4,281,041	364,832,562	386,735,200
Prior Period Adjustment	731,875	(19,545,175)	1,160,528	149,377	1,892,403	(19,395,798)
Net Position, January 1 - Restated	<u>361,264,532</u>	<u>362,908,984</u>	<u>5,460,433</u>	<u>4,430,418</u>	<u>366,724,965</u>	<u>367,339,402</u>
Net Position, December 31	<u>350,302,831</u>	<u>356,695,744</u>	<u>\$11,442,542</u>	<u>4,299,903</u>	<u>361,745,373</u>	<u>\$359,694,797</u>

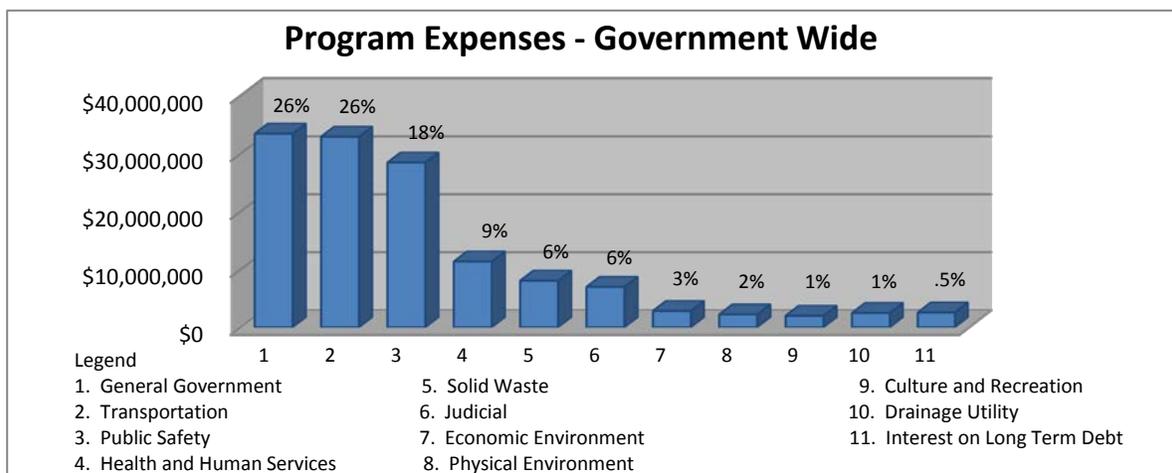
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Total revenues were \$127 million in 2014, an increase of \$10 million from 2013. The main reason for the increase is the creation of the Jail fund and the corresponding revenues created in that fund, as well as slight increases in revenues in Solid Waste and Drainage Utility. Governmental activities provided \$103.5 million (81%), while business-type activities added \$23.8 million. Within governmental activities, tax revenue accounted for 49% of total revenue sources, with grants and contributions accounting for 10.4% (down from 11% in 2013).

Charges for services accounted for 95.6% 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 \$133.8 million, an increase of \$8.8 million from 2013. Governmental activities accounted for \$115.9 million (86%), with the largest program expenses in the areas of general government, transportation, and public safety. These three programs accounted for 66% of total governmental expenses. Of the \$17.9 million in business-type expenses, 47% is associated with the solid waste program, a decrease of 35% from 2013. This is mainly due to the addition of the Jail Fund in 2014.

The following graph illustrates 2014 government wide program spending:



FINANCIAL ANALYSIS OF THE COUNTY'S FUNDS

Governmental Funds Balance Sheet Analysis

The General Fund and County Road Fund, and the Mental Health Fund are the County's major funds in 2014. Together these funds account for 49.5% of total governmental fund assets and 43% of total governmental fund balances.

As of December 31, 2014, the County's governmental funds reported combined fund balances of \$50.7 million, an increase from \$46.5 million in 2013. Of this amount, \$.1 million (.1%) is Nondisposable, \$30.5 million (60%) is Restricted, \$6.3 million (12%) is reported as Committed, and \$13.8 million (27%) is unassigned and available for spending within the designated funds. Nondisposable, Restricted, Committed, and Assigned fund balance of \$37.1 million is not

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available for new spending because it has already been committed for prepaid expenses, loans, debt service, and inventory, as well as other special revenue funds requirements.

The General Fund is the primary operating fund of Skagit County. The unassigned fund balance of this fund decreased from \$14 million at December 31, 2013, to \$13.8 million at December 31, 2014. Unassigned fund balance is 100% of the total fund balance. Total assets of the General Fund were \$20.1 million at December 31, 2014, accounting for 32% of total governmental fund assets. This represents a decrease of \$.8 million from 2013.

Governmental Funds Revenue/Expenditure Analysis

Total revenues for governmental funds were \$103.5 million in 2014. This represents a decrease of \$3 million from 2013. This was mainly due to decreased charges for services in public safety, those revenues have been transferred to the business-type entities. During the same period, total expenditures decreased to \$103.3 million, down from \$105.6 million in 2013. This increase in expenditures is mainly in general government services. The General Fund, Mental Health Fund, and the County Road fund account for 72.9% of all governmental fund revenue (up from 71% in 2013) and 68% of all expenditures remaining steady from 2013.

The net change in fund balance for the General Fund in 2014 was a negative \$.14 million. The decrease in fund balance for the County Road fund was \$.16 million. The net change in the Mental Health Fund was \$.5 million. The non-major governmental funds had an overall negative change in fund balances of \$40 thousand for 2014.

Enterprise Funds Net Position Analysis

All enterprise funds of Skagit County are considered major funds for 2014. Comparative information from the proprietary funds' statement of Net Position is as follows:

	Business-Type Activities - Enterprise Funds							
	Net Assets							
	Solid Waste		Drainage Utility		Jail Fund		Total	
	2014	2013	2014	2013	2014	2013	2014	2013
ASSETS								
Current Assets								
Cash and Cash Equivalents	\$2,551,060	\$1,735,698	\$1,166,616	\$2,748,021	\$56,343,088	\$0	\$60,060,764	\$4,483,719
Other Current Assets	710,509	890,894	482,582	71,545	1,431,264	-	2,624,355	962,439
Total Current Assets	3,261,569	\$2,626,592	1,649,198	\$2,819,566	57,774,352	\$0	62,685,119	5,446,158
Non-Current Assets								
Construction in Progress	-	-	2,274,508	833,302	5,799,566	-	8,074,074	833,302
Capital Assets	13,627,814	13,627,814	7,201,329	7,043,033	-	-	20,829,143	20,670,847
Less Accumulated Depreciation	(3,241,068)	(2,902,980)	(2,021,160)	(1,789,600)	-	-	(5,262,228)	(4,692,580)
Unamortized Debt Issue Cost:	-	-	-	-	-	-	-	-
Total Non-Current Assets	10,386,746	10,724,834	7,454,677	6,086,735	5,799,566	-	23,640,989	16,811,569
Total Assets	13,648,315	\$13,351,426	9,103,875	\$8,906,301	63,573,918	\$0	86,326,108	22,257,727
LIABILITIES								
Current Liabilities								
Accounts/Vouchers Payable	434,300	363,238	690,876	84,478	468,220	-	1,593,396	447,716
Other Current Liabilities	904,115	978,174	172,342	118,867	526,857	-	1,603,314	1,097,041
Total Current Liabilities	1,338,415	1,341,412	863,218	203,345	995,077	-	3,196,710	1,544,757
Non-Current Liabilities								
Bonds Payable	8,728,228	9,220,905	-	-	55,827,358	-	64,555,586	9,220,905
Other Non-Current Liabilities	6,958,072	7,166,037	42,888	26,125	130,311	-	7,131,271	7,192,162
Total Non-Current Liabilities	15,686,300	16,386,942	42,888	26,125	55,957,669	-	71,686,857	16,413,067
Total Liabilities	17,024,715	17,728,354	906,106	229,470	56,952,746	-	74,883,567	17,957,824
NET POSITION								
Net Investment in Capital Assets	1,163,518	1,023,929	7,454,677	6,086,736	5,787,538	-	14,405,733	7,110,665
Unrestricted	(4,539,918)	(5,400,857)	743,092	2,590,095	833,634	-	(2,963,192)	(2,810,762)
Total Net Position	(\$3,376,400)	(4,376,928)	\$8,197,769	8,676,831	\$6,621,172	-	\$11,442,541	\$4,299,903

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In January of 2014, the County created the Jail Fund. Activity for the jail has historically been reported in the General Fund. As of December 31, 2014, the enterprise funds reported combined Net Position of \$11.4 million (compared to \$4.3 million in 2013). This is the total of a \$3.4 million deficit in the Solid Waste Fund (up from \$4.4 million in 2013) and a positive \$8.1 million in the Drainage Utility Fund (down from \$8.7 million in 2012). The increase in the solid waste fund is the result of conservative spending practices, and a slight increase in revenues. The Jail fund net position is 6.6 million.

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:

	Solid Waste		Drainage Utility		Jail Fund		Total	
	2014	2013	2014	2013	2014	2013	2014	2013
REVENUES								
Charges for Services	\$9,063,011	\$8,583,653	\$1,592,468	\$1,645,499	\$8,436,066		\$19,091,545	\$10,229,152
Other Operating Revenue					\$3,592,034		3,592,034	
Intergovernmental	392,675	401,292	430,501	100,031	221,429		1,044,605	501,323
Interest Revenue	2,107	3,685	4,070	3,907	328		6,505	7,592
Miscellaneous Revenue	20,923	32,753	300	928	93,703		114,926	33,681
Total Revenues	9,478,716	\$9,021,383	2,027,339	\$1,750,365	12,343,560	\$0	23,849,615	10,771,748
EXPENSES								
Personal Services	1,709,585	1,713,290	694,064	619,664	5,039,787		7,443,436	2,332,954
Contractual Services	5,088,113	4,777,102					5,088,113	4,777,102
Other Supplies and Expenses	929,836	2,047,789	1,570,309	622,997	1,904,441		4,404,586	2,670,786
Depreciation	338,088	288,509	231,561	225,358			569,649	513,867
Loss on Disposition of Capital Assets	-	(8,372)					-	(8,372)
Interest Expense	412,567	511,926	-	-	-	-	412,567	511,926
Total Expenses	8,478,189	9,330,244	2,495,934	1,468,019	6,944,228	-	17,918,351	10,798,263
Income (Loss) Before Transfers	1,000,527	(308,861)	(468,595)	282,346	5,399,332	-	5,931,264	(26,515)
Capital Contributions	-	-	-	-	-	-	-	-
Interfund Transfers	-	(50,000)	(10,468)	(54,000)	61,312		50,844	(104,000)
Change in Net Position	1,000,527	(358,861)	(479,063)	228,346	5,460,644	-	5,982,108	(130,515)
Net Position, January 1	(4,376,927)	(4,018,067)	8,676,832	8,299,108	-		4,299,905	4,281,041
Prior Period Adjustment	-	-	-	149,377	1,160,528		1,160,528	149,377
Net Position, January 1 - Restated	(4,376,927)	(4,018,067)	8,676,832	8,448,485	1,160,528	-	5,460,433	4,430,418
Net Position, December 31	(\$3,376,400)	(4,376,928)	\$8,197,769	8,676,831	\$6,621,172	-	11,442,541	\$4,299,903

Revenues from the Solid Waste Fund represent 40% of the total revenues for enterprise funds in 2014, down from 84% in 2013. This is due to the addition of the Jail Fund. Total expenses for the Solid Waste Fund was 47% of the total enterprise funds. The Jail Fund revenues consisted of 52% of total enterprise revenues, and 39% of the expenses.

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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, 2014			
	Original	Final	Variance
	Budget	Budget	Favorable
			(Unfavorable)
BUDGETED FUND BALANCE, JANUARY 1	\$ 3,965,921	\$ 4,123,025	\$157,104
RESOURCES (IN-FLOWS)			
Taxes	34,502,400	34,397,400	(105,000)
Licenses & Permits	32,000	32,000	-
Intergovernmental Revenue	4,823,771	4,934,964	111,193
Charges for Goods and Services	3,850,209	3,902,685	52,476
Fines and Forfeits	1,679,350	1,679,350	-
Interest Revenue	489,000	489,000	-
Miscellaneous Revenues	123,122	115,286	(7,836)
Transfers In	127,283	164,925	37,642
Total Resources (in-flows)	45,627,135	45,715,610	88,475
Amounts Available for Appropriation	49,593,056	49,838,635	245,579
CHARGES TO APPROPRIATIONS (OUT-FLOWS)			
General Government Services	18,995,787	18,956,308	39,479
Judicial	8,665,462	8,668,762	(3,300)
Public Safety	16,597,848	16,811,567	(213,719)
Physical Environment	25,709	25,709	-
Economic Environment	376,150	395,500	(19,350)
Health and Human Services	292,083	292,083	-
Culture and Recreation	370,000	440,000	(70,000)
Capital Expenditures	20,000	20,000	-
Transfers Out	4,250,017	4,228,706	21,311
Amount Charged to Appropriations (out-flows)	49,593,056	49,838,635	(245,579)
BUDGETED FUND BALANCE, DECEMBER 31	\$0	\$0	\$0

The net increase in revenues in the final amended budget represented a favorable variance of less than 1.2%. The net increase in expenditures represented an unfavorable increase of 1.2%. Total budgeted expenditures increased more than revenue increased by approximately \$.5 million.

The final budget appropriation for public safety reflected an increase that was due in part to reorganization that included moving some activities originally budgeted in the Mental Health Fund to the Office of Juvenile Court. The final budget appropriation for the Transfers Out was increased for a possible need for additional funding for unemployment.

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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, 2014**

	Final Budget	Actual	Changes Favorable (Unfavorable)
FUND BALANCE, JANUARY 1	\$ 4,123,025	\$ 13,962,092	\$9,839,067
RESOURCES (IN-FLOWS)			
Taxes	34,397,400	32,624,515	(1,772,885)
Licenses & Permits	32,000	281,182	249,182
Intergovernmental Revenue	4,934,964	6,518,975	1,584,011
Charges for Goods and Services	3,902,685	4,033,259	130,574
Fines and Forfeits	1,679,350	2,207,337	527,987
Interest Revenue	489,000	1,444,284	955,284
Miscellaneous Revenues	115,286	180,194	64,909
Transfers In	164,925	125,339	(39,586)
Total Resources (in-flows)	<u>45,715,610</u>	<u>47,415,085</u>	<u>1,699,476</u>
Amounts Available for Appropriation	<u>49,838,635</u>	<u>61,377,177</u>	<u>11,538,543</u>
CHARGES TO APPROPRIATIONS (OUT-FLOWS)			
General Government Services	18,956,308	17,397,905	1,558,403
Judicial	8,668,762	8,427,410	241,352
Public Safety	16,811,567	16,388,926	422,641
Physical Environment	25,709	13,667	12,042
Economic Environment	395,500	374,877	20,623
Health and Human Services	292,083	283,040	9,043
Culture and Recreation	440,000	440,000	0
Capitalized Expenditures	20,000	0	20,000
Transfers Out	4,228,706	4,228,706	0
Amount Charged to Appropriations (out-flows)	<u>49,838,635</u>	<u>47,554,531</u>	<u>2,284,104</u>
FUND BALANCE, DECEMBER 31	<u>\$0</u>	<u>\$13,822,646</u>	<u>\$13,822,647</u>

The largest dollar variances for revenues are reflected in taxes, intergovernmental revenue, and interest revenue. The decrease in taxes and increase in interest revenue is attributable to an error where interest on property was included in the budget for Taxes and should have instead been included in the budget for Interest. The increase in intergovernmental revenue is mainly the result of receiving Payment in Lieu of Taxes revenue that was still uncertain at the time of budget adoption. It is important to note that while the budget was not adjusted for these changes, the projections through the year included them.

Actual expenditures were 4.6% less than budgeted. This is represented primarily by decreases in General Government Services and Public Safety, followed by overall decreases in all areas except Culture and Recreation and Transfers Out. The most significant variances are in General Government Services and Public Safety. The variance in General Government Services reflects lower than budgeted expenses for Information Technology services, professional services for outside counsel that weren't needed, utility expenses that were less than budgeted, and salary and benefit savings due to unfilled positions.

CAPITAL ASSETS AND LONG TERM DEBT

Capital Assets

The County's net capital assets were \$303.8 million at December 31, 2014. Construction in progress was an additional \$8.9 million. Capital assets include land, development rights, buildings, improvements, furniture and equipment, and infrastructure. Details of 2014 capital asset transactions are presented in Note IV.D of the notes to the financial statements.

During 2014 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, miscellaneous small parks projects, and a solid waste transfer facility.

Long-Term Debt

At December 31, 2014, general obligation bonds payable as reported by governmental activities was \$17.6 million, a decrease of \$.5 million. Business type activities reported general obligation bonds payable of \$61.2 million, an increase of \$51.5 million.

The County's remaining legal capacity for non-voted debt at December 31, 2014 was approximately \$157.4 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. There was a slight decrease in property tax revenues in 2014, as well as reduced grant revenue.

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

There have been a series of voter initiatives over the last several years, as well as State 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 June of 2014, the Board reauthorized the assessment for 5 years.

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December 31, 2014**

- 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 June of 2014, the Board reauthorized the assessment for 5 years.
- 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.
- In April of 2013, the County signed a resolution concerning a proposition that would authorize an additional sales and use tax at a rate of .3% to be used for the construction, maintenance and operation of jail facilities and police and fire protection. This proposition was approved by the voters in the August 6, 2013 primary election.
- In January of 2014, based on the Interlocal agreement to address the Jail facilities, the County created an enterprise fund called the Jail fund. Activities for the jail historically have been reported in the General Fund. See Note X. Accounting and Reporting Changes in the notes to the financial statements for more information.
- In September 2014, The Board of County Commissioners passed several ordinances dissolving the EMS Commission and transferring the Commission's authority, responsibility, and assets to the Skagit County Department of Emergency Medical Services. The County's EMS Component Unit has been eliminated, and those activities now reside within the County.
- In November 2014, the County issued debt in the amount of \$51,920,000 to fund the design and construction of a regional jail facility. This was a result of an Interlocal agreement the Board entered into with partner agencies. In April of 2013 to address the overcrowding issues with the jail.

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, 2014

	Primary Government			Component Unit CVA
	Governmental Activities	Business-Type Activities	Total	
ASSETS				
Cash and Cash Equivalents	\$ 51,316,891	\$ 60,060,764	\$ 111,377,655	\$ 602,313
Investments	16,213,858	-	16,213,858	
Accounts Receivables, Net	3,543,314	752,881	4,296,195	514,994
Due from Other Governments	7,512,351	1,871,274	9,383,625	5,845
Internal Balances	710,191	(710,191)	-	
Inventories and Prepayments	5,075,967	200	5,076,167	
Notes Receivable	6,935,000		6,935,000	
Restricted Assets:			-	
Restricted for Debt Service:			-	
Cash/Cash Equivalents	30,152	-	30,152	
Investments	1,128,657	-	1,128,657	
Non Depreciated Capital Assets	172,771,573	816,556	173,588,129	
Capital Assets, Net	115,417,375	14,750,359	130,167,734	876,062
Construction in Progress	792,459	8,074,074	8,866,533	
Total Assets	<u>381,447,786</u>	<u>85,615,917</u>	<u>467,063,705</u>	<u>1,999,214</u>
DEFERRED OUTFLOWS of RESOURCES				
LIABILITIES				
<u>Liabilities</u>				
Accounts Payable	4,330,817	1,593,396	5,924,215	42,407
Other Liabilities	2,634,359	310,623	2,944,982	171,014
Due to Other Governments	326,509	-	326,509	
Long Term Liabilities:			-	
Due within One Year	3,750,788	812,433	4,563,221	
Due in More Than One Year	20,059,935	71,456,924	91,516,859	361,781
Total Liabilities	<u>31,102,408</u>	<u>74,173,376</u>	<u>105,275,786</u>	<u>575,202</u>
DEFERRED INFLOWS OF RESOURCES				
Total Deferred Inflows of Resources	<u>42,547</u>		<u>42,547</u>	
<u>Net Position</u>				
Net Investment in Capital Assets	291,628,047	14,405,733	306,033,780	876,062
Restricted for:			-	
General Government	5,186,599	-	5,186,599	
Public Safety	4,038,350	-	4,038,350	
Physical Environment	3,954,162	-	3,954,162	
Transportation	2,138,937	-	2,138,937	
Economic Environment	7,248,484	-	7,248,484	
Health & Human Services	6,400,905	-	6,400,905	
Culture and Recreation	293,965	-	293,965	
Debt Service	1,157,309	-	1,157,309	
Unrestricted	28,256,073	(2,963,191)	25,292,882	547,950
Total Net Position	<u>\$ 350,302,831</u>	<u>\$ 11,442,542</u>	<u>\$ 361,745,373</u>	<u>\$ 1,424,012</u>

SKAGIT COUNTY, WASHINGTON

Balance Sheet Government Funds

December 31, 2014

	Major Funds				Total
	General Fund	Mental Health Fund	County Road Fund	Other Governmental Funds	
ASSETS and OUTFLOWS of RESOURCES					
Cash and Cash Equivalents	\$ 14,138,947	\$ 2,824,926	\$ 762,346	\$ 14,822,551	\$ 32,548,771
Investments	-	3,092,395		14,250,120	17,342,515
Taxes Receivable	705,297	9,333	377,921	245,271	1,337,822
Accounts Receivable, Net	-	-	26,446	95,602	122,048
Accounts Receivable Other	2,054,134				2,054,134
Interest Receivable	25,466	-	-		25,466
Due from Other Funds	1,491,330	-	358,272	53,240	1,902,842
Due from Other Governments	1,712,316	443,738	3,045,393	2,116,662	7,318,109
Interfund Loans Receivable	-	-	-	1,500	1,500
Inventories and Prepayments	6,337	-	-	59,336	65,673
Total Assets	20,133,828	6,370,392	4,570,378	31,644,282	62,718,880
 Deferred Outflows of Resources					
 Total Assets and Deferred Outflows of Resources	20,133,828	6,370,392	4,570,378	31,644,282	62,718,880
 LIABILITIES, DEFERRED INFLOWS of RESOURCES and FUND BALANCES					
<u>Liabilities</u>					
Accounts and Vouchers Payable	331,032	278,117	296,100	1,047,021	1,952,269
Due to Other Funds	1,847,242	89,474	1,420,629	568,285	3,925,630
Due to Other Governmental Units	7,628	164,309	-	185,440	357,377
Accrued Wages Payable	796,799	16,255	281,100	276,014	1,370,168
Accrued Employee Benefits	153,089	3,188	55,691	63,618	275,586
Custodial Accounts	383,142	-	-	19,540	402,682
Unearned Revenue	-	-	-	238,569	238,569
Interfund Loans Payable	-	-	-	1,500	1,500
Total Liabilities	3,518,931	551,343	2,053,520	2,399,987	8,523,784
 Deferred Inflows of Resources	2,792,250	9,333	377,921	245,272	3,424,776
 <u>Fund Balance</u>					
Nonspendable				57,488	57,488
Restricted	-	5,809,716	2,138,937	22,627,824	30,576,475
Committed	-	-	-	6,313,711	6,313,711
Assigned				-	-
Unassigned	13,822,646	-	-	-	13,822,646
Total Fund Balances	13,822,646	5,809,716	2,138,937	28,999,023	50,770,320
 Total Liabilities, Deferred Inflows of Resources and Fund Balances	\$ 20,133,829	\$ 6,370,393	\$ 4,570,378	\$ 31,644,282	\$ 62,718,880

SKAGIT COUNTY, WASHINGTON
Reconciliation of the Government Funds Balance Sheet
To the Statement of Net Position
December 31, 2014

Total fund balances as shown on the Governmental Fund Balance Sheet	\$ 50,770,320
Net capital assets of governmental funds as of December 31, 2014	279,676,662
Capital assets used in the activities of governmental funds are not financial resources and therefore are not reported in the funds.	
Deferred Inflow of Resources in the governmental funds and recognized as revenue of the current period on the statement of activities.	3,392,007
Net Position of the internal service funds	33,042,202
Internal service funds are included in governmental activities on the statement of net assets.	
Balance of long-term liabilities of the governmental funds as of December 31, 2014	(16,578,357)
Liabilities not due and payable in the current period are not reported in the governmental funds.	
Total Net Position as reported on the Statement of Net Position	\$ 350,302,831

SKAGIT COUNTY, WASHINGTON
Statement of Revenues, Expenditures and Changes in Fund Balance
Government Funds
For the Year Ended December 31, 2014

	Major Funds			Other Governmental Funds	Total
	General Fund	Mental Health Fund	County Road Fund		
Revenues					
Property Taxes	\$ 24,224,742	\$ 322,345	\$ 11,272,361	\$ 8,813,556	\$ 44,633,004
Sales and Use Taxes	7,811,407	2,495,402	418,919	6,537,753	17,263,481
Other Taxes	588,367	7,597		201,198	797,162
Licenses and Permits	281,182	-	87,041	1,035,357	1,403,580
Intergovernmental Revenues	6,518,975	345,314	8,922,259	5,423,826	21,210,374
Charges for Services	4,033,259	1,184,803	1,620,364	3,513,236	10,351,662
Fines and Forfeits	2,207,337	-	-	213,136	2,420,473
Interest Earnings	1,444,284	5,092	3,394	96,942	1,549,712
Donations	35,105	-	-	402,486	437,591
Other Revenues	145,089	866	218,538	1,287,660	1,652,153
Total Revenues	<u>47,289,748</u>	<u>4,361,417</u>	<u>22,542,877</u>	<u>27,525,150</u>	<u>101,719,192</u>
Expenditures					
Current:					
General Government	17,397,905	-	663,237	965,970	19,027,112
Judicial	8,427,410	-	-	-	8,427,410
Public Safety	16,388,928	-	-	9,836,506	26,225,434
Physical Environment	13,667	-	-	2,986,531	3,000,198
Transportation	-	-	17,603,628	168,026	17,771,654
Economic Environment	374,877	-	-	2,994,829	3,369,706
Health and Human Services	283,040	3,737,303	-	8,602,004	12,622,347
Culture and Recreation	440,000	-	-	1,913,191	2,353,191
Debt Service:					0
Principal	-	-	-	2,772,142	2,772,142
Interest	-	-	-	693,958	693,958
Capital Outlay			4,897,657	2,162,413	7,060,070
Total Expenditures	<u>43,325,827</u>	<u>3,737,303</u>	<u>23,164,522</u>	<u>33,095,570</u>	<u>103,323,222</u>
Excess (Deficit) Revenues Over Expenditures	<u>3,963,921</u>	<u>624,114</u>	<u>(621,645)</u>	<u>(5,570,420)</u>	<u>(1,604,030)</u>
Other Financing Sources (Uses)					
Proceeds of Long Term Debt		-	-	1,786,614	1,786,614
Proceeds from Sale of Capital Assets			1,272	56,800	58,072
Transfers In	125,339	-	500,000	6,926,530	7,551,869
Transfers Out	(4,228,706)	(134,651)	(40,889)	(3,239,356)	(7,643,603)
Total Other Financing Source (Uses)	<u>(4,103,367)</u>	<u>(134,651)</u>	<u>460,383</u>	<u>5,530,588</u>	<u>1,752,953</u>
Net Change in Fund Balance	(139,446)	489,462	(161,262)	(39,832)	148,922
					0
Fund Balance, January 1	13,962,092	5,484,563	2,300,199	28,142,669	49,889,523
Prior Period Adjustment		(164,309)		896,184	731,875
Fund Balance, January 1, as restated	<u>13,962,092</u>	<u>5,320,254</u>	<u>2,300,199</u>	<u>29,038,853</u>	<u>50,621,398</u>
Fund Balance, December 31	<u>\$ 13,822,646</u>	<u>\$ 5,809,716</u>	<u>\$ 2,138,937</u>	<u>\$ 28,999,023</u>	<u>\$ 50,770,320</u>

SKAGIT COUNTY, WASHINGTON
Reconciliation of the Statement of Revenues, Expenditures
and Changes in Fund Balance of Government Funds
To the Statement of Activities
For the Year Ended December 31, 2014

Net change in fund balances as shown on the Governmental Funds Statement of Revenues, Expenditures and Changes in Fund Balance	\$ 148,922
Net Capital Asset Activity	(13,755,850)
Purchases of capital assets are reported as expenditures in the governmental funds. On the government wide statements they are reported as assets and depreciated over their estimated useful lives.	
Net Internal Service Fund Activity	1,788,518
Internal service funds are included in governmental activities on the statement of Net Position	
Net Long-Term Debt Activity	830,336
In the governmental funds statements, proceeds of long term debt are considered revenues and debt principal payments are considered expenditures. These transactions are reported as increases and decreases in long-term debt liabilities on the government wide statements.	
Net change in deferred revenues and revenues not reportable on the modified accrual basis	26,372
Revenues are reported on the modified accrual basis for the governmental funds statements and on the full accrual basis for the statement of activities.	
Change in Net Position as reflected in the Statement of Activities	\$ (10,961,701)

SKAGIT COUNTY, WASHINGTON

Statement of Net Position

Proprietary Funds

December 31, 2014

	Business-Type Activities Enterprise Funds			Total	Governmental Activities
	Solid Waste	Drainage Utility	County Jail		*Internal Service Funds
ASSETS					
<u>Current Assets</u>					
Cash/Cash Equivalents	\$ 2,551,060	\$ 1,166,616	\$ 56,343,088	\$ 60,060,764	\$ 18,798,272
Accounts Receivable	661,307	76,292	15,282	752,881	3,844
Due From Other Funds	-	-	-	-	4,401,465
Due from Other Governments	49,202	406,290	1,415,782	1,871,274	194,242
Inventories/Prepayments	-	-	200	200	5,010,294
Total Current Assets	<u>3,261,570</u>	<u>1,649,198</u>	<u>57,774,352</u>	<u>62,685,119</u>	<u>28,408,117</u>
<u>Non-Current Assets</u>					
Capital Assets					
Land	618,875	197,681	-	816,556	-
Buildings	9,899,874	-	-	9,899,874	180,888
Improvements	1,301,780	6,974,079	-	8,275,859	-
Machinery and Equipment	1,807,285	29,569	-	1,836,854	18,657,433
Less Accumulated Depreciation	(3,241,068)	(2,021,160)	-	(5,262,228)	(9,533,576)
Construction In Progress	-	2,274,508	5,799,566	8,074,074	-
Total Non-Current Assets	<u>10,386,746</u>	<u>7,454,677</u>	<u>5,799,566</u>	<u>23,640,989</u>	<u>9,304,745</u>
Total Assets	<u><u>13,648,316</u></u>	<u><u>9,103,875</u></u>	<u><u>63,573,918</u></u>	<u><u>86,326,108</u></u>	<u><u>37,712,862</u></u>
LIABILITIES AND FUND EQUITY					
<u>Current Liabilities</u>					
Accounts/Vouchers Payable	434,300	690,876	468,220	1,593,396	2,378,540
Due to Other Funds	229,691	145,909	334,591	710,191	1,637,617
Interest Payable	34,187	-	-	34,187	-
Interfund Loans Payable	-	-	-	-	-
Accrued Wages Payable	46,792	22,113	156,207	225,112	279,061
Accrued Employee Benefits	10,945	4,320	36,059	51,324	27,054
Accrued Taxes Payable	-	-	-	-	-
Other Accrued Liabilities	87,500	-	-	87,500	3,027
Bonds Payable	495,000	-	-	495,000	-
Total Current Liabilities	<u>1,338,416</u>	<u>863,218</u>	<u>995,078</u>	<u>3,196,710</u>	<u>4,325,300</u>
<u>Non-Current Liabilities</u>					
Compensated Absences	56,734	42,888	130,311	229,933	228,958
Post Closure Landfill Costs	2,989,091	-	-	2,989,091	-
Environmental Liability	3,912,247	-	-	3,912,247	116,397
Bonds Payable	8,728,228	-	55,827,358	64,555,586	-
Total Non-Current Liabilities	<u>15,686,300</u>	<u>42,888</u>	<u>55,957,669</u>	<u>71,686,857</u>	<u>345,355</u>
Total Liabilities	<u>17,024,716</u>	<u>906,106</u>	<u>56,952,747</u>	<u>74,883,567</u>	<u>4,670,655</u>
<u>Net Position</u>					
Net Investment in Capital Assets	1,163,518	7,454,677	5,787,538	14,405,733	9,304,746
Unrestricted	(4,539,918)	743,092	833,634	(2,963,192)	23,737,461
Total Net Position	<u><u>\$ (3,376,400)</u></u>	<u><u>\$ 8,197,769</u></u>	<u><u>\$ 6,621,172</u></u>	<u><u>\$ 11,442,542</u></u>	<u><u>\$ 33,042,207</u></u>

See accompanying notes to the financial statements

*See Internal Service Funds section

SKAGIT COUNTY, WASHINGTON
Statement of Revenues, Expenses, and Changes in Fund Net Position

Proprietary Funds
For the Year Ended December 31, 2014

	Business - Type Activities Enterprise Funds			Total	Governmental Activities
	Solid Waste	Drainage Utility	County Jail		*Internal Service Funds
<u>Operating Revenues</u>					
Charges for Services	\$ 9,063,011	\$ 1,592,468	\$ 8,436,066	\$ 19,091,545	\$ 16,014,815
Other Operating Revenue	-	-	3,592,034	3,592,034	11,828,254
Total Operating Revenues	<u>9,063,011</u>	<u>1,592,468</u>	<u>12,028,100</u>	<u>22,683,579</u>	<u>27,843,069</u>
<u>Operating Expenses</u>					
Personnel Services	1,709,585	694,064	5,039,786	7,443,435	5,105,858
Contractual Services	5,088,113	-	-	5,088,113	2,178,388
Supplies and Expenses	929,836	1,570,309	1,904,441	4,404,586	7,165,354
Depreciation	338,088	231,561	-	569,649	861,069
Payment to Claimants	-	-	-	-	10,395,990
Total Operating Expenses	<u>8,065,622</u>	<u>2,495,934</u>	<u>6,944,227</u>	<u>17,505,783</u>	<u>25,706,659</u>
Operating Income (Loss)	<u>997,389</u>	<u>(903,466)</u>	<u>5,083,873</u>	<u>5,177,796</u>	<u>2,136,410</u>
<u>Non-Operating Revenue (Expenses)</u>					
Intergovernmental Revenue	392,675	430,501	221,429	1,044,605	-
Interest Revenue	2,107	4,070	328	6,505	9,866
Miscellaneous Revenue	20,923	300	93,703	114,926	0
Gain (Loss) on Disposition of Capital Assets	-	-	-	-	(398,647)
Interest Expense	(412,567)	-	-	(412,567)	-
Miscellaneous Expense	-	-	-	-	-
Total Non-Operating Revenue (Expenses)	<u>3,138</u>	<u>434,871</u>	<u>315,460</u>	<u>753,469</u>	<u>(388,781)</u>
Income (Loss) before Transfers	1,000,527	(468,595)	5,399,333	5,931,265	1,747,629
Transfers In	-	-	61,312	61,312	40,889
Transfers Out	-	(10,468)	-	(10,468)	-
Change in Net Position	<u>1,000,527</u>	<u>(479,063)</u>	<u>5,460,645</u>	<u>5,982,109</u>	<u>1,788,518</u>
Net Position, January 1	(4,376,927)	8,676,832	-	4,299,905	31,253,688
Prior Period Adjustment	-	-	1,160,528	1,160,528	-
Net Position, January 1, as Restated	<u>(4,376,927)</u>	<u>8,676,832</u>	<u>1,160,528</u>	<u>5,460,433</u>	<u>31,253,688</u>
Net Position, December 31	<u>\$ (3,376,400)</u>	<u>\$ 8,197,769</u>	<u>\$ 6,621,172</u>	<u>\$ 11,442,542</u>	<u>\$ 33,042,207</u>

See the accompanying notes to the financial statements

*See Internal Service Funds section

SKAGIT COUNTY, GOVERNMENT

Statement of Cash Flows

Proprietary Funds

For the Year Ended December 31, 2014

	Business - Type Activities Enterprise Funds			Total	Governmental Activities
	Solid Waste	Drainage Utility	Jail Fund		*Internal Service Funds
Cash Flows from Operating Activities:					
Receipts from Customers	\$ 9,174,575	\$ 1,583,658	\$12,012,819	\$ 22,771,052	\$ 1,775,987
Receipts from Interfund Services Provided	-	-	(1,194,353)	(1,194,353)	25,040,135
Payments to Employees	(1,723,399)	(678,780)	(4,717,409)	(7,119,588)	(4,726,472)
Payments to Suppliers	(5,409,314)	(713,311)	(1,082,534)	(7,205,159)	(7,461,361)
Payments to Claimants	-	-	-	-	(10,427,893)
Payments for Interfund Services Used	(820,781)	(195,646)	(19,097)	(1,035,524)	(497,023)
Miscellaneous Receipts	-	-	93,703	93,703	64,881
Miscellaneous Payments	20,923	-	-	20,923	-
Net Cash Provided (Used)	<u>1,242,004</u>	<u>(4,079)</u>	<u>5,093,129</u>	<u>6,331,051</u>	<u>3,768,254</u>
Cash Flows From Non-Capital Financing Activities:					
Operating Grants Received	461,497	28,575	-	490,072	-
Transfers to Other Funds	-	(10,468)	61,312	50,844	40,889
Transfers from Other Funds	-	-	-	-	-
Net Cash Provided (Used)	<u>461,497</u>	<u>18,107</u>	<u>61,312</u>	<u>540,916</u>	<u>40,889</u>
Cash Flows from Capital and Related Financing Activities:					
Proceeds from Capital Grant	-	-	\$55,827,358	55,827,358	-
Purchases of Capital Assets	-	(1,599,502)	(4,639,039)	(6,238,541)	104,125
Proceeds from Sale of Capital Assets	-	-	-	-	(1,803,930)
Principal Paid on Capital Debt	(480,000)	-	-	(480,000)	-
Interest Paid on Capital Debt	(410,245)	-	-	(410,245)	-
Other Receipts (Payments)	-	-	-	-	-
Net Cash Provided (Used)	<u>(890,245)</u>	<u>(1,599,502)</u>	<u>51,188,319</u>	<u>48,698,572</u>	<u>(1,699,805)</u>
Cash Flows from Investing Activities:					
Sale of Investments	-	-	-	-	-
Interest Earnings	2,107	4,070	328	6,505	9,866
Net Cash Provided	<u>2,107</u>	<u>4,070</u>	<u>328</u>	<u>6,505</u>	<u>9,866</u>
Net Change in Cash and Cash Equivalents	815,363	(1,581,404)	56,343,088	55,577,044	2,119,204
Balance, January 1	1,735,699	2,748,021	-	4,483,720	16,679,068
Balance, December 31	<u>\$ 2,551,062</u>	<u>\$ 1,166,617</u>	<u>\$ 56,343,088</u>	<u>\$ 60,060,764</u>	<u>\$ 18,798,272</u>

See accompanying notes to the financial statements

*See Internal Service Funds section

SKAGIT COUNTY, WASHINGTON
Statement of Cash Flows
Proprietary Funds
For the Year Ended December 31, 2014

	Business - Type Activities Enterprise Funds			Total	Governmental Activities
	Solid Waste	Drainage Utility	Jail Fund		*Internal Service Funds
Reconciliation of Operating Income (Loss) to Net Cash Provided (Used) by Operating Activities					
Operating Income (Loss)	\$ 997,389	\$ (903,466)	\$5,083,873	\$ 5,177,796	\$ 2,136,410
Adjustments to Reconcile Operating Income to Net Cash Provided (Used) by Operating Activities:					
Depreciation Expense	338,088	231,561		569,649	861,069
Miscellaneous Receipts	20,923	-	315,132	336,055	(2,715)
Changes in Assets and Liabilities:					
Receivables, Net	111,563	(8,809)	(1,431,064)	(1,328,310)	(958,355)
Prepayments	-	-	(200)	(200)	284,099
Inventories	-	-	-	-	172,716
Accounts and Other Payables	(225,961)	676,636	1,125,388	1,576,063	1,275,030
Net Cash Provided (Used) by Operating Activities	<u>\$ 1,242,002</u>	<u>\$ (4,078)</u>	<u>\$ 5,093,129</u>	<u>\$ 6,331,053</u>	<u>\$ 3,768,254</u>

SKAGIT COUNTY, WASHINGTON
Statement of Fiduciary Net Position
Fiduciary Funds
December 31, 2014

	Agency Funds
ASSETS	
Cash	\$ 46,066,830
Investments	334,291,966
Taxes Receivable	3,975,215
Deposits	-
Total Assets	\$ 384,334,011
 LIABILITIES	
Warrants Payable	\$25,547,697
Custodial Accounts	358,786,313
Total Liabilities	\$384,334,011

Skagit County, Washington
Notes to the Financial Statements
December 31, 2014

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 unit, the 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," 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.

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 (from the Skagit County Emergency Medical Service Commission that was established by Ordinance #020030003 that has been merged with Skagit County in 2014. See Merger Note below), and created an ordinance to establish the Central Valley Ambulance Authority (CVAA) (Skagit County Code, Chapter 2.52). The Central Valley Ambulance Authority was established in April 2009 by Ordinance #O20090004 pursuant to the RCW 35.21.730 and Resolution #R20090255 established 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 in their response coverage area. CVAA began its operations July 1, 2009.

CVAA is presented discretely 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 for the CVAA, including complete financial statements can be obtained at their office located at 2015-A Hospital Drive, Sedro-Woolley, WA 98284.

Skagit County, Washington
Notes to the Financial Statements
December 31, 2014

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 Combinations: Mergers

In 2013, the Board of County Commissioners engaged a consultant to analyze service delivery of emergency medical services in Skagit County. The Consultant's report recommended changing the structure of the system by creating Skagit County Department of Emergency Medical Services to directly provide system-wide quality assurance, oversight, and training. The Board of County Commissioners hired a director in April of 2014. In June of 2014, the EMS Commission eliminated all positions and engaged the Skagit County Department of Emergency Medical Services to assume day to day operations of the EMS office on the Commission's behalf. In September 2014 the Board of County Commissioners passed Ordinance 20140002 repealing Ordinances 020030003 and 020090003 dissolving the EMS Commission and transferring the Commission's authority, responsibility, and assets to the Skagit County Department of Emergency Medical Services. The County Commissioners stated that a more responsive governance system is necessary to achieve the recommended goals of (1) eliminating system fragmentation; (2) reducing excess transport capacity; (3) improving systemic financial performance; and (4) improving system communications, data collection and analysis, and quality assurance. In determining the accounting for the dissolution of the EMS Commission, the County implemented GASB Statement No. 69, "Government Combinations and Disposals of Government Operations". EMS is therefore no longer reported as a discretely presented component unit of the County, and is now merged with the County. The merger date is January 1, 2014. The initial opening balances of the EMS assets, deferred outflows of resources, liabilities, deferred inflows of resources, and net position, as of the beginning of the period, were determined on the basis of the carrying values reported in the separate financial statements of EMS and Skagit County Government. Based on a physical inventory taken during the transfer of operations, an adjustment was made removing disbursed assets. The financials as of December 31, 2013 are:

	EMS	Skagit County	Adjustment	Total
Assets				
Current Assets	3,861,553	78,461,339		82,322,892
Capital Assets	762,579	301,896,811	(362,889)	302,296,501
Other Assets		9,610,275		9,610,275
Total Assets	4,624,132	389,968,425	(362,889)	394,229,668
Liabilities				
Current Liabilities	366,470	12,482,139		12,848,609
Noncurrent Liabilities	57,860	20,694,280		20,752,140
Total Liabilities	424,330	33,176,419		33,600,749
Deferred Inflows of Resources				
Grants Received in Advance		96,262		96,262
Total Deferred Inflows of Resources		96,262		96,262
Net Position				
Net Investment in Capital Assets	762,579	291,055,467	(362,889)	291,455,157
Restricted		31,055,769		31,055,769
Unrestricted	3,437,223	34,584,508		38,021,731
Total Net Position	4,199,802	356,695,744	(362,889)	360,532,657

Skagit County, Washington
Notes to the Financial Statements
December 31, 2014

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 unit is 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, includes expenses for law enforcement, fire protection services, inspections and regulatory enforcements, detention and corrections, emergency services and juvenile services.

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

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

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

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

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

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

Fund financial statements are used to report additional and more detailed information about the primary government. Separate financial statements are provided for governmental funds, proprietary funds, and

Skagit County, Washington
Notes to the Financial Statements
December 31, 2014

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.

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

Skagit County reports three major proprietary funds:

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

Skagit County, Washington
Notes to the Financial Statements
December 31, 2014

- The County Jail Fund accounts for all revenues and expenditures related to the design, construction, operation and maintenance of the county jail. See note X.

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.

As a general rule, the effect of interfund activity has been eliminated from the government-wide financial statements. Exceptions to this general rule are payments-in-lieu of taxes and other charges between the various other functions of government. Elimination of these charges would distort the direct costs and program revenues reported for the various functions concerned.

Proprietary funds distinguish operating revenues and expenses from non-operating items. Operating revenues and expenses generally result from providing services and producing and delivering goods in connection with a proprietary fund's principal ongoing operations. The principal operating revenues of the Solid Waste Fund, the Drainage Utility Fund, and the County Jail Fund are charges to customers for sales and services.

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

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

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

Skagit County, Washington
Notes to the Financial Statements
December 31, 2014

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. All receivables, with the exception of the PFD portion of \$6,935,000 are expected to be paid within one year. See Note VIII for further information on the PFD receivable.

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

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

Inventories

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

Restricted Assets and Liabilities

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

The 2014 restricted assets of the enterprise funds and related debt service funds are composed of the following:

Special Assessments – Current	\$1,535,589
Special Assessments – Delinquent	66,344
Cash and Investments – Debt Service	1,106,526
Cash and Investments – Construction	1,087,753

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.

Skagit County, Washington
Notes to the Financial Statements
December 31, 2014

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 \$1,106,526. Of this amount, \$1,087,753 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 – 15 to 65 years

Compensated Absences

It is the County's policy to permit employees to accumulate earned but unused vacation and sick leave benefits. All vacation pay is accrued when earned in the government-wide and proprietary fund financial statements. A liability for these amounts is reported in the governmental funds only if they have matured, for example as a result of employee resignations or retirements. The non-current portion for governmental 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.

Skagit County, Washington
Notes to the Financial Statements
December 31, 2014

Unearned Revenue

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

Deferred Outflow/Inflow of Resources

This line item represents GASB Statement No. 65, *Items Previously Reported as Assets and Liabilities*, consisting of specific items previously reported as assets and liabilities that are now recognized as deferred outflow or deferred inflow of resources. The County did not recognize any deferred outflow of resources in 2014.

The following shows the details on Deferred Inflow of resources, and on what statement they reside:

Description	Amount	Balance Sheet Government Funds	Statement of Net Position
Deferred Property Tax	1,337,822	X	
Court Receivables	2,054,185	X	
Grants Received in Advance	32,769	X	X
Deferred Gain on Refunding	9,778		X

* The County implemented GASB 65 in 2013. Property tax and court receivables were previously reported as deferred revenue on the fund financial statements. The deferred gain on refunding was the result of the 2013 refunding bond issue, which resulted in an economic gain of \$19,555. The County chose not to restate prior periods for practical reasons.

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. 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 Commissioners signed R20120135 in April of 2012 designating the Budget and Finance Director or the County Administrator with the authority to assign fund balance.

Skagit County, Washington
Notes to the Financial Statements
December 31, 2014

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

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

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

The following shows the composition of the fund balance of the government funds for the fiscal year ended December 31, 2014:

Fund Balances:	General Fund	County Road Fund	Mental Health Fund	Capital Projects Funds	Debt Service Funds	Other Government funds	Total
<i>Nonspendable:</i>							
Inventory						55,988	55,988
Loan Receivable						1,500	1,500
<i>Restricted For:</i>							
General Govt Services				5,476,731	1,157,309	1,177,744	7,811,786
Public Safety						1,148,432	1,148,432
Utilities						3,690,568	3,690,568
Transportation		5,974,025				455,992	6,430,017
Natural & Economic Env				6,047,498		1,418,973	7,466,471
Social Services			1,974,628			1,364,698	3,339,326
Cultural & Recreation				395,913		293,965	689,878
<i>Committed to:</i>							
General Govt Services						393,841	393,841
Judicial Activities						38,637	38,637
Public Safety						3,887,901	3,887,901
Utilities						573,022	573,022
Social Services						318,595	318,595
Cultural & Recreation						1,101,715	1,101,715
<i>Assigned to:</i>							
<i>Unassigned</i>	13,822,646						13,822,646
Total Fund Balances	13,822,646	5,974,025	1,974,628	11,920,142	1,157,309	15,921,571	50,770,320

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.

Skagit County, Washington
Notes to the Financial Statements
December 31, 2014

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

Net Capital Assets		
Total Capital Assets		\$ 581,585,774
Less Accumulated Depreciation		(302,701,572)
Construction in Progress		792,459
	Net Capital Assets	<u>\$ 279,676,661</u>
Long-Term Liabilities		
Bonds Payable		\$ 17,550,000
Notes Receivable		(6,935,000)
Unamortized Bond Discounts/Premiums		647,643
Loans Payable		2,802,125
Compensated Absences Liability		2,049,469
Deferred Gain on Refunding		9,778
OPEB Liability		413,104
Accrued Interest Payable on Long-Term Liabilities		41,238
	Long Term Liabilities	<u>\$ 16,578,357</u>

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

Net Capital Assets Activity		
Net Capital Expenditures Subject to Capitalization		\$ 1,280,938
Depreciation Expense		(15,047,528)
Donated Assets		10,740
	Net Capital Assets	<u>\$ (13,755,850)</u>
Net Long-Term Debt Activity		
Principal Payments		945,000
Amortization of Bond Discounts/Premiums		(475,003)
Change in Compensated Absences Liability		532,792
Change in OPEB Liability		(172,454)
	Net Long-Term Debt Activity	<u>\$ 830,335</u>

III. STEWARDSHIP, COMPLIANCE AND ACCOUNTABILITY

Scope of Budget

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

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.

Skagit County, Washington
Notes to the Financial Statements
December 31, 2014

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.

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, 2014;

- The Solid Waste fund deficit was \$3,376,400. This results primarily from the recording of liabilities for landfill post closure care costs and environmental remediation costs.

Skagit County, Washington
Notes to the Financial Statements
December 31, 2014

IV. DETAIL INFORMATION BY TRANSACTION TYPE

A. Deposits and Investments

Deposits

The Skagit County Treasurer is empowered by the State to act as the treasurer not only for the County but also for special purpose districts located in the County. It is the County's policy to deposit and invest all temporary cash surpluses. At the end of the year, the total amount held in certificates of deposit and money market accounts was \$45,261,106 and the treasurer's bank balance was \$11,031,715, 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.

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, 2014, the County held the following investments:

Investment Type	Fair Value	Less Than 1			
		Year Maturity	1 Year	2 Years	3 years
Certificates of Deposit	\$ 23,208,914	\$ 7,100,000	\$ 15,165,000	\$ -	\$ 943,914
Money Market	22,052,192	22,052,192			
Registered Warrants	297,466	297,466			
Commercial Paper					
Bankers Acceptances					
Treasury Notes	22,770,325	710,944	11,037,662	9,029,220	1,992,500
Municipal Bonds	34,379,559	7,746,722	19,936,298	5,594,831	1,101,708
U.S. Agencies	175,698,785	27,167,853	58,958,393	71,005,409	18,567,129
State Treasurer Pool	219,238,590	219,238,590			
	\$ 497,645,831	\$ 284,313,767	\$ 105,097,353	\$ 85,629,460	\$ 22,605,251

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Total fair value of investments represents \$163,519,898 for Skagit County and \$334,125,933 for the Junior Taxing districts.

Interest Rate Risk

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

Custodial Credit Risk

Custodial credit risk is the risk that in event of a failure of the counterparty to an investment transaction the county would not be able to recover the value of the investment or collateral securities. The County had no custodial credit risk as of December 31, 2014.

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 2014.

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, 2014, the County's investments in U.S. Agencies in the amount of \$175,698,785 (fair value) was rated AAA by Standard & Poor's, an additional amount of \$4,103,971 (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
Adams County JT S.D.	184,311	AA1	A1		Moscow ID SD	160,688	AAA	A1	
Anacortes Utility Sys	51,384	A1	AA-		New York, NY	209,930	Aa2	AA	AA
Arlington TX SD	103,030	Aa2	AA		NYC NY Ser D	2,133,068	Aa2	AA	AA
Becker MN SD 726	248,930	AA+	A		Ohio State	502,565	Aa1	AA+	AA+
Bloomington MN	355,714	AAA	AAA	AAA	Okanogan Co RefDG	185,740	A+		
Boise City ID SD	100,951	Aa1	AA		Pacific Co WA PUD	300,624	A1	AA	
Boise City Indep SD	20,443	AA1	AA		Pasco Wa Wtr & Swr	51,137	AA-		
Brownsville TX Ind SD	131,553	AAA	AAA	AAA	Pierre SD	149,907	AA		
Burlington CO NJ	110,072	Aa2	AA		Port of Seattle	102,684	Aa3	A+	A+
Cambridge MN	295,366	AA			Port of Seattle SER A	102,684	Aa4	A+	A+
Cedar Rapids IA	494,959	Aaa			Port of Seattle SER C	300,891	Aa5	A+	A+
Cedar Rapids IA	98,373	Aa1			Ruchland WA	60,851	AA		
Charlotte NC Series A	2,661,126	Aaa	AAA	AAA	Richland WA Elec	154,539	A+	A-	
Chicago IL Brd of Ed	204,680	A2	A+		San Jose CA	76,832	Aa1	AA+	
City of Dubuque IA	250,483	AA2			San Mateo Union Sch	175,259	Aa1	AA+	
City of Racine WI	126,174	AA-			Seattle Light & Pwr	240,946	Aa2	AA-	
City of Waukee IA	327,311	Aa3			Shelby Co TN	1,006,230	Aa1	AA+	AA+
Clark Co NV Pub Facilities	62,530	Aa1	AA		Shoreline WA	103,012	AA+		
Coast CA Comm College	149,052	Aa1	AA		Spartanburg Co, SC SD	927,525	Aa1	AA	
Connecticut State Series B	797,274				St Paul MN Cap Imp	100,288	Aa1	AAA	
Cypress-Fairbanks TX SD	109,971	Aaa	AAA		SW WA Suburban SWR	310,652	Aa2		0
Dane County WI	25,548	Aa1	AA+		Texas State Water Asst	307,257	Aaa	AA+	AAA
Denton Co TX Water Dist	145,957	A2	AA-		Thurston Co Fire #5	85,364	A		
Douglas Co PUD 1	49,858	Aa3	AA		Topeka KS	50,401	Aa3	AA	
Energy NW	204,662	Aa1	AA-	AA	Town of Stratfort CT	100,320	AA	A1	
Energy NW WA Elec	1,790,819	Aa1	AA-	AA	Tulsa Co OK SD	50,577	Aa2	AA	
Forsyth Co Taxable	945,671	Aaa	AA+		Univ So Carolina	25,561	Aaa	AA+	AAA
Franklin Co WA	579,969	AA-			Vermont C-Tax	2,664,346	Aaa	AA+	AAA
Frederick MD	1,027,590	Aa2	AA	AA	WA Housing Fin Comm	658,753	Aaa		
Garland TX Sch Zero	198,216	Aaa	AAA		WA ST BABS	101,214	Aa1	AA+	AA+
Goose Creek TX SD	60,888	Aaa	AAA		Wa State COPS	30,346			
Grand Rapids Comm Coll	182,646	Aa1	AA		Wa ST Various Purp	100,395	Aa1	AA+	AA+
Grant Co WA PUD 2	100,000	Aa3	AA	AA	WA State Taxable Ser	1,775,497	Aa1	AA+	AA+
Green Bay WI	183,724	Aa2			WA State Taxable Ser	254,133	Aa1	AA+	AA+
Groton City CT	375,128	Aa3	AA-		Walnut Vly CA SD	249,308	Aa2		
Honolulu City & CNTY	379,095	Aa1	AA+		Washington ST Taxable	1,203,180	Aa1	AA+	AA+
King Co WA LTD Ser D	62,848	Aa1	AAA	AA+	Wa Co UT SD	51,265	Aaa	AAA	AAA
King Co WA Public Hosp	155,922	Aa3	AA-		Wash COPS	543,992	Aa2	AA+	AA+
Kitsap Co PUD	74,936	Aa3			Washington ST	49,861	Aa1	AA+	AA+
Lacrosse WI Ser A	348,677	AA+			Wa ST Pre-Funded	214,979	AA1	AA+	AA+
Lakehaven Utility	425,850	Aa2			Wellfleet MA	262,686	AAA		
Lancaster Co NE SD	340472.6	AA	Aaa		Whatcom PUD	153,672	A1		
Lane Co Or SD	105,000	AA+	SchBnd	Guarnte	Whatcom Co PUD	128,060	A1	A+	
Maricopa CO AZ SD	406,316	AA-	Aa3		Will Co II SD #122	308,751	Aa3		
Marion CO TN	101,941	AA			Worthington MN Ser B	175,053	AA-		
Maryland State	100,280	Aaa	AAA	AAA	Whidbey Isl Phd	924,300	A2		
Michigan State	564,399	Aa2	AA-	AA	Wyandotte Co KS SD	477,456	AA-		
Michigan State	176,066	Aa2	AA-		Yamhill & Polk CO SD	80,622	AA-		
					TOTAL	34,379,559			

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

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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. Property tax collected in advance of the fiscal year to which it applies is recorded as a deferred inflow. Revenue is recognized when the taxes are collected. Refunds of taxes are recorded as reductions of revenue when they are measurable and due to be issued. No allowance for uncollectible taxes is established because delinquent taxes are considered fully collectible. Prior year tax levies were recorded using the same principal, and delinquent taxes are evaluated annually.

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

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

2014 Tax levy information is as follows:

	Levy in Dollars Assessed Per Thousand	Total Value	Levy
2014			
County	1.5936	\$ 14,370,022,271	\$ 22,899,609
Medic 1 Services	0.3750	14,355,083,548	5,383,153
Roads	1.7543	7,182,433,089	12,600,414
Conservation Futures	0.0559	14,370,022,271	803,530

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 some revenues as deferred inflow of resources if they are not available to liquidate liabilities of the current period or are not yet earned. Also see Note I. Detail of deferred inflow of resources balances in the government fund financial statements as of December 31, 2014 is as follows:

	Unavailable	Unearned	Total
Property Taxes Receivable (General Fund)	\$ 705,297		\$ 705,297
Property Taxes Receivable (Road Fund)	377,921		\$ 377,921
Property Taxes Receivable (Mental Health Fund)	9,333		\$ 9,333
Property Taxes Receivable (Other Government Funds)	245,271		\$ 245,271
Revenue Earned but Not yet Available	2,054,185		\$ 2,054,185
Revenue Received Prior to Meeting Eligibility Requirements		32,769	\$ 32,769
Total Deferred Inflow of Resources - Government Funds	\$ 3,392,007	\$ 32,769	\$ 3,424,776

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C. Interfund Receivables, Payables and Transfers

Details of interfund payable/receivable balances of December 31, 2014 are as follows:

	General Fund	Other Government Funds	County Road Fund	Internal Service Funds	Total
Due to Other funds					
General Fund		(1,419)	\$ 2,791	\$ 1,845,870	\$ 1,847,242
Non-Major Governmental Funds	305,781	1,588	96,567	164,350	568,285
Mental Health	89,321			153	89,474
County Road Fund	757,959			662,670	1,420,629
Internal Service Funds	109,134	32,277	77,866	1,387,450	1,606,727
Solid Waste	82,015	20,794	82,253	44,628	229,691
Drainage Utility	44,950		98,795	2,164	145,909
Jail Fund	102,170			232,424	334,594
Total	\$ 1,491,330	\$ 53,240	\$ 358,272	\$ 4,339,710	\$ 6,242,551

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. Because most of these funds are within the Debt Service Fund, they are eliminated in the financial statements. Details of the interfund loans are as follows:

Borrowing Fund	Lending Fund	Balance 1/1/2014	New Loans	Repayment	Balance 12/31/2014
Water Improvement 210	Water Improvement 215	3,000			3,000
Water Improvement 215	Water Improvement 218		229,072		229,072
Water Improvement 216	Edison Clean Water	1,500			1,500
Water Improvement 215	Water Improvement 224		147,361		147,361
Total		\$ 4,500	\$ 376,433	\$ -	\$ 380,933

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 2014 transfers are as follows:

Transferring Fund	Transfers In				Balance 12/31/2014
	General Fund	Jail Fund	County Roads	Non-Major Governmental	
General Fund				\$ 4,228,706	\$ 4,228,706
Jail Fund					
Drainage Utility				10,468	10,468
Mental Health	88,339	46,312			134,651
County Roads				40,889	40,889
Non-Major	57,382		500,000	2,681,974	3,239,356
Total	\$ 145,721	\$ 46,312	\$ 500,000	\$ 6,962,038	\$ 7,654,071

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D. Capital Assets

Summarized capital asset transactions for governmental activities are as follows:

Governmental Activities	Balance	Increases	Decreases	Balance
Capital Assets, Non-depreciable				
Land	\$ 156,695,250	\$ 699,516	\$ 180,800	\$ 157,213,966
Development Rights	15,557,606			15,557,605
Capital asset held for resale	-			-
Construction in Progress	4,707,081	3,554,301	7,468,924	792,459
	<u>176,959,937</u>	<u>4,253,817</u>	<u>7,649,724</u>	<u>173,564,029</u>
Depreciable Capital Assets				
Buildings	62,710,515	2,230,674	238,199	64,702,990
Improvements	4,947,032	98,353	57,569	4,987,816
Machinery and Equipment	23,622,687	2,586,610	1,960,993	24,248,305
Infrastructure	328,123,822	5,728,217	138,627	333,713,412
	<u>419,404,056</u>	<u>10,643,855</u>	<u>2,395,387</u>	<u>427,652,523</u>
Less Accumulated Depreciation				
Buildings	(26,571,177)	(1,939,120)	355,412	(28,154,885)
Improvements	(3,016,884)	(13,613)		(3,030,497)
Machinery and Equipment	(13,405,210)	(1,752,720)	1,154,632	(14,003,298)
Infrastructure	(251,473,914)	(15,572,554)		(267,046,468)
	<u>(294,467,185)</u>	<u>(19,278,007)</u>	<u>1,510,044</u>	<u>(312,235,148)</u>
Total Net Depreciable Capital Assets	124,936,874	(8,634,152)	(885,343)	115,417,375
Total Net Capital Assets	\$ 301,896,811	\$ (4,380,335)	\$ (8,535,067)	\$ 288,981,407

Depreciation expense by function for governmental activities is as follows:

General Governmental Services	\$ 1,585,084
Judicial	6,519
Public Safety	358,715
Utilities	623,327
Transportation	16,438,421
Natural & Economic Environment	15,977
Social Services	81,205
Culture and Recreation	168,758
Total governmental activities depreciation expense	\$ 19,278,007

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

Business - Type Activities	Beginning Balance	Increases	Decreases	Ending Balance
Capital Assets, Non-depreciable				
Land	\$ 816,556	\$ -	\$ -	\$ 816,557
Construction in Progress	833,302	7,701,422	460,651	8,074,074
	1,649,858	7,701,422	460,651	8,890,631
Depreciable Capital Assets				
Buildings	9,899,875			9,899,875
Improvements	8,117,564	158,296		8,275,860
Machinery and Equipment	1,836,854			1,836,854
	19,854,293	158,296		20,012,588
Less Accumulated Depreciation				-
Buildings	(1,042,295)	(241,075)		(1,283,370)
Improvements	(3,066,043)	(231,088)		(3,297,131)
Machinery and Equipment	(584,243)	(97,485)		(681,728)
	(4,692,581)	(569,648)		(5,262,229)
Total Net Depreciable Capital Assets	15,161,711	(411,352)		14,750,359
Total Net Capital Assets	16,811,569	7,290,070	460,651	23,640,989

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

Solid Waste	\$ 338,088
Drainage Utility	231,561
Total business type activities depreciation expense	<u>\$ 569,649</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.

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Details of general obligation bonds outstanding as of December 31, 2014 are as follows:

Description	Balance
In 2006 bonds in the amount of \$7,610,000 were issued to acquire land, construct county facilities and for other capital purposes. Principle 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. Principle payments of \$340,000 and interest payments of \$216,385 were made in 2014.	5,245,000
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 \$420,000 and interest payments of \$172,921 were made in 2014.	4,000,000
In 2013, the outstanding balance (\$990,000) of the 2003 bond issue in the amount of \$965,000 was refunded in order to take advantage of better rates. The original was issued at \$5,340,000 to finance the acquisition and renovation of a building to house County offices, and to refund the 1993 bonds. Interest ranges from 2.00% to 4.00%. Principal payments are due annually on December 1. Interest payments are due June 1 and December 1. Principal payments of \$185,000 and interest payments of \$23,250 were made in 2014.	590,000
In 2013, the County entered into an interlocal agreement with Skagit Regional Public Facilities District to refund their 2003 bond issue, in order to take advantage of better rates. This was completed per C20130043. The County booked a receivable for the balance and will systematically reduce the debt over time from their dedicated sales tax revenue. See Note VIII. Principal payments are due annually on December 1. Interest payments are due June 1 and December 1. Principal payments of \$335,000 and interest payments of \$214,769 were made in 2014.	6,935,000
In 2014, bonds in the amount of 780,000 were issued to acquire a building for County use. Interest rates range from 3.90% to 4.00 % for maturities in 2041. Principle payments are due annually on December 1. Interest payments are due June 1 and January 1. There were no principle or interest payments made in 2014.	780,000
Total bonds payable at December 31, 2014 for government activities:	17,550,000
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. Principle payments are due annually on December 1. Interest payments are due June 1 and January 1. Interest rates range from 1.90% in 2011 to 5.35% for maturities in 2030. Principal payment of \$480,000 and interest payment of \$410,245 were made in 2014.	9,260,000
Proceeds in the amount of \$51,920,000 from the 2014 bond issue are for the purpose of planning, acquiring land, and constructing a 400 bed regional jail facility. Principle payments are due annually on December 1, beginning in 2015. Interest rates range from 1.90% in 2011 to 5.35% for maturities in 2030. There were no principal or interest payments made in 2014.	51,920,000
Total bonds payable at December 31, 2014 for business-type activities:	61,180,000

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

Year Ending December 31	Government Activities		Business-Type Activities	
	Principal	Interest	Principal	Interest
2015	\$ 1,345,000	\$ 618,463	\$ 495,000	\$ 2,650,465
2016	1,405,000	571,881	500,000	2,650,656
2017	1,490,000	523,056	1,660,000	2,637,156
2018	1,385,000	471,394	1,715,000	2,576,621
2019-2023	7,010,000	1,573,369	9,580,000	11,737,029
2024-2028	4,570,000	371,034	11,805,000	9,213,297
2029-2033	280,000	48,388	12,440,000	6,108,978
2034-2038	65,000	2,438	13,515,000	3,551,150
2039-2041			9,470,000	767,400
Totals	17,550,000	4,180,022	61,180,000	41,892,753

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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 2013 financial statements. As of December 31, 2014 the balance of the defeased bonds outstanding is \$2,820,000.

Loans Payable

Details of loans payable as of December 31, 2014 is as follows:

<u>Description</u>	<u>Balance</u>
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 2014.	\$ 79,957
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 2014.	26,529
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 \$92,147 and interest payments of \$45,538 were made in 2014.	1,818,687
Payable to the State of Washington Department of Ecology pursuant to a 2014 loan agreement. The interest rate is 2.7% and the term is 20 years. There were no principal or interest payments made in 2014.	876,953
Total loans payable at December 31, 2014 for governmental activities	<u>\$ 2,802,126</u>

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

<u>Year Ending December 31</u>	<u>Principal</u>	<u>Interest</u>
2015	\$ 124,334	\$ 63,407
2016	152,880	64,202
2017	156,191	60,891
2018	159,585	57,497
2019+2023	771,932	233,521
2024-2028	846,894	134,937
2028-2033	532,795	35,983
2034	57,514	1,167
Totals	<u>2,802,125</u>	<u>651,607</u>

Debt Limitation

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

At December 31, 2014, the County's remaining capacity for non-voted debt was \$157,366,540. Additional debt capacity with an authorizing vote is \$146,704,222.

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Changes in Long-Term Liabilities

Details of changes in long term liabilities for the year ended December 31, 2014 is as follows:

	Beginning Balance	New Issue	Retirements	Ending Balance	Due Within One year
Governmental Activities:					
Bonds Payable					
General Obligation Bonds	\$ 18,050,000	\$ 2,125,000	\$ 2,625,000	\$ 17,550,000	\$ 1,345,000
Add: Net Unamortized Discounts/Premiums	599,936	113,870	66,163	647,643	
Total Bonds Payable	18,649,936	2,238,870	2,691,163	18,197,643	1,345,000
Loans Payable	3,153,698	1,189,403	1,540,976	2,802,126	124,334
Note Payable	-		-	-	
Compensated Absences	2,830,899	4,979	557,451	2,278,427	2,278,427
OPEB Liability	240,522	413,234	240,652	413,104	
Environmental Liabilities	122,111	7,000	9,687	119,424	3,027
Total Long-Term Liabilities	\$ 24,997,166	\$ 3,853,487	\$ 5,039,929	\$ 23,810,723	\$ 3,750,788
	Beginning Balance	New Issue	Retirements	Ending Balance	Due Within One year
Business-Type Activities					
Bonds Payable					
General Obligation Bonds	\$ 9,740,000	\$ 52,895,000	\$ 1,455,000	\$ 61,180,000	\$ 495,000
Discounts/Premiums	(39,095)	4,407,396	497,716	\$ 3,870,585	
Less: Unamortized Refunding	-	-		\$ -	
Total Bonds Payable	9,700,905	57,302,396	1,952,716	65,050,585	495,000
Compensated Absences	93,830	147,074	10,971	229,932	229,933
Post Closure Landfill Costs	3,169,663	134,500	260,571	3,043,592	54,500
Environmental Liabilities	4,066,669	91,000	212,421	3,945,248	33,000
Total Long-Term Liabilities	\$ 17,031,067	\$ 57,674,970	\$ 2,436,680	\$ 72,269,357	\$ 812,433

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 and defined contribution retirement plans. The Department of Retirement Systems (DRS), a department within the primary government of the State of Washington, issues a publicly available comprehensive annual financial report (CAFR) that includes financial statements and required supplementary information for each plan. The DRS CAFR may be obtained by writing to: Department of Retirement Systems, Communication Unit, P.O. Box 48380, Olympia WA 98504-8380; 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*.

Skagit County, Washington
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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. Approximately 49 percent of PERS salaries are accounted for by state employment. PERS retirement benefit provisions are established in Chapters 41.34 and 41.40 RCW and may be amended only by the State Legislature.

PERS is a cost-sharing multiple-employer retirement system comprised of three separate plans: Plan 1 and 2 are defined benefit plans and Plan 3 is a defined benefit plan with a defined contribution component.

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. Employee contributions to the PERS Plan 1 and Plan 2 defined benefit plans accrue interest at a rate specified by the Director of DRS. During DRS' Fiscal Year 2013, the rate was five and one-half percent compounded quarterly. Members in PERS Plan 1 and Plan 2 can elect to withdraw total employee contributions and interest thereon, in lieu of any retirement benefit, upon separation from PERS-covered employment.

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-

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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. 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, at which time the benefit is converted to the member's service retirement amount. A member with five years of covered employment is eligible for non-duty disability retirement. Prior to the age of 55, the allowance amount is two percent of the AFC for each year of service reduced by two percent for each year that the member's age is less than 55. The total benefit is limited to 60 percent of the AFC and is actuarially reduced to reflect the choice of a survivor option. 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 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 at least 20 years of service credit, and are 55 years of age or older, are eligible for early retirement with a reduced benefit. The benefit is reduced by an early retirement factor (ERF) that varies according to age, for each year before age 65.

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 members hired on or after May 1, 2013 have the option to retire early by accepting a reduction of 5 percent for each year of retirement before age 65. This option is available only to those who are age 55 or older and have at least 30 years of service.

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.

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PERS Plan 3 has a dual benefit structure. Employer contributions finance a defined benefit component, and member contributions finance a defined contribution component. As established by Chapter 41.34 RCW, employee contribution rates to the defined contribution component range from 5 percent to 15 percent of salaries, based on member choice. Members who do not choose a contribution rate default to a 5 percent rate. There are currently no requirements for employer contributions to the defined contribution component of PERS Plan 3.

PERS Plan 3 defined contribution retirement benefits are dependent upon the results of investment activities. Members may elect to self-direct the investment of their contributions. Any expenses incurred in conjunction with self-directed investments are paid by the members. Absent a member's self-direction, PERS Plan 3 contributions are invested in the Retirement Strategy Fund that assumes the member will retire at age 65.

For DRS' Fiscal Year 2013, PERS Plan 3 employee contributions were \$99.0 million, and plan refunds paid out were \$69.4 million.

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. There is no cap on years of service credit, and Plan 3 provides the same cost-of-living allowance as Plan 2.

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, and were hired before May 1, 2013, 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.
- If they have 30 service credit years, are at least 55 years old, and were hired after May 1, 2013, they have the option to retire early by accepting a reduction of 5 percent for each year before age 65.0

PERS Plan 3 defined benefit retirement benefits are also actuarially reduced to reflect the choice, if made, of a survivor option.

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 2 percent of the AFC per year of service. For Plan 3, the monthly benefit amount is 1 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.

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PERS members meeting specific eligibility requirements have options available to enhance their retirement benefits. Some of those options are available to their survivors.

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 final 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.

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.

There are 2,241 participating employers in PERS. Details of PERS membership as of the latest actuarial valuation date of June 30, 2014 is as follows:

Description	Members
Retirees and Beneficiaries Receiving Benefits	85,328
Terminated Plan Members Entitled to but not yet Receiving Benefits	31,047
Active Plan Members Vested	107,073
Active Plan Members Non-vested	43,633
Total	267,081

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. 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. The Plan 3 contribution rates range 5 to 15 percent.

As a result of the implementation of the Judicial Benefit Multiplier Program in January 2007, a second tier of employer and employee rates was developed to fund, along with investment earnings, the increased retirement benefits of those justices and judges that participate in the program. The methods used to determine the contribution requirements are established under state statute in accordance with chapters 41.40 and 41.45 RCW.

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The required contribution rates expressed as a percentage of current year covered payroll, as of December 31, 2014 are as follows:

Rates for members not participating in JBM are as follows:			
Contributor	PERS Plan 1	PERS Plan 2	PERS Plan 3
Employer*	9.21%	9.21%	9.21**
Employee	6.00%	4.92%	***
* The employer rates include the employer administrative expense fee currently set at 0.18%.			
** Plan 3 defined benefit portion only.			
*** Variable from 5% minimum to 15% maximum based on rate selected by the PERS 3 member.			

Rates for members participating in JBM are as follows:			
Contributor	PERS Plan 1	PERS Plan 2	PERS Plan 3
Employer*	9.21%	9.21%	9.21**
Employee	12.26%	12.30%	7.50%***
* The employer rates include employer administrative expense fee currently set at 0.18%.			
** 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
2014	\$ 147,594	\$ 3,489,975	\$ 834,444
2013	132,843	3,153,129	750,527
2012	129,972	2,846,653	717,045

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.

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.

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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. Employee contributions to the LEOFF Plan 1 and Plan 2 defined benefit plans accrue interest at a rate specified by the Director of DRS. During DRS' Fiscal Year 2013, the rate was five and one-half percent compounded quarterly. Members of LEOFF Plan 1 and Plan 2 can elect to withdraw total employee contributions and interest earnings, in lieu of any retirement benefit, upon separation from LEOFF-covered employment.

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:

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 2 members are vested after the employee completes five years of eligible service. Plan 2 members may retire at the age of 53 with five years of service, or 50 with 20 years of service. Plan 2 members receive a benefit of 2 percent of the FAS per year of service. (FAS is based on the highest consecutive 60 months), actuarially reduced to reflect the choice of a survivor option. Plan 2 members who retire prior to the age of 53 receive reduced benefits. If the member has at least 20 years of service and is age 50, 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-

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related, and to reflect the choice of a survivor option. If the member has at least 20 years of service and is age 50, the reduction is three percent for each year prior to age 53.

A 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 catastrophically disabled in the line of duty and incapable of future substantial gainful employment in any capacity.

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

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

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

A one-time duty-related death benefit is provided to the beneficiary or the estate of a LEOFF Plan 2 member who dies as a result of injuries or illness sustained in the course of employment, or if the death resulted from an occupational disease or infection that arose naturally and proximately out of the member's covered employment, if found eligible by the Department of Labor and Industries.

Benefits to eligible surviving spouses and dependent children of LEOFF 2 members killed in the course of employment include the payment of eligible health care insurance premiums.

Legislation passed in 2009 provides to the Washington state registered domestic partners of LEOFF Plan 2 members the same treatment of married spouses, to the extent that the treatment is not in conflict with federal laws.

LEOFF members meeting specific eligibility requirements have options available to enhance their retirement benefits. Some of these options are available to their survivors.

There are 414 participating employers in LEOFF. Membership in LEOFF consisted of the following as of the latest actuarial valuation date of June 30, 2014:

Description	Members
Retirees and Beneficiaries Receiving Benefits	10,511
Terminated Plan Members Entitled to but not yet Receiving Benefits	699
Active Plan Members Vested	14,532
Active Plan Members Non-vested	2,298
Total	28,040

Funding Policy

Employer and employee contribution rates are developed by the Office of the State Actuary to fully fund the plan. Starting on July 1, 2000, Plan 1 employers and employees contribute zero percent, as long as

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the plan remains fully funded. 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 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. For DRS' Fiscal Year 2013, the state contributed \$55.6 million to the LEOFF Plan 2.

The methods used to determine the contribution requirements are established under state statute in accordance with Chapters 41.26 and 41.45 RCW.

The required contribution rates expressed as a percentage of current-year covered payroll, as of December 31, 2014 are as follows:

Contributor	LEOFF Plan 1	LEOFF Plan 2
Employer*	0.18%	5.23%
Employee	0.00%	8.41%
* The employer rates include the employer administrative expense fee currently set at 0.18%		

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
2014	\$ -	\$ 565,508
2013	-	543,132
2012	-	524,366

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 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 Plan 2 membership includes:

- PERS 2 or 3 employees hired by a covered employer before July 1, 2006, who met at least one of the PSERS eligibility criteria and elected membership during the period of July 1, 2006 to September 30, 2006: and
- Employees, hired on or after July 1, 2006 by a covered employer, that meet at least one of the PSERS eligibility criteria.

Covered employers include:

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- State of Washington agencies: Department of Corrections, Department of Natural Resources, Gambling Commission, Liquor Control Board, Parks and Recreation Commission, and Washington State Patrol;
- Washington State counties;
- Washington State cities except for Seattle, Spokane, and Tacoma; and
- Correctional entities formed by PSERS employers under the Interlocal Cooperation Act.

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

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

PSERS defined benefit retirement benefits are financed from a combination of investment earnings and employer and employee contributions. Employee contributions to the plan accrue interest at a rate specified by the Director of DRS. During DRS' Fiscal Year 2014, the rate was five and one-half percent compounded quarterly. Members in PSERS Plan 2 can elect to withdraw total employee contributions and interest thereon, in lieu of any retirement benefit, upon separation from PSERS-covered employment.

PSERS Plan 2 members are vested after completing five years of eligible service.

PSERS members may retire with a monthly benefit of 2 percent of the average final compensation (AFC) 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, or at age 53 with 20 years of service. The AFC is the monthly average of the member's 60 consecutive highest-paid service credit months. 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 members who retire prior to the age of 60 receive reduced benefits. If retirement is at age 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.

PSERS Plan 2 provides disability benefits. There is no minimum amount of service credit required for eligibility. 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. Benefits are actuarially reduced for each year that the member's age is less than 60 (with ten or more service credit years in PSERS), or less than 65 (with fewer than ten service credit years). There is no cap on years of service credit, and a cost-of-living allowance is granted (based on the Consumer Price Index), capped at 3 percent annually.

PSERS members meeting specific eligibility requirements have options available to enhance their retirement benefits. Some of those options are available to their survivors.

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.

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There are 75 participating employers in PSERS. There were 1,729 active non-vested plan members as of the latest actuarial valuation date of June 30, 2014.

Description	Members
Retirees and Beneficiaries Receiving Benefits	43
Terminated Plan Members Entitled to but not yet Receiving Benefits	119
Active Plan Members Vested	2,784
Active Plan Members Non-vested	1,729
Total	4,675

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, 2014 were as follows:

Contributor	PSERS Plan 2
Employer*	10.54%
Employee	6.36%
* The employer rates include the employer administrative expense fee currently set at 0.18%	

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
2014	\$ 374,969
2013	328,457
2012	274,348

D. Other Post Employment Benefit Plans (OPEB)

Plan Description

As required by the Revised Code of Washington (RCW) Chapter 41.26, the County provides direct cost funding for benefits (other than pensions) promised to the Law Enforcement Officers Fire Fighters Plan 1 (LEOFF1). This is a single employer benefit plan. The benefit provides medical and long term care expenses not payable by worker's compensation, social security, insurance provided by another employer or other pension plan. As of December 31, 2014, there were no active members and 13 inactive members. Authority for changes in benefits for the LEOFF Plan 1 resides with the Washington state law and the Employee Retirement Benefits Board (ERBB). Members of the ERBB are appointed by the Governor.

Funding Policy

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The funding policy is based upon the pay-as-you-go financing requirements.

Annual OPEB Cost and Net OPEB Obligation

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

We have used the alternative measurement method permitted under GASB Statement No. 45. A single retirement age of 56.24 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 was Projected Unit Credit. The AAL and NOO are amortized on an open basis as a level dollar over 15 years. These assumptions are individually and collectively reasonable for the purpose of this valuation. The medical inflation trend is the percentage that medical costs are expected to increase in future years. 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 6, 2015 calculation:

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		PVFB	AAL
Inactive:			
	Medical Expenses	3,784,738	3,784,738
	Long-Term Care	1,743,577	1,743,577
	Total Inactive	5,528,315	5,528,315
ARC			
	Normal Cost	-	
	UAAL Amortization	497,223	
ARC		\$ 497,223	
Annual OPEB Cost			
	ARC	497,223	
	NOO Interest	9,626	
	NOO Amortization	(21,645)	
Annual OPEB Cost		485,204	
NOO			
	Starting NOO	240,652	
	Annual OPEB Cost	485,204	
	Contributions*	72,100	
NOO		653,756	

Annual OPEB costs of \$485,204 less expenses of \$72,100 resulted in a net 2014 OPEB obligation of \$413,104. As of December 31, 2014 there were no active members in the LEOFF 1 plan.

The actual expense constitutes 14.5% of the ARC. The County's actuarial accrued liability (AAL) of \$5,528,316 was unfunded as of December 31, 2014.

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
2014	\$ 485,204	\$ 413,104	14.50%
2013	315,928	240,651	23.83%
2012	315,928	231,216	26.81%

Funded Status and Schedule of Funding Progress

As of January 6, 2015, the most recent actuarial valuation date, the plan was zero percent funded. The actuarial accrued liability for benefits was \$5,528,316 and the actuarial value of the assets was zero percent resulting in an Unfunded Actuarial Accrued Liability (UAAL) of \$5,528,316. See RSI section for the Schedule of Funding Progress.

VII. RISK MANAGEMENT

Liability Insurance

Skagit County remains one of several Washington counties that are members of the Washington Counties Risk Pool ("Pool" or "WCRP"). The others include: Adams, Benton and Chelan, Clallam, Columbia, Cowlitz and Douglas, Franklin, Garfield, Grays Harbor and Island, Jefferson, Kittitas, Lewis and Mason, Okanogan, Pacific, Pend Oreille and San Juan, Skamania, Spokane, Thurston and Walla Walla, Whatcom and Yakima Counties.

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Clark, Kitsap, Klickitat and Whitman Counties were Pool members. Clark had its membership cancelled by the Pool's Board of Directors effective April 29, 2014. The others voluntarily terminated their memberships effective October 1st of 2010, 2002 and 2003 respectively.

Background: The Pool was "Created by Counties for Counties" in August 1988 as an association of member counties independent of all other associations of which the counties are members. WCRP's foundational agreement authorized its creation pursuant to Chapters 48.62 and 39.34, Revised Code of Washington ("RCW"), "to provide member counties programs of joint self-insurance, joint purchasing of insurance, and joint contracting for or hiring of personnel to provide risk management, claims handling, and administrative services."

Noteworthy is the definition of "insurer" in RCW 48.01.050 as it pertains to the application of the Washington Insurance Code (Title 48). The statutory definition reads:

Two or more local government entities, under any provision of law, that join together and organize to form an organization for the purpose of jointly self-insuring or self-funding are not an "insurer" under this code.

WCRP is not an "insurer" and thus not an insurance company or subject to the special laws and rules that govern insurers and insurance companies. Washington's pools operate under the state's "pooling" laws and regulations, specifically Chapters 48.62 RCW and 200-100 Washington Administrative Code ("WAC"). Pools are risk-sharing entities that initially must be approved by then annually report to and are overseen by the State Risk Manager – they are not regulated by the Office of the Insurance Commissioner. In addition, as public entities, pools are subject to annual audits by the State Auditor's Office.

The mission for the Pool as determined by the members' directors and alternate directors is to:

- Provide comprehensive and economical risk coverage;
- Reduce the frequency and severity of losses;
- Decrease costs incurred in the managing and litigation of claims.

The core values adopted by the Pool's Board of Directors 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 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.

The Pool's Membership Compact, added in 2000 as an addendum to the Interlocal Agreement, constitutes a commitment to strengthen the Pool by helping member counties implement and/or enhance their local risk management efforts to reduce losses and support the best management of the Pool and its resources. The Compact obligates the member counties to support these goals through three major elements – membership involvement, risk control practices, and a targeted risk management program(s).

New members may be asked to pay modest fees to cover the costs to analyze their loss data and risk profiles. In recent years, new members have only been required to contribute their proportional shares of the entry year's assessments. New members contract under the Interlocal Agreement to remain in the Pool for at least five years. Following its initial 60-month term, any county may terminate its membership at the conclusion of any Pool fiscal year, provided the county timely files the required advance written notice. Otherwise, the Interlocal Agreement and membership automatically renews for another year. Even after termination, former members remain responsible for reassessments by the Pool for the

Skagit County, Washington
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members' proportional shares of any unresolved, unreported, and in-process claims for the periods that the former members were signatories to the Interlocal Agreement.

Joint Self-Insurance Liability Program ("JSILP"): The Washington Counties Risk Pool has since its beginning administered the membership's occurrence-based, jointly purchased and/or jointly self-insured liability coverage for bodily injury, personal injury, property damage, errors and omissions, and advertising injury caused by a covered occurrence during an eligible period and occurring anywhere in the world. Total coverage limits per occurrence have grown from the \$1 million existing during the Pool's initial two months to \$5 million, then to \$10 million and onto \$15 million before reaching the \$20 million limit that has existed since October 2003. (Note: Additional \$5 million limits were available as individual county-by-county options during many recent years, including the 2013-14 and 2014-15 coverage years.)

Since the 2003-04 coverage year, the initial \$10 million per occurrence, subject to the member-reimbursed deductible, has been provided as jointly self-insured coverage that is "risk shared" amongst the membership. Each member selects its occurrence deductible amount for the ensuing coverage year from these options: \$10,000, \$25,000, \$50,000, \$100,000, \$250,000 or \$500,000.

The Board of Directors has decided for years now to acquire reinsurance as further protection from larger losses, direct protection for the Pool and indirect for the member counties due to the contingent liabilities they would otherwise incur from risk-sharing those losses. The reinsurance agreements are written with self-insured retentions ("SIRs") equal to the greater of the deductible for the member with the claim or \$100,000. More recent years' reinsurance programs have included "corridor deductibles" with aggregated stop losses which have the effect of increasing the Pool's SIR. For 2013-14, there were two (2) such corridors – the first raising the occurrence SIR to \$1 million, but with an aggregated stop loss of \$2.975 million (later reduced with Clark County's termination to \$2,900,625), and the second increasing the SIR further, to \$2 million, but with an aggregated stop loss of \$650,000 (also reduced with Clark County's departure to \$596,875). Other reinsurance agreements respond to the remaining \$8 million – one for the \$3 million excess of the \$2 million SIR, and another for the \$5 million excess of \$5 million.

The remaining \$10 million (or \$15 million) of JSILP occurrence coverage has been acquired as "following form" excess insurance. And while there are no aggregate limits to the payments that the Pool makes for any member county or for all member counties, the reinsurance agreements contain aggregate limits for the maximum annual reimbursements to the Pool of \$40 million (lowest reinsured layer), \$20 million, (second layer), \$30 million (third layer) and \$50 million (final reinsured layer).

584 third-party liability claims (and lawsuits) were reported by member counties to the Pool during the 2013-14 coverage year, a 5.5% reduction in year-over-year filings and a continuation of the decline in filings experienced the past several years. The new filings raised the to-date (October 1988 – September 2014) total to 19,820. Yet only 359 remained classified as 'open' at year-end. Projections from the required independent actuary retained by the Pool's Board of Directors suggest another 283 cases from all years as being *incurred but not yet reported* ("IBNR") and raise the Pool's estimated ultimate case count (as of September 30, 2014) to 20,103. Total incurred losses (payments made plus estimates for open claims) increased \$14.6 million during the year to \$264.6 million. And while that represents a significant increase from recent years' corresponding amounts, it is less than the several earlier years' amounts of \$16.0M (2010-11), \$17.8M (2009-10), and the \$20.8M (average for 2006-07 through 2008-09).

Claims reserves for the JSILP coverage are determined annually, and the actuary's estimates of net reserves as of September 30, 2014 totaled \$14.68 million, a modest year-over-year increase of \$0.06 million (0.4%), and included \$2.69 million for losses in the basic SIR, \$10.84 million for the increased SIRs from the "corridor" programs, \$0.13 million for losses in the quota-shared (10%) upper reinsured layer retained by the Pool during 2012-13, and \$1.02 million for unallocated loss adjustment expenses

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(ULAE). NOTE: Estimates for gross reserves declined \$1.10 million (3.3%) to \$32.67 million, with \$17.99 million ceded to the commercial insurers.

Washington Counties Property Program (“WCPP”): The Board of Directors agreed to add property insurance, beginning with the 2005-06 coverage year, as a county-by-county option. This optional coverage is jointly-purchased from a consortium of higher rated commercial carriers. Both participation and the total values of covered properties have nearly doubled since the WCPP was added. Twenty six counties participated in the WCPP during 2013-14 with covered properties totaling in excess of \$2.7 billion.

Losses are covered under the WCPP to the participating counties’ buildings and contents, vehicles, mobile/contractors equipment, EDP and communication equipment, etc. that have been scheduled. The WCPP includes ‘All Other Perils (“AOP”)’ coverage limits of \$500 million per occurrence as well as Flood and Earthquake (catastrophe) coverages with separate occurrence limits, each being \$200 million. There are no AOP annual aggregate limits, but the flood and earthquake coverages include annual aggregate limits of \$200 million each. Coverage also includes sublimated items, e.g. Equipment Breakdown / Boiler & Machinery (\$100 million), Special Flood Hazard Areas (\$25 million), and endorsements for LEED (Green Construction) Upgrades, optional Reproduction Coverage for historic structures, and Terrorism (\$20 million).

AOP occurrence deductibles, which each participating county confirms each year and is solely responsible for paying, range between \$5,000 and \$50,000. Higher deductibles apply to losses resulting from catastrophe-type losses.

Cyber Risk and Other Coverages: Beginning this coverage year (2014-15), the Board agreed to add jointly-purchased cyber risk and security coverage from a higher-rated commercial insurer.

Other Insurances: Several member counties use the producer (broker) retained by the Board on behalf of the Pool to secure other (specialty) coverages. Examples include public officials bonds and insurance coverages for crime (and fidelity), special events/concessionaires, UST and other environmental hazards, as well as airport, ferry, and railroad operations.

Governance / Oversight: The Pool is governed by a board of directors that consists of one director (and at least one alternate director) representing each member county and appointed by the county’s legislative authority. The Board of Directors, which includes both elected and appointed officials, meets three times each year with the Annual Meeting of the Pool being held mid-summer. The Board a) determines the extent of risk-sharing from the 3rd-party self-insured liability coverage by approving the JSILP Coverage Form, b) selects the reinsurance(s) to acquire and the excess insurance(s) to jointly-purchase or offer for “member option” purchase, c) approves the Pool’s annual operating budget(s) and work program(s), and d) approves the formulas used for computing members’ deposit assessments and, when necessary, reassessments.

Ongoing oversight of the Pool is furnished by an 11-person executive committee that is elected by and from the WCRP Board for staggered, 3-year terms. The membership of the 2014-15 committee averages more than nine years with the Pool. The committee meets throughout the year and a) approves all disbursements and reviews the Pool’s financial health, b) approves case settlements exceeding the applicable member’s deductible by at least \$50,000, c) reviews all claims with incurred loss estimates exceeding \$100,000, and d) evaluates the Pool’s operations and program deliverables, and the Executive Director’s performance. Committee members are expected to participate in the Board’s standing committees (finance, personnel, risk management, and underwriting) which develop or review/revise proposals for and/or recommendations to the association’s policies and its coverages for the Board to consider and act upon.

Skagit County, Washington
Notes to the Financial Statements
December 31, 2014

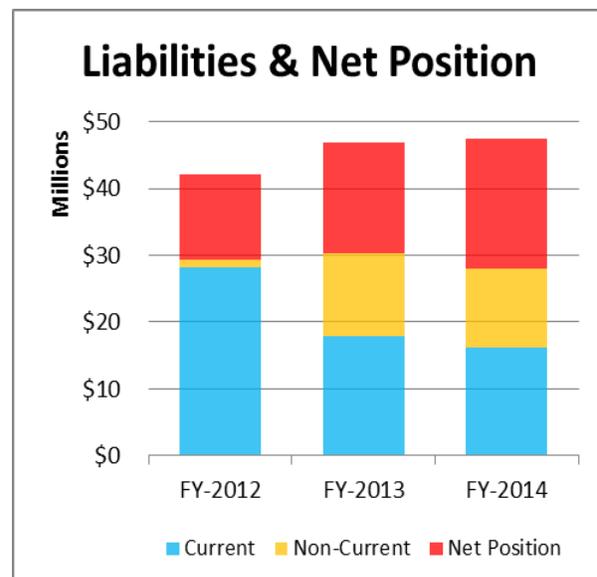
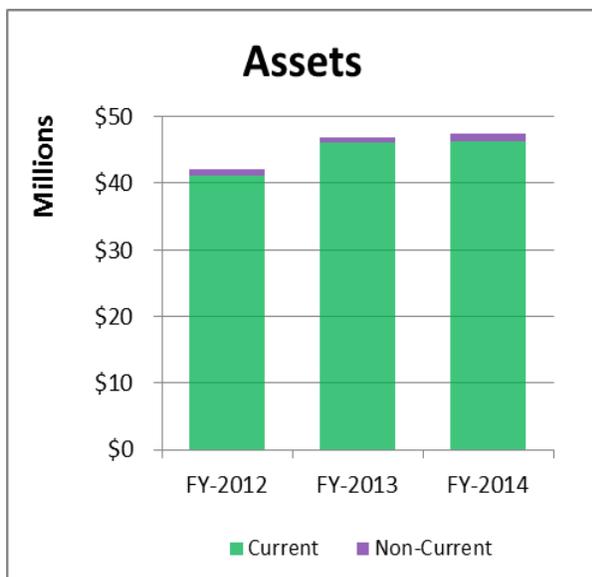
Staffing and Support Teams: Six of the Pool's 11-person staff handle and/or manage the several hundred liability cases filed annually upon the member counties and submitted for risk-shared coverage consideration. This includes determining coverage, establishing reserves for covered events by estimating future payments for the losses and their related claims adjustment expenses. The claims staff have 115 years of combined claims handling experience.

The remaining staff support the Pool's administrative needs and provide member services that include, but are not limited to assessing the memberships' risks, coordinating trainings, performing compliance audits, and developing and presenting/promoting coverages.

There are also the professionals from some of the most respected organizations worldwide which are retained by the Board to address specific needs of the Pool – PricewaterhouseCoopers, LLP furnishes independent actuarial services; Strategic Claims Direction, LLC conducts independent claims auditing; Arthur J. Gallagher Risk Management Services, Inc. provides insurance producer (broker) and advanced loss control services; and J. William Ashbaugh of Hackett Beecher & Hart serves as coverage counsel. NOTE: Claims audits are occasionally performed by commercial insurers. The numerous attorneys retained and assigned to defend covered claims as well as the State Risk Manager and State Auditor's Offices cannot be overlooked.

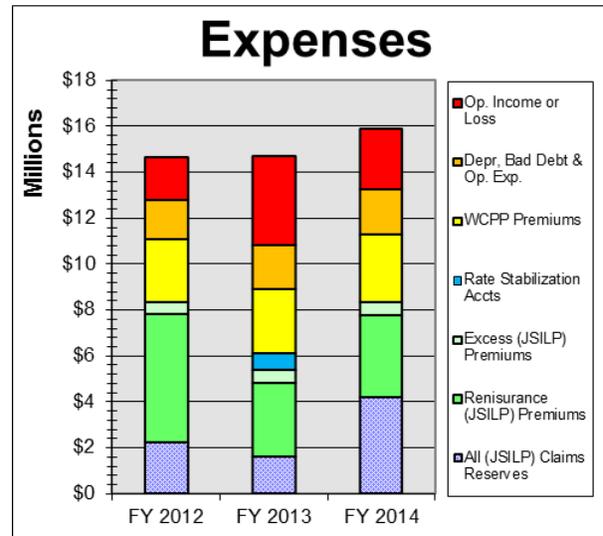
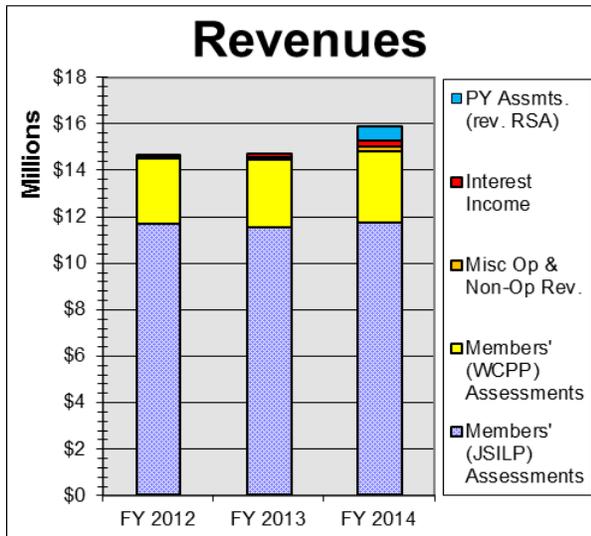
Financial Summary: During fiscal 2014, WCRP assets grew 1% (\$0.48 million) to \$47.41 million while its liabilities decreased 7% (\$2.17 million) to \$28.04 million. That produced a (assets to liabilities) ratio of 1.69:1. For comparison, the fiscal 2004 ratio was 0.94:1 which, except for the members' reassessments receivables ("retroactive assessments") that were included, would have been 0.74:1.

Net Position, which is frequently referred to as "Net Assets" or "Owners' Equity", improved 16% (\$2.65 million) to \$19.37 million as of September 30, 2014. And since 2004 ended "negative" \$0.69 million, Net Position improved by more than \$20 million over the course of the past decade. \$1.07 million of Net Position were held in Capital Assets (net of debt), leaving \$18.30 million to both satisfy the State Risk Manager's solvency provisions (WAC 200.100.03001(3)) and substantially fulfill WCRP's own sufficiency requirements in section D.2 of the Board of Directors' Underwriting Policy.



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Operating Income of \$2.38 million was realized in fiscal 2014. And though a 37% decrease from 2013, the 2014 amount was the third greatest in recent years and 55% more than the annual average from 2004 through 2013. Revenues grew \$1.05 million (7%) while Expenses increased \$2.42 million (22%), primarily due to the \$2.54 million in independent actuary adjustments to the Pool's claims-related reserves and \$0.58 million in premium increases for the reinsurance and excess liability and property insurance policies acquired.



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 of the Pool resulting from any fiscal year are financed by reassessments (aka retroactive assessments) of the deficient year's membership in proportion with the initially levied and collected deposit assessments.

The Pool's reassessments receivable balance as of December 31, 2014 was ZERO (\$0). As such, there are no known contingent liabilities at that time for disclosure by the member counties.

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

Fiscal Year	Beginning Balance	Current Year		Year End Balance
		Claims & Changes in Estimate	Claim Payments	
2014	\$ 876,500	\$ 84,021	\$ 350,921	\$ 609,600
2013	2,770,881	(1,240,114)	654,267	876,500
2012	3,014,000	112,086	355,205	2,770,881

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, .9971 in 2012, and .9945 in 2013, and 1.1994 in 2014.

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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 \$124,819 at December 31, 2014.

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 \$72,079 for 2014. Dental claims activity for 2014 and the preceding two years are as follows:

		Current Year		
Fiscal Year	Beginning Balance	Claims & Changes in Estimate	Claim Payments	Year End Balance
2014	\$ 101,567	\$ 688,682	\$ 684,882	\$ 105,367
2013	99,119	662,634	660,186	101,567
2012	114,002	629,392	644,275	99,119

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 \$402,514 for 2014. Medical claims activity for 2014 and the preceding two years are as follows:

		Current Year		
Fiscal Year	Beginning Balance	Claims & Changes in Estimate	Claim Payments	Year End Balance
2014	\$ 1,308,446	\$ 9,310,303	\$ 9,202,916	\$ 1,415,833
2013	1,123,379	8,689,969	8,504,902	1,308,446
2012	1,286,903	7,138,440	7,301,964	1,123,379

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.

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

Skagit County, Washington
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PFD portion of the bond on December 31, 2014 was \$6,935,000. 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. The County used the balance sheet method to account for the PFD debt service. Accordingly, the County reports a receivable in the debt service fund that will be systematically reduced as the funds are received and the bonds are paid.

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, 2014 are as follows:

	Rental Payments
Year	Due
2015	134,061
2016	123,385
2017	21,785
Total	279,231

2014 rent expense for all operating leases, except those with terms of a month or less were all renewed.

Construction

At December 31, 2014, 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	12/31/2014	Unexpended
Governmental Activities			
Clean Water Fund	\$ 2,236,869	\$ 262,174	\$ 1,974,695
Non-Major Government Funds	1,320,950	224,980	1,095,970
Road Fund	14,253,743	6,272,664	7,981,079

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 \$3,043,592, of which \$54,500 is the current portion, is reported in the Solid Waste Fund at December 31, 2014.

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

Liabilities for Pollution Remediation Obligations

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

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December 31, 2014

Whitmarsh Landfill

The Solid Waste Fund recognized a liability of \$3,423,551, of which \$20,000 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, 2014, 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 \$521,701, of which \$13,000 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, 2014, 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 \$119,397, 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, 2014, 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 2014. The County's remediation activities to date have consisted of occasional monitoring of nearby wells and surface water.

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

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Notes to the Financial Statements
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IX. PRIOR PERIOD ADJUSTMENTS

Veterans' Relief – A prior period adjustment of \$17,268 was the result of an accrual error made in prior years.

Conservation Futures – A prior period adjustment of \$868,645 was the result of corrections of revenue accruals.

Medic 1 – A prior period adjustment of \$10,271 was the result of timing differences in the merger of the two separate entities.

Mental Health Fund – A prior period adjustment of \$164,309 was the result of an entry error in 2013.

X. ACCOUNTING AND REPORTING CHANGES

On April 29, 2013, the County Board of Commissioners adopted Resolution No. R20130102, which found that the existing jail (previously accounted for in the General Fund) could not meet the demand of the combined volume of city and County inmates. The Resolution placed a proposition before Skagit County voters that, if passed, would authorize an additional sales and use tax at the rate of 0.3% to be used for the construction, maintenance, and operation of jail facilities, and for police and fire protection, all pursuant to the Revised Code of Washington 82.14.450. The ballot measure passed. As per the interlocal Jail Facility Use Agreement No. C20130315, the County created an enterprise fund to account for the construction and operation of the new jail. The intention is for all parties to the Interlocal agreement to share in the costs of the new facility, by way of a portion of the sales tax raised. In addition, a revenue stabilization account (RSA) was created as a subcomponent of the ending Net Position of the Jail Fund. A Minimum Funding Threshold (MFT) target was set for each year. If the Net Position falls below the MFT, the difference shall be considered an excess cost to be covered by all the parties in the interlocal agreement and will require additional financial contributions in the following year. An eight member finance committee will establish the booking fee rates, not to be changed more than once annually. Currently, the booking rate fee is set at \$40. Revenues and expenditures for the maintenance and operation for the current jail are no longer reported in the General Fund, but now reside in the Jail Fund. Also, as a result of this change, construction for the new jail expenses previously reported in government funds is now reported in the new Jail Fund, which resulted in a direct entry to Net Position of \$1,160,528.

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Required Supplementary Information



SKAGIT COUNTY, WASHINGTON
Schedule of Revenues, Expenditures and Changes in Fund Balances - Budget to Actual
General Fund
For the Year Ended December 31, 2014

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance</u>
	<u>Original</u>	<u>Final</u>		
Budgeted Fund Balance, January 1	\$ 3,965,921	\$ 4,123,025	\$ 13,962,092	
Resources (in-flows)				
Taxes	34,502,400	34,397,400	32,624,515	(1,772,885)
Licenses and Permits	32,000	32,000	281,182	249,182
Intergovernmental Revenue	4,823,771	4,934,964	6,518,975	1,584,011
Charges for Services	3,850,209	3,902,685	4,033,259	130,574
Fines and Forfeits	1,679,350	1,679,350	2,207,337	527,987
Interest Revenue	489,000	489,000	1,444,284	955,284
Miscellaneous Revenues	123,122	115,286	180,194	64,908
Transfers In	127,283	164,925	125,339	(39,586)
Total Resources (in-flows)	<u>45,627,135</u>	<u>45,715,610</u>	<u>47,415,085</u>	<u>1,699,475</u>
Amounts Available for Appropriation	49,593,056	49,838,635	61,377,177	
Charges to Appropriations (out-flows)				
General Government	18,995,787	18,956,308	17,397,905	(1,558,403)
Judicial	8,665,462	8,668,762	8,427,410	(241,352)
Public Safety	16,597,848	16,811,567	16,388,926	(422,641)
Physical Environment	25,709	25,709	13,667	(12,042)
Economic Environment	376,150	395,500	374,877	(20,623)
Health and Human Services	292,083	292,083	283,040	(9,043)
Culture and Recreation	370,000	440,000	440,000	-
Capital Expenditures	20,000	20,000	-	(20,000)
Transfers Out	4,250,017	4,228,706	4,228,706	-
Amount Charged to Appropriations (out-flows)	<u>49,593,056</u>	<u>49,838,635</u>	<u>47,554,531</u>	<u>(2,284,104)</u>
Budgeted Fund Balance, December 31	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 13,822,646</u>	

SKAGIT COUNTY, WASHINGTON

General Fund

Schedule of Revenues

Budget (GAAP Basis) and Actual
For the Year Ended December 31, 2014

	Budgeted Amounts		Actual	Variance with Final Budget
	Original Budget	Final Budget		
General Property Taxes	24,293,000	24,293,000	24,224,742	(68,258)
Timber Harvest Taxes	400,000	400,000		(400,000)
Retail Sales and Use Taxes	7,764,400	7,764,400	7,811,407	47,007
Business Taxes	250,000	250,000	-	(250,000)
Excise Taxes	255,000	150,000	588,367	438,367
Penalties and Interest on Delinquent Taxes	1,540,000	1,540,000	-	(1,540,000)
Total Taxes	34,502,400	34,397,400	32,624,516	(1,772,884)
Non-Business Licenses and Permits	32,000	32,000	281,182	249,182
Total Licenses and Permits	32,000	32,000	281,182	249,182
Federal Shared Revenue	10,050	10,050	13,181	3,131
Indirect Federal Grants	733,840	733,840	1,751,604	1,017,764
State Grants	841,401	952,594	1,133,524	180,930
State Shared Revenue	673,287	673,287	767,168	93,881
In Lieu and State Entitlement Revenue	1,324,519	1,324,519	1,541,526	217,007
Intergovernmental Revenue	1,240,674	1,240,674	1,311,972	71,298
Total Intergovernmental Revenue	4,823,771	4,934,964	6,518,975	1,584,011
General Government	2,022,725	2,127,725	2,057,094	(70,631)
Public Safety	293,600	293,600	250,934	(42,666)
Health and Human Services	-	-	52,407	52,407
Economic Environment	60,500	60,500	13,660	(46,840)
Culture and Recreation	-	-	3	3
Interfund Charges for Services	1,473,384	1,420,860	1,659,161	238,301
Total Charges for Goods and Services	3,850,209	3,902,685	4,033,259	130,574
Superior Court Felony/Misdemeanor Penalties	82,000	82,000	71,938	(10,062)
Civil Penalties	14,000	14,000	10,915	(3,085)
Civil Infraction Penalties	1,306,000	1,306,000	1,309,607	3,607
Civil Parking Infraction	12,000	12,000	5,846	(6,154)
Criminal Traffic Misdemeanor	210,000	210,000	212,951	2,951
Criminal Non-Traffic Fines	41,200	41,200	34,538	(6,662)
Criminal Costs	14,150	14,150	10,892	(3,258)
Non-Court Fines, Forfeitures	-	-	550,650	550,650
Total Fines and Forfeits	1,679,350	1,679,350	2,207,337	527,987
Interest Earnings	489,000	489,000	1,444,284	955,284
Rents, Leases, Concessions	48,536	19,736	18,131	(1,605)
Interfund/Interdepartment Miscellaneous	25,696	25,696	25,696	-
Contributions/Donations	15,000	35,964	35,105	(859)
Other Miscellaneous Revenue	31,390	31,390	99,065	67,675
Total Miscellaneous Revenues	609,622	601,786	1,622,281	1,020,495
Agency Type Deposits	2,500	2,500	2,198	(302)
Total Non-Revenues	2,500	2,500	2,198	(302)
Total Revenues	45,499,852	45,550,685	47,289,748	1,739,063

SKAGIT COUNTY, WASHINGTON
Schedule of Expenditures Budget (GAAP Basis) and Actual
For the Year Ending December 31, 2014

	<u>Budgeted Amounts</u>			Variance with Final Budget
	Original Budget	Final Budget	Actual	
<u>General Government</u>				
<u>Assessor</u>				
Salaries and Wages	1,114,781	1,111,281	1,091,319	(19,962)
Personnel Benefits	565,102	565,102	564,987	(115)
Supplies	12,500	9,500	2,324	(7,176)
Other Services and Charges	27,500	34,000	28,404	(5,596)
Interfund Payments for Services	16,932	16,932	17,591	659
Total Assessor	<u>1,736,815</u>	<u>1,736,815</u>	<u>1,704,625</u>	<u>(32,190)</u>
<u>Auditor</u>				
Salaries and Wages	773,593	785,593	781,243	(4,350)
Personnel Benefits	381,486	386,252	383,459	(2,793)
Supplies	14,200	14,200	9,520	(4,680)
Other Services and Charges	13,100	13,100	9,488	(3,612)
Total Auditor	<u>1,182,379</u>	<u>1,199,145</u>	<u>1,183,710</u>	<u>(15,435)</u>
<u>Board of Equalization</u>				
Salaries and Wages	45,017	41,017	36,838	(4,179)
Personnel Benefits	14,906	14,906	13,539	(1,367)
Supplies	100	100	151	51
Other Services and Charges	500	500	60	(440)
Total Board of Equalization	<u>60,523</u>	<u>56,523</u>	<u>50,588</u>	<u>(5,935)</u>
<u>Commissioners</u>				
Salaries and Wages	392,392	394,392	392,146	(2,246)
Personnel Benefits	150,271	150,271	152,678	2,407
Supplies	1,600	1,600	2,453	853
Other Services and Charges	24,140	24,140	22,344	(1,796)
Total Commissioners	<u>568,403</u>	<u>570,403</u>	<u>569,621</u>	<u>(782)</u>
<u>Administrative Services</u>				
Salaries and Wages	494,876	494,876	512,163	17,287
Personnel Benefits	197,959	197,959	203,063	5,104
Supplies	7,000	7,000	6,712	(288)
Other Services and Charges	227,205	227,205	170,707	(56,498)
Total Administrative Services	<u>927,040</u>	<u>927,040</u>	<u>892,645</u>	<u>(34,395)</u>
<u>General Maintenance</u>				
Salaries and Wages	615,421	615,421	505,953	(109,468)
Personnel Benefits	344,524	344,524	314,951	(29,573)
Supplies	128,500	128,500	112,087	(16,413)
Other Services and Charges	1,003,369	981,469	812,757	(168,712)
Interfund Payments for Services	20,272	20,272	36,685	16,413
Total General Maintenance	<u>2,112,086</u>	<u>2,090,186</u>	<u>1,782,433</u>	<u>(307,753)</u>

SKAGIT COUNTY, WASHINGTON
Schedule of Expenditures Budget (GAAP Basis) and Actual
For the Year Ending December 31, 2014

<u>Prosecuting Attorney</u>				
Salaries and Wages	2,596,740	2,572,982	2,509,119	(63,863)
Personnel Benefits	1,175,622	1,157,835	1,129,898	(27,937)
Supplies	35,950	35,950	27,098	(8,852)
Other Services and Charges	260,300	260,300	141,131	(119,169)
Total Prosecuting Attorney	4,068,612	4,027,067	3,807,246	(219,821)
<u>Treasurer</u>				
Salaries and Wages	553,770	553,770	548,708	(5,062)
Personnel Benefits	283,312	286,512	268,528	(17,984)
Supplies	17,000	15,000	10,209	(4,791)
Other Services and Charges	118,000	118,000	107,485	(10,515)
Total Treasurer	972,082	973,282	934,930	(38,352)
<u>Non Departmental Expenditures</u>				
Salaries and Wages	-	-	-	-
Personnel Benefits	142,500	148,500	148,282	(218)
Supplies	-	-	-	-
Other Services and Charges	694,737	694,737	477,640	(217,097)
Interfund Payments for Services	6,530,610	6,532,610	5,846,185	(686,425)
Total Non Departmental Expenditures	7,367,847	7,375,847	6,472,107	(903,740)
Total General Government	\$ 18,995,787	\$ 18,956,308	\$ 17,397,905	\$ (1,558,403)
Judicial				
<u>County Clerk</u>				
Salaries and Wages	942,361	942,361	942,990	629
Personnel Benefits	508,764	508,764	506,038	(2,726)
Supplies	24,000	24,000	25,828	1,828
Other Services and Charges	20,700	20,700	12,669	(8,031)
Total County Clerk	1,495,825	1,495,825	1,487,525	(8,300)
<u>District Court</u>				
Salaries and Wages	1,325,442	1,325,442	1,318,454	(6,988)
Personnel Benefits	619,300	619,300	609,790	(9,510)
Supplies	17,000	17,000	14,632	(2,368)
Other Services and Charges	48,700	48,700	46,846	(1,854)
Interfund Payments for Services	-	-	-	-
Total District Court	2,010,442	2,010,442	1,989,722	(20,720)
<u>Public Defender</u>				
Salaries and Wages	1,638,509	1,638,509	1,570,729	(67,780)
Personnel Benefits	725,898	725,898	699,992	(25,906)
Supplies	11,610	11,610	8,178	(3,432)
Other Services and Charges	302,684	302,684	340,360	37,676
Total Public Defender	2,678,701	2,678,701	2,619,259	(59,442)
<u>Superior Courts</u>				
Salaries and Wages	1,008,556	1,008,556	999,492	(9,064)
Personnel Benefits	340,511	340,511	314,569	(25,942)
Supplies	21,448	21,448	19,476	(1,972)
Other Services and Charges	344,786	344,786	310,362	(34,424)
Total Superior Courts	1,715,301	1,715,301	1,643,899	(71,402)

SKAGIT COUNTY, WASHINGTON
Schedule of Expenditures Budget (GAAP Basis) and Actual
For the Year Ending December 31, 2014

<u>Assigned Counsel</u>				-
Salaries and Wages	132,362	138,162	137,288	(874)
Personnel Benefits	79,881	77,381	77,765	384
Supplies	950	950	687	(263)
Other Services and Charges	475,000	475,000	395,775	(79,225)
Total Assigned Counsel	<u>688,193</u>	<u>691,493</u>	<u>611,515</u>	<u>(79,978)</u>
<u>Mediation Services</u>				-
Other Services and Charges	77,000	77,000	75,490	(1,510)
Total Mediation Services	<u>77,000</u>	<u>77,000</u>	<u>75,490</u>	<u>(1,510)</u>
Total Judicial	\$ 8,665,462	\$ 8,668,762	\$ 8,427,410	\$ (241,352)
Public Safety				
<u>District Court Probation</u>				-
Salaries and Wages	326,677	326,677	334,040	7,363
Personnel Benefits	159,994	159,994	161,036	1,042
Supplies	2,500	2,500	1,450	(1,050)
Other Services and Charges	4,250	4,250	2,271	(1,979)
Total District Court Probation	<u>493,421</u>	<u>493,421</u>	<u>498,797</u>	<u>5,376</u>
<u>Non-Departmental - County Jail Costs</u>				
Interfund Payments for Services	5,500,000	5,500,000	5,500,000	-
Total Non-Departmental - County Jail Costs	<u>5,500,000</u>	<u>5,500,000</u>	<u>5,500,000</u>	<u>-</u>
<u>Office of Juvenile Court</u>				-
Salaries and Wages	1,655,233	1,784,736	1,663,845	(120,891)
Personnel Benefits	831,999	895,978	838,459	(57,519)
Supplies	23,350	23,950	21,520	(2,430)
Other Services and Charges	46,887	51,524	42,905	(8,619)
Interfund Payments for Services	1,860	1,860	10,705	8,845
Total Office of Juvenile Court	<u>2,559,329</u>	<u>2,758,048</u>	<u>2,577,434</u>	<u>(180,614)</u>
<u>Civil Service Commission</u>				-
Salaries and Wages	30,000	29,100	12,453	(16,647)
Personnel Benefits	4,587	4,587	1,941	(2,646)
Supplies	500	500	-	(500)
Other Services and Charges	500	1,400	975	(425)
Total Civil Service Commission	<u>35,587</u>	<u>35,587</u>	<u>15,369</u>	<u>(20,218)</u>
<u>Sheriff</u>				-
Salaries and Wages	4,498,909	4,498,909	4,474,747	(24,162)
Personnel Benefits	1,991,114	1,991,114	1,868,350	(122,764)
Supplies	84,675	84,675	71,789	(12,886)
Other Services and Charges	194,575	209,575	163,828	(45,747)
Interfund Payments for Services	1,240,238	1,240,238	1,218,614	(21,624)
Total Sheriff	<u>8,009,511</u>	<u>8,024,511</u>	<u>7,797,328</u>	<u>(227,183)</u>
Total Public Safety	\$ 16,597,848	\$ 16,811,567	\$ 16,388,928	\$ (422,639)

SKAGIT COUNTY, WASHINGTON
Schedule of Expenditures Budget (GAAP Basis) and Actual
For the Year Ending December 31, 2014

Physical Environment

<u>Sustainability</u>					-
Salaries and Wages	13,801	13,801	8,279	(5,522)	
Personnel Benefits	6,908	6,908	3,998	(2,910)	
Supplies	2,000	2,000	-	(2,000)	
Other Services and Charges	3,000	3,000	1,390	(1,610)	
Interfund Payments for Services				-	
Total Sustainability	25,709	25,709	13,667	(12,042)	
 Total Physical Environment					
	\$ 25,709	\$ 25,709	\$ 13,667	\$ (12,042)	

Economic Environment

<u>Boundary Review Board</u>					-
Salaries and Wages	5,135	6,135	5,320	(815)	
Personnel Benefits	2,692	2,692	2,723	31	
Supplies	-	-	-	-	
Other Services and Charges	10,000	13,000	9,210	(3,790)	
Total Boundary Review Board	17,827	21,827	17,253	(4,574)	

Hearing Examiner

					-
Salaries and Wages	23,109	23,109	23,939	830	
Personnel Benefits	12,113	12,113	12,253	140	
Supplies	100	100	109	9	
Other Services and Charges	65,000	65,000	61,144	(3,856)	
Total Hearing Examiner	100,322	100,322	97,445	(2,877)	

Animal Control

					-
Salaries and Wages	47,932	47,932	49,500	1,568	
Personnel Benefits	27,944	27,944	30,047	2,103	
Supplies	3,000	3,000	507	(2,493)	
Other Services and Charges	26,500	26,500	34,292	7,792	
Interfund Payments for Service	5,291	5,291	5,280	(11)	
Total Animal Control	110,667	110,667	119,626	8,959	

Noxious Weed Control

					-
Salaries and Wages	69,299	76,799	72,843	(3,956)	
Personnel Benefits	30,975	36,275	34,520	(1,755)	
Supplies	5,400	5,400	4,585	(815)	
Other Services and Charges	2,890	3,140	2,472	(668)	
Interfund Payments for Service	7,944	10,244	12,085	1,841	
Total Noxious Weed Control	116,508	131,858	126,505	(5,353)	

Pest Control

					-
Salaries and Wages	12,749	-	-	-	
Personnel Benefits	1,933	-	-	-	
Supplies	750	-	-	-	
Other Services and Charges	3,680	20,612	10,000	(10,612)	
Interfund Payments for Service	1,500	-	-	-	
Total Pest Control	20,612	20,612	10,000	(10,612)	

AG Advisory Board

					-
Salaries and Wages	6,698	6,698	2,648	(4,050)	
Personnel Benefits	3,416	3,416	1,337	(2,079)	
Other Services and Charges	100	100	63	(37)	
Total AG Advisory Board	10,214	10,214	4,048	(6,166)	

Total Economic Environment					
	\$ 376,150	\$ 395,500	\$ 374,877	\$ (20,623)	

SKAGIT COUNTY, WASHINGTON
Schedule of Expenditures Budget (GAAP Basis) and Actual
General Fund
For the Year Ended December 31, 2014

	<u>Budgeted Amounts</u>			Variance with Final Budget
	Original Budget	Final Budget	Actual	
<i>Health and Human Services</i>				
<u>Coroner</u>				
Salaries and Wages	105,747	105,747	99,788	(5,959)
Personnel Benefits	47,242	47,242	47,014	(228)
Supplies	4,000	4,000	4,233	233
Other Services and Charges	119,062	119,062	115,818	(3,244)
Interfund Payment for Services	16,032	16,032	16,187	155
Total Cooperative Extension	<u>292,083</u>	<u>292,083</u>	<u>283,040</u>	<u>(9,043)</u>
Total Health and Human Services	\$ 292,083	\$ 292,083	\$ 283,040	\$ (9,043)
<i>Culture and Recreation</i>				
<u>Cooperative Extension</u>				
Salaries and Wages	-	-	39,682	39,682
Personnel Benefits	-	-	15,716	15,716
Supplies	-	-	239	239
Other Services and Charges	220,000	290,000	234,363	(55,637)
Total Cooperative Extension	<u>220,000</u>	<u>290,000</u>	<u>290,000</u>	<u>-</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>
Total Culture and Recreation	\$ 370,000	\$ 440,000	\$ 440,000	\$ -
Capital Outlay				
<u>Capital Outlay</u>				
Capital Outlay	20,000	20,000	-	(20,000)
Total Capital Outlay	<u>20,000</u>	<u>20,000</u>	<u>-</u>	<u>(20,000)</u>
TOTAL EXPENDITURES	<u>\$ 45,343,039</u>	<u>\$ 45,609,929</u>	<u>\$ 43,325,827</u>	<u>\$ (2,284,102)</u>

SKAGIT COUNTY, WASHINGTON
Schedule of Revenues, Expenditures and Changes in Fund Balances - Budget to Actual
Mental Health Fund
For the Year Ended December 31, 2014

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance</u>
	<u>Original</u>	<u>Final</u>		
Budgeted Fund Balance, January 1	\$ 824,406	\$ 819,406	\$ 5,320,254	
Resources (in-flows)				
General Property Taxes	334,640	334,640	322,345	(12,295)
Timber Harvest Taxes	4,381	4,381	-	(4,381)
Excise Taxes	2,426,073	2,426,073	2,502,999	76,926
Licenses and Permits				-
Intergovernmental Revenues	277,514	277,514	345,314	67,800
Charges for Services	1,460,853	1,460,853	1,184,803	(276,050)
Interest Earnings	5,318	5,318	5,092	(226)
Other Revenue	46	46	866	820
Total Resources (in-flows)	<u>4,508,825</u>	<u>4,508,825</u>	<u>4,361,419</u>	<u>(147,406)</u>
Amounts Available for Appropriation	5,333,231	5,328,231	9,681,673	
Charges to Appropriations (out-flows)				
Health and Human Services	5,197,948	5,155,306	3,737,306	(1,418,000)
Transfers Out	135,283	172,925	134,651	(38,274)
Amount Charged to Appropriations (out-flows)	<u>5,333,231</u>	<u>5,328,231</u>	<u>3,871,957</u>	<u>(1,456,274)</u>
Budgeted Fund Balance, December 31	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 5,809,716</u>	

SKAGIT COUNTY, WASHINGTON
Schedule of Revenues, Expenditures and Changes in Fund Balances - Budget to Actual
County Road Fund
For the Year Ended December 31, 2014

	Budgeted Amounts		Actual	Variance
	Original	Final		
Budgeted Fund Balance, January 1	\$ (157,207)	\$ (157,207)	\$ 2,300,199	
Resources (in-flows)				
General Property Taxes	11,511,602	11,511,602	11,272,361	(239,241)
Timber Harvest Taxes	300,000	300,000	-	(300,000)
Excise Taxes	50,000	50,000	418,919	368,919
Licenses and Permits	76,000	76,000	87,041	11,041
Intergovernmental Revenues	10,490,244	10,490,244	8,922,259	(1,567,985)
Charges for Services	2,957,029	2,957,029	1,620,364	(1,336,665)
Interest Earnings	10,200	10,200	3,394	(6,806)
Other Revenue	576,500	576,500	719,809	143,309
Total Resources (in-flows)	25,971,575	25,971,575	23,044,147	(2,927,428)
Amounts Available for Appropriation	25,814,368	25,814,368	25,344,346	
Charges to Appropriations (out-flows)				
General Government	90,333	117,333	663,237	545,904
Transportation	19,333,535	19,306,535	17,603,627	(1,702,908)
Capital Expenditures	5,940,500	5,940,500	4,897,656	(1,042,844)
Transfers Out	450,000	450,000	40,889	(409,111)
Amount Charged to Appropriations (out-flows)	25,814,368	25,814,368	23,205,409	(2,608,959)
Budgeted Fund Balance, December 31	\$ -	\$ -	\$ 2,138,937	

SKAGIT COUNTY, WASHINGTON

Notes to Required Supplementary Information

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

The annual appropriated budget is adopted at the department level within the General Fund, and for management. The annual appropriated budget is adopted at the department level within the General Fund, and at the fund level for government funds.

Appropriations at the department level and the budgets constitute the legal authority for expenditures at purposes, expenditures are further segregated by object class of expenditure. Object class refers to a segmentation of expenditures into five categories. These categories are salaries and wages, personnel benefits, supplies, other services and charges, and capital expenditures. Expenditures may not exceed appropriations at the department level and the budgets constitute the legal authority for expenditures at that level. All appropriations lapse thirty days after the close of each year.

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

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

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

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

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

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

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

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

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

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

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

**Required Supplementary Information
Other Postemployment Benefits
LEOFF 1 Retiree Medical Benefits
Schedule of Funding Progress
12/31/2014**

For the Year Ended	Actuarial Valuation Date	Actuarial Valuation of Assets	Actuarial Accrued Liability	Unfunded Actuarial Accrued Liabilities (UAAL)	Funded Ratio	Annual Required Contribution (ARC)	Covered Payroll	AAL as a Percentage of Covered Payroll
2008	5/13/2009	\$ -	\$ 4,574,084	\$ 4,574,084	0%	\$ 465,505	\$ 59,932	7632%
2009	5/13/2009	\$ -	\$ 4,574,084	\$ 4,574,084	0%	\$ 465,505	\$ 24,262	18853%
2010	5/13/2009	\$ -	\$ 4,574,084	\$ 4,574,084	0%	\$ 465,505	\$ -	0%
2011	1/23/2012	\$ -	\$ 3,513,272	\$ 3,513,272	0%	\$ 327,134	\$ -	0%
2012	1/23/2012	\$ -	\$ 3,513,272	\$ 3,513,272	0%	\$ 327,134	\$ -	0%
2013	1/23/2012	\$ -	\$ 3,513,272	\$ 3,513,272	0%	\$ 327,134	\$ -	0%
2014	1/16/2015	\$ -	\$ 5,528,316	\$ 5,528,316	0%	\$ 497,223	\$ -	0%

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

The actuarial calculations of the OPEB plan reflect a long-term perspective.

Actuarial Assumptions

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

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

Please see Note VI D for further information.

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Individual and Combining Statements and Schedules



SKAGIT COUNTY, WASHINGTON
COMBINING BALANCE SHEET
NONMAJOR GOVERNMENTAL FUNDS
AS OF DECEMBER 31, 2014

	Non Major Funds			Total
	Special	Debt	Capital	
ASSETS and OUTFLOWS of RESOURCES	Revenue	Service	Project	
Cash/Cash Equivalents	\$ 10,079,268	\$ 30,152	\$ 4,713,131	\$ 14,822,551
Investments	6,062,619	1,128,657	7,058,844	14,250,120
Taxes Receivable	245,131	140	-	245,271
Accounts Receivable	95,602	-	-	95,602
Due From Other Funds	53,240	-	-	53,240
Due From Other Governmental Units	1,713,581	-	403,083	2,116,662
Interfund Loan Receivable	1,500	-	-	1,500
Inventory/Prepayments	59,336	-	-	59,336
Total Assets	18,310,277	1,158,949	12,175,058	31,644,282
Deferred Outflows of Resources				
Total Assets and Deferred Outflows of Resources	18,310,277	1,158,949	12,175,058	31,644,282
LIABILITIES, DEFERRED INFLOWS of RESOURCES and FUND BALANCES				
<u>Liabilities</u>				
Accounts/Vouchers Payable	879,366	-	\$ 167,655	1,047,021
Due To Other Funds	568,275	-	30,878	599,153
Due To Other Governmental Units	154,572	-	-	154,572
Accrued Wages Payable	276,014	-	-	276,014
Accrued Employee Benefits	63,618	-	-	63,618
Custodial Accounts	19,540	-	-	19,540
Deferred Revenue	182,186	-	56,383	238,569
Long-Term Interfund Loans Payable	-	1,500	-	1,500
Total Liabilities	2,143,571	1,500	254,916	2,399,988
Deferred Inflows of Resources	245,132	140		245,272
<u>Fund Balance</u>				
Nonspendable	57,488	-	-	57,488
Restricted	9,550,374	1,157,309	11,920,142	22,627,824
Committed	6,313,711	-	-	6,313,711
Assigned	-	-	-	-
Unassigned	-	-	-	-
Total Fund Balances	15,921,574	1,157,309	11,920,142	28,999,023
Total Liabilities, Deferred Inflows of Resources and Fund Balances	\$ 18,310,276	\$ 1,158,949	\$ 12,175,058	\$ 31,644,282

SKAGIT COUNTY, WASHINGTON
COMBINING STATEMENT OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCE
NONMAJOR GOVERNMENTAL FUNDS
FOR THE YEAR ENDED DECEMBER 31, 2014

	Non Major Funds			Total
	Special Revenue	Debt Service	Capital Project	
<u>Revenues</u>				
Property Taxes	\$7,624,423	-	\$1,189,133	\$ 8,813,556
Sales and Use Taxes	4,278,917		2,258,836	6,537,753
Other Taxes	201,198		-	201,198
Licenses and Permits	1,035,357	-	-	1,035,357
Intergovernmental	5,423,826	-	-	5,423,826
Charges for Services	3,500,766	-	12,470	3,513,236
Fines and Forfeits	213,136	-	-	213,136
Interest Earnings	11,866	75,147	9,929	96,942
Donations	402,486	-	-	402,486
Other Revenues	328,384	269,823	689,453	1,287,660
Total Revenues	<u>23,020,360</u>	<u>344,970</u>	<u>4,159,821</u>	<u>27,525,150</u>
<u>Expenditures</u>				
Current:				
General Governmental Services	965,970	-	-	965,970
Public Safety	9,836,503	-	-	9,836,503
Physical Environment	2,986,535	-	-	2,986,535
Transportation	160,012	-	-	160,012
Economic Environment	2,506,394	-	488,435	2,994,829
Health and Human Services	8,610,023	-	-	8,610,025
Culture and Recreation	1,791,363	-	121,826	1,913,189
Debt Service:	-	-	-	-
Principal	-	2,772,142	-	2,772,142
Interest	-	693,958	-	693,958
Capital Outlay	893,587	-	1,268,825	2,162,412
Total Expenditures	<u>27,750,388</u>	<u>3,466,100</u>	<u>1,879,086</u>	<u>33,095,570</u>
Excess (Deficit) Revenues Over Expenditures	<u>(4,730,028)</u>	<u>(3,121,130)</u>	<u>2,280,735</u>	<u>(5,570,420)</u>
<u>Other Financing Sources (Uses)</u>				
<u>Interfund Loan receivable</u>				
Proceeds of Long-Term Debt	360,761	544,443	881,410	1,786,614
Proceeds of Capital Assets	56,800	-	-	56,800
Transfers In	4,324,974	1,401,556	1,200,000	6,926,530
Transfers Out	(181,800)	-	(3,057,556)	(3,239,356)
Total Other Financing Source (Uses)	<u>4,560,735</u>	<u>1,945,999</u>	<u>(976,146)</u>	<u>5,530,588</u>
Net Change in Fund Balance	<u>(169,293)</u>	<u>(1,175,131)</u>	<u>1,304,589</u>	<u>(39,832)</u>
Fund Balance-January 1	15,194,684	2,332,440	10,615,553	28,142,669
Prior Period Adjustment	896,184	-	-	896,184
Fund Balance-December 31	<u>15,921,575</u>	<u>1,157,309</u>	<u>11,920,142</u>	<u>\$28,999,023</u>

SKAGIT COUNTY, WASHINGTON
NONMAJOR SPECIAL REVENUE FUNDS
AS OF DECEMBER 31, 2014

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.

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, 2014

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

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

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

Lake Management District No. 1 – A fund established to collect assessments and to pay for costs related to lake improvements and maintenance activities on Big Lake.

Lake Management District No. 2 – A fund established to collect assessments and to pay for costs related to lake improvements and maintenance activities on Lake McMurray.

Lake Management District No. 3 – A fund established to collect assessments and to pay for costs related to lake improvements and maintenance activities on Lakes Erie and Campbell.

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

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

Drug Enforcement - A fund established for drug enforcement activities.

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

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

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

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

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

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, 2014

ASSETS and OUTFLOWS of RESOURCES	Public Health	Special Paths	Emergency Mgmt	County Fair
Cash and Cash Equivalents	\$215,524	\$256,583	\$284,652	\$623,768
Investments	-	208,021		
Taxes Receivable				
Accounts Receivable	13,102		-	
Due from Other Funds	20,794		-	-
Due from Other Governments	432,422		131,921	
Interfund Loans Receivable				
Inventories	55,988			
Prepaid Items				
Total Assets	<u>737,830</u>	<u>464,603</u>	<u>416,573</u>	<u>623,768</u>
Deferred Outflows of Resources				
Total Assets and Deferred Outflows of Resources	<u>737,830</u>	<u>464,603</u>	<u>416,573</u>	<u>623,768</u>
LIABILITIES, DEFERRED INFLOWS of REOURCES and FUND BALANCES				
<u>Liabilities</u>				
Accounts and Vouchers Payable	7,874	3,571	46,332	2,334
Due to Other Funds	275,322	1,378	32,849	11,656
Due to Other Governments	-	-	-	
Accrued Wages Payable	88,056	3,007	9,455	1,990
Accrued Employee Benefits	19,358	655	1,893	498
Custodial Accounts				
Unearned Revenue	-			70,104
Interfund Loans Payable				
Total Liabilities	<u>390,610</u>	<u>8,611</u>	<u>90,530</u>	<u>86,583</u>
Deferred Inflows of Resources				
	-			
<u>Fund Balance</u>				
Nonspendable	55,988			
Restricted	240,519	455,992		
Committed	50,713		326,044	537,186
Assigned				
Unassigned				
Total Fund Balances	<u>347,220</u>	<u>455,992</u>	<u>326,044</u>	<u>537,186</u>
Total Liabilities, Deferred Inflows of Resources and Fund Balances	<u>737,830</u>	<u>464,603</u>	<u>416,573</u>	<u>623,768</u>

SKAGIT COUNTY, WASHINGTON
COMBINING BALANCE SHEET
NONMAJOR SPECIAL REVENUE FUNDS
AS OF DECEMBER 31, 2014

ASSETS and OUTFLOWS of RESOURCES	Veterans' Relief	Law Library	River Imp	Treasurer O&M
Cash and Cash Equivalents	\$422,570	\$48,652	\$53,165	\$28,527
Investments			169,153	221,290
Taxes Receivable	4,730			
Accounts Receivable			82,500	
Due from Other Funds			-	
Due from Other Governments			1,311	
Interfund Loans Receivable				
Inventories				
Prepaid Items				
Total Assets	427,300	48,652	306,130	249,818
Deferred Outflows of Resources				
Total Assets and Deferred Outflows of Resources	427,300	48,652	306,130	249,818
LIABILITIES, DEFERRED INFLOWS of REOURCES and FUND BALANCES				
<u>Liabilities</u>				
Accounts and Vouchers Payable	9,522	7,367	11,141	123
Due to Other Funds	2,565		14,857	
Due to Other Governments		-		
Accrued Wages Payable		2,228	1,839	5,213
Accrued Employee Benefits		420	365	
Custodial Accounts				
Unearned Revenue				
Interfund Loans Payable				
Total Liabilities	12,087	10,015	28,202	5,336
Deferred Inflows of Resources	4,730			
<u>Fund Balance</u>				
Nonspendable				
Restricted	410,483			244,482
Committed		38,637	277,928	
Assigned				
Unassigned				
Total Fund Balances	410,483	38,637	277,928	244,482
Total Liabilities, Deferred Inflows of Resources and Fund Balances	427,300	48,652	306,130	249,818

SKAGIT COUNTY, WASHINGTON
COMBINING BALANCE SHEET
NONMAJOR SPECIAL REVENUE FUNDS
AS OF DECEMBER 31, 2014

ASSETS and OUTFLOWS of RESOURCES	Document			Substance
	Preserv	Election	Parks & Rec	Abuse
Cash and Cash Equivalents	\$180,259	\$406,159	\$285,428	\$618,026
Investments	427,816		420,360	
Taxes Receivable				
Accounts Receivable	-	-		-
Due from Other Funds		-		
Due from Other Governments				65,413
Interfund Loans Receivable				
Inventories				
Prepaid Items				
Total Assets	608,075	406,159	705,788	683,439
Deferred Outflows of Resources				
Total Assets and Deferred Outflows of Resources	608,075	406,159	705,788	683,439
LIABILITIES, DEFERRED INFLOWS of RESOURCES and FUND BALANCES				
<u>Liabilities</u>				
Accounts and Vouchers Payable	3,792	155	9,363	89,265
Due to Other Funds		3,094		15,874
Due to Other Governments		-	-	146,638
Accrued Wages Payable	2,133	7,628	19,573	3,947
Accrued Employee Benefits	406	1,440	4,198	835
Custodial Accounts			(94)	
Unearned Revenue			108,220	
Interfund Loans Payable		-		
Total Liabilities	6,331	12,317	141,259	256,559
Deferred Inflows of Resources				
<u>Fund Balance</u>				
Nonspendable				
Restricted	601,744			426,880
Committed		393,841	564,529	
Assigned				
Unassigned				
Total Fund Balances	601,744	393,841	564,529	426,880
Total Liabilities, Deferred Inflows of Resources and Fund Balances	608,075	406,158	705,789	683,439

SKAGIT COUNTY, WASHINGTON
COMBINING BALANCE SHEET
NONMAJOR SPECIAL REVENUE FUNDS
AS OF DECEMBER 31, 2014

ASSETS and OUTFLOWS of RESOURCES	Community Services	Conv. Center	Clean Water	Conserv. Futures
Cash and Cash Equivalents	\$390,348	\$173,082	\$374,217	\$1,735,400
Investments		129,971	500,164	490,296
Taxes Receivable			60,039	23,001
Accounts Receivable	-	-	-	
Due from Other Funds			32,446	
Due from Other Governments	33,919	51,041	119,057	140,000
Interfund Loans Receivable				
Inventories				
Prepaid Items				
Total Assets	<u>424,267</u>	<u>354,094</u>	<u>1,085,922</u>	<u>2,388,698</u>
Deferred Outflows of Resources				
Total Assets and Deferred Outflows of Resources	<u>424,267</u>	<u>354,094</u>	<u>1,085,922</u>	<u>2,388,698</u>
LIABILITIES, DEFERRED INFLOWS of REOURCES and FUND BALANCES				
<u>Liabilities</u>				
Accounts and Vouchers Payable	30,968	58,508	120,910	8,680
Due to Other Funds		1,621	111,904	3,224
Due to Other Governments				
Accrued Wages Payable	27,961		22,563	1,574
Accrued Employee Benefits	5,413		4,249	303
Custodial Accounts				
Unearned Revenue				
Interfund Loans Payable				
Total Liabilities	<u>64,342</u>	<u>60,129</u>	<u>259,626</u>	<u>13,781</u>
Deferred Inflows of Resources			60,039	23,001
<u>Fund Balance</u>				
Nonspendable				
Restricted	92,043	293,965	766,257	2,351,916
Committed	267,882			
Assigned				
Unassigned				
Total Fund Balances	<u>359,925</u>	<u>293,965</u>	<u>766,257</u>	<u>2,351,916</u>
Total Liabilities, Deferred Inflows of Resources and Fund Balances	<u>424,267</u>	<u>354,094</u>	<u>1,085,922</u>	<u>2,388,698</u>

SKAGIT COUNTY, WASHINGTON
COMBINING BALANCE SHEET
NONMAJOR SPECIAL REVENUE FUNDS
AS OF DECEMBER 31, 2014

ASSETS and OUTFLOWS of RESOURCES	Medic 1	Crime Victim	Comm. System	Water Quality
Cash and Cash Equivalents	\$1,910,486	\$31,524	\$1,182	\$135,591
Investments	2,005,801	118,677		203,816
Taxes Receivable	145,950			5,114
Accounts Receivable			-	
Due from Other Funds				
Due from Other Governments			641,705	9,533
Interfund Loans Receivable				
Inventories				
Prepaid Items				
Total Assets	4,062,237	150,201	642,887	354,055
Deferred Outflows of Resources				
Total Assets and Deferred Outflows of Resources	4,062,237	150,201	642,887	354,055
LIABILITIES, DEFERRED INFLOWS of REOURCES and FUND BALANCES				
<u>Liabilities</u>				
Accounts and Vouchers Payable	241,714	14	947	(25)
Due to Other Funds	86,709			
Due to Other Governments	7,934			
Accrued Wages Payable	16,220	854		83
Accrued Employee Benefits		167		
Custodial Accounts	1,854			
Unearned Revenue	-			-
Interfund Loans Payable				
Total Liabilities	354,431	1,035	947	59
Deferred Inflows of Resources	145,950			5,114
<u>Fund Balance</u>				
Nonspendable				
Restricted		149,166	641,939	348,882
Committed	3,561,857			
Assigned				
Unassigned				
Total Fund Balances	3,561,857	149,166	641,939	348,882
Total Liabilities, Deferred Inflows of Resources and Fund Balances	4,062,237	150,201	642,887	354,055

SKAGIT COUNTY, WASHINGTON
COMBINING BALANCE SHEET
NONMAJOR SPECIAL REVENUE FUNDS
AS OF DECEMBER 31, 2014

ASSETS and OUTFLOWS of RESOURCES	Planning & Development	Lake Mgmt Dist. 1	Lake Mgmt Dist. 2	Lake Mgmt Dist. 3
Cash and Cash Equivalents	\$1,269,210	\$72,501	\$24,195	\$29,462
Investments		50,000	30,000	35,000
Taxes Receivable		1,608	420	195
Accounts Receivable				
Due from Other Funds	-			
Due from Other Governments	41,336			
Interfund Loans Receivable				
Inventories				
Prepaid Items				
Total Assets	<u>1,310,547</u>	<u>124,109</u>	<u>54,615</u>	<u>64,657</u>
Deferred Outflows of Resources				
Total Assets and Deferred Outflows of Resources	<u>1,310,547</u>	<u>124,109</u>	<u>54,615</u>	<u>64,657</u>
LIABILITIES, DEFERRED INFLOWS of RECOURCES and FUND BALANCES				
<u>Liabilities</u>				
Accounts and Vouchers Payable	39,042	34,993	7,196	20,312
Due to Other Funds	2,111			
Due to Other Governments	-			
Accrued Wages Payable	58,947			
Accrued Employee Benefits	23,418			
Custodial Accounts				
Unearned Revenue	3,861	-	-	-
Interfund Loans Payable	-			
Total Liabilities	<u>127,379</u>	<u>34,993</u>	<u>7,196</u>	<u>20,312</u>
Deferred Inflows of Resources	-	1,608	420	196
<u>Fund Balance</u>				
Nonspendable				
Restricted	1,183,168	87,508	46,999	44,149
Committed				
Assigned				
Unassigned				
Total Fund Balances	<u>1,183,168</u>	<u>87,508</u>	<u>46,999</u>	<u>44,149</u>
Total Liabilities, Deferred Inflows of Resources and Fund Balances	<u>1,310,547</u>	<u>124,109</u>	<u>54,615</u>	<u>64,657</u>

SKAGIT COUNTY, WASHINGTON
COMBINING BALANCE SHEET
NONMAJOR SPECIAL REVENUE FUNDS
AS OF DECEMBER 31, 2014

ASSETS and OUTFLOWS of RESOURCES	Lake Mgmt Dist. 4	Edison Clean Wtr	Drug Enforce.	Boating Safety
Cash and Cash Equivalents	\$31,642	\$147,017	\$11,506	\$39,276
Investments	25,000	150,000	219,352	30,000
Taxes Receivable	1,853	2,221		
Accounts Receivable				
Due from Other Funds				
Due from Other Governments			-	-
Interfund Loans Receivable		1,500		
Inventories				
Prepaid Items				
Total Assets	58,495	300,738	230,859	69,276
Deferred Outflows of Resources				
Total Assets and Deferred Outflows of Resources	58,495	300,738	230,859	69,276
LIABILITIES, DEFERRED INFLOWS of REOURCES and FUND BALANCES				
<u>Liabilities</u>				
Accounts and Vouchers Payable	11,785	1,923	-	421
Due to Other Funds				1,504
Due to Other Governments				
Accrued Wages Payable				-
Accrued Employee Benefits				
Custodial Accounts				
Unearned Revenue	-	-		
Interfund Loans Payable				
Total Liabilities	11,785	1,923	-	1,925
Deferred Inflows of Resources	1,853	2,221		
<u>Fund Balance</u>				
Nonspendable		1,500		
Restricted	44,857		230,859	67,350
Committed		295,094		
Assigned				
Unassigned				
Total Fund Balances	44,857	296,594	230,859	67,350
Total Liabilities, Deferred Inflows of Resources and Fund Balances	58,495	300,739	230,859	69,275

SKAGIT COUNTY, WASHINGTON
COMBINING BALANCE SHEET
NONMAJOR SPECIAL REVENUE FUNDS
AS OF DECEMBER 31, 2014

ASSETS and OUTFLOWS of RESOURCES	Low Inc. Housing	Title III Projects	Treasurer REET	Housing Assistance
Cash and Cash Equivalents	\$106,225	\$19,625	\$19,607	\$11,566
Investments	148,209		162,746	233,892
Taxes Receivable				
Accounts Receivable				
Due from Other Funds				
Due from Other Governments				
Interfund Loans Receivable				
Inventories				
Prepaid Items				
Total Assets	254,434	19,625	182,353	245,458
Deferred Outflows of Resources				
Total Assets and Deferred Outflows of Resources	254,434	19,625	182,353	245,458
LIABILITIES, DEFERRED INFLOWS of REOURCES and FUND BALANCES				
<u>Liabilities</u>				
Accounts and Vouchers Payable	30,103	8,151		47,078
Due to Other Funds				3,607
Due to Other Governments				
Accrued Wages Payable				
Accrued Employee Benefits				
Custodial Accounts				
Unearned Revenue				
Interfund Loans Payable				
Total Liabilities	30,103	8,151	-	50,685
Deferred Inflows of Resources				
<u>Fund Balance</u>				
Nonspendable				
Restricted	224,331	11,474	182,353	194,773
Committed				
Assigned				
Unassigned				
Total Fund Balances	224,331	11,474	182,353	194,773
Total Liabilities, Deferred Inflows of Resources and Fund Balances	254,435	19,625	182,353	245,458

**SKAGIT COUNTY, WASHINGTON
COMBINING BALANCE SHEET
NONMAJOR SPECIAL REVENUE FUNDS
AS OF DECEMBER 31, 2014**

ASSETS and OUTFLOWS of RESOURCES	<u>Interlocal Invest.</u>	<u>TOTAL</u>
Cash and Cash Equivalents	\$122,292	\$10,079,268
Investments	83,054	6,062,619
Taxes Receivable		245,131
Accounts Receivable		95,602
Due from Other Funds	-	53,240
Due from Other Governments	45,921	1,713,581
Interfund Loans Receivable		1,500
Inventories	3,348	59,336
Prepaid Items		
Total Assets	<u>254,615</u>	<u>18,310,277</u>
Deferred Outflows of Resources		
Total Assets and Deferred Outflows of Resources	<u>254,615</u>	<u>18,310,277</u>
LIABILITIES, DEFERRED INFLOWS of REOURCES and FUND BALANCES		
<u>Liabilities</u>		
Accounts and Vouchers Payable	25,808	879,366
Due to Other Funds		568,275
Due to Other Governments	-	154,572
Accrued Wages Payable	2,743	276,014
Accrued Employee Benefits		63,618
Custodial Accounts	17,780	19,540
Unearned Revenue		182,186
Interfund Loans Payable		-
Total Liabilities	<u>46,331</u>	<u>2,143,571</u>
Deferred Inflows of Resources		<u>245,132</u>
<u>Fund Balance</u>		
Nonspendable		57,488
Restricted	208,284	9,550,374
Committed		6,313,711
Assigned		-
Unassigned		-
Total Fund Balances	<u>208,284</u>	<u>15,921,574</u>
Total Liabilities, Deferred Inflows of Resources and Fund Balances	<u>254,616</u>	<u>18,310,276</u>

SKAGIT COUNTY, WASHINGTON
COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND
CHANGES IN FUND BALANCE
NONMAJOR SPECIAL REVENUE FUNDS
FOR THE YEAR ENDED DECEMBER 31, 2014

	Public Health	Special Paths	Emergency Mgmt	County Fair
REVENUES				
Property Taxes				
Sales and Use Taxes				
Other Taxes				
Licenses and Permits	463,120		-	
Intergovernmental	2,229,603	63,950	342,203	17,925
Charges for Services	629,518		23,333	244,201
Fines and Forfeits	6,406			
Interest Earnings	49	1,123		
Donations	1			26,890
Other Revenue	3,267		-	48,422
Total Revenue	<u>3,331,964</u>	<u>65,073</u>	<u>365,537</u>	<u>337,438</u>
EXPENDITURES				
Current:				
General Governmental Services				
Public Safety			456,116	
Utilities and Environment				
Transportation		160,012		
Economic Environment				
Health & Human Services	4,375,586			
Culture and Recreation				307,595
Debt Service:				
Principal				
Interest				
Capital Outlay		8,016	67,761	
Total Expenditures	<u>4,375,586</u>	<u>168,028</u>	<u>523,877</u>	<u>307,595</u>
Excess (Deficit) of Revenues Over Expenditures	<u>(1,043,622)</u>	<u>(102,955)</u>	<u>(158,340)</u>	<u>29,843</u>
Other Financing Sources (Uses)				
Proceeds from Long Term Debt				
Proceeds from Sale of Capital Assets				
Transfers In	889,943		102,846	25,000
Transfers Out				
Total Other Financial Sources (Uses)	<u>889,943</u>	<u>-</u>	<u>102,846</u>	<u>25,000</u>
Net Change in Fund Balance	<u>(153,679)</u>	<u>(102,955)</u>	<u>(55,494)</u>	<u>54,843</u>
Fund Balance, January 1	500,899	558,947	381,538	482,343
Prior Period Adjustments				
Fund Balance, January 1, restated	<u>500,899</u>	<u>558,947</u>	<u>381,538</u>	<u>482,343</u>
Fund Balance, December 31	<u>\$347,220</u>	<u>\$455,992</u>	<u>\$326,044</u>	<u>\$537,186</u>

SKAGIT COUNTY, WASHINGTON
COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND
CHANGES IN FUND BALANCE
NONMAJOR SPECIAL REVENUE FUNDS
FOR THE YEAR ENDED DECEMBER 31, 2014

REVENUES	Veterans'	Law	River	Treasurer
	Relief	Library	Imp	O&M
Property Taxes	\$161,306			
Sales and Use Taxes	3,810			
Other Taxes				
Licenses and Permits				
Intergovernmental	5,120		1,311	
Charges for Services		48,445	90,500	58,177
Fines and Forfeits				
Interest Earnings	-		160	296
Donations				
Other Revenue	41	1,639		
Total Revenue	<u>170,277</u>	<u>50,085</u>	<u>91,971</u>	<u>58,473</u>
EXPENDITURES				
Current:				
General Governmental Services		128,229		40,717
Public Safety				
Utilities and Environment			578,818	
Transportation				
Economic Environment				
Health & Human Services	100,028			
Culture and Recreation				
Debt Service:				
Principal				
Interest				
Capital Outlay				
Total Expenditures	<u>100,028</u>	<u>128,229</u>	<u>578,818</u>	<u>40,717</u>
Excess (Deficit) of Revenues Over Expenditures	<u>70,249</u>	<u>(78,144)</u>	<u>(486,847)</u>	<u>17,756</u>
Other Financing Sources (Uses)				
Proceeds from Long Term Debt				
Proceeds from Sale of Capital Assets				
Transfers In		76,108	10,468	
Transfers Out				
Total Other Financial Sources (Uses)	<u>-</u>	<u>76,108</u>	<u>10,468</u>	<u>-</u>
Net Change in Fund Balance	<u>70,249</u>	<u>(2,036)</u>	<u>(476,379)</u>	<u>17,756</u>
Fund Balance, January 1	322,966	40,673	754,307	226,726
Prior Period Adjustments	17,268			
Fund Balance, January 1, restated	<u>340,234</u>	<u>40,673</u>	<u>754,307</u>	<u>226,726</u>
Fund Balance, December 31	<u>\$410,483</u>	<u>\$38,637</u>	<u>\$277,928</u>	<u>\$244,482</u>

SKAGIT COUNTY, WASHINGTON
COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND
CHANGES IN FUND BALANCE
NONMAJOR SPECIAL REVENUE FUNDS
FOR THE YEAR ENDED DECEMBER 31, 2014

REVENUES	Document Preserv	Election	Parks & Rec	Substance Abuse
Property Taxes				
Sales and Use Taxes				
Other Taxes				
Licenses and Permits				
Intergovernmental	65,435	3,043		1,290,998
Charges for Services	51,203	404,457	365,285	
Fines and Forfeits				
Interest Earnings	2,738		409	
Donations			11,642	
Other Revenue		0	185,780	
Total Revenue	<u>119,376</u>	<u>407,500</u>	<u>563,116</u>	<u>1,290,998</u>
EXPENDITURES				
Current:				
General Governmental Services	132,844	580,698		
Public Safety				
Utilities and Environment				
Transportation				
Economic Environment				
Health & Human Services				1,390,735
Culture and Recreation			1,288,834	
Debt Service:				
Principal				
Interest				
Capital Outlay			5,588	
Total Expenditures	<u>132,844</u>	<u>580,698</u>	<u>1,294,422</u>	<u>1,390,735</u>
Excess (Deficit) of Revenues Over Expenditures	<u>(13,468)</u>	<u>(173,198)</u>	<u>(731,306)</u>	<u>(99,737)</u>
Other Financing Sources (Uses)				
Proceeds from Long Term Debt				
Proceeds from Sale of Capital Assets				
Transfers In		345,000	661,996	-
Transfers Out				-
Total Other Financial Sources (Uses)	<u>-</u>	<u>345,000</u>	<u>661,996</u>	<u>-</u>
Net Change in Fund Balance	<u>(13,468)</u>	<u>171,802</u>	<u>(69,310)</u>	<u>(99,737)</u>
Fund Balance, January 1	615,212	222,039	633,839	526,617
Prior Period Adjustments				
Fund Balance, January 1, restated	<u>615,212</u>	<u>222,039</u>	<u>633,839</u>	<u>526,617</u>
Fund Balance, December 31	<u>\$601,744</u>	<u>\$393,841</u>	<u>\$564,529</u>	<u>\$426,880</u>

SKAGIT COUNTY, WASHINGTON
COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND
CHANGES IN FUND BALANCE
NONMAJOR SPECIAL REVENUE FUNDS
FOR THE YEAR ENDED DECEMBER 31, 2014

	Community Services	Conv. Center	Clean Water	Conserv. Futures
REVENUES				
Property Taxes			\$1,306,645	\$800,800
Sales and Use Taxes		317,891		18,876
Other Taxes				
Licenses and Permits				
Intergovernmental	649,552		183,991	25,446
Charges for Services	14,228		241,473	
Fines and Forfeits				
Interest Earnings		126	1,102	196
Donations	341,188			65
Other Revenue	27,858	-	834	216
Total Revenue	<u>1,032,826</u>	<u>318,017</u>	<u>1,734,045</u>	<u>845,598</u>
EXPENDITURES				
Current:				
General Governmental Services				
Public Safety				
Utilities and Environment			1,845,296	141,492
Transportation				
Economic Environment				
Health & Human Services	1,918,739			
Culture and Recreation		194,933		
Debt Service:				
Principal				
Interest				
Capital Outlay				517
Total Expenditures	<u>1,918,739</u>	<u>194,933</u>	<u>1,845,296</u>	<u>142,009</u>
Excess (Deficit) of Revenues Over Expenditures	<u>(885,913)</u>	<u>123,084</u>	<u>(111,251)</u>	<u>703,589</u>
Other Financing Sources (Uses)				
Proceeds from Long Term Debt				
Proceeds from Sale of Capital Assets				
Transfers In	910,444		42,990	
Transfers Out		(137,800)		
Total Other Financial Sources (Uses)	<u>910,444</u>	<u>(137,800)</u>	<u>42,990</u>	<u>-</u>
Net Change in Fund Balance	<u>24,531</u>	<u>(14,716)</u>	<u>(68,261)</u>	<u>703,589</u>
Fund Balance, January 1	335,394	308,681	834,518	779,682
Prior Period Adjustments				868,645
Fund Balance, January 1, restated	<u>335,394</u>	<u>308,681</u>	<u>834,518</u>	<u>1,648,326</u>
Fund Balance, December 31	<u>\$359,925</u>	<u>\$293,965</u>	<u>\$766,257</u>	<u>\$2,351,916</u>

SKAGIT COUNTY, WASHINGTON
COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND
CHANGES IN FUND BALANCE
NONMAJOR SPECIAL REVENUE FUNDS
FOR THE YEAR ENDED DECEMBER 31, 2014

REVENUES	Medic 1	Crime Victim	Comm. System	Water Quality
Property Taxes	\$5,355,673			
Sales and Use Taxes	126,219		3,811,441	
Other Taxes			-	
Licenses and Permits				
Intergovernmental	170,696		44,732	21,836
Charges for Services	19,836	78,239		2,310
Fines and Forfeits				
Interest Earnings	1,657	115	262	701
Donations	22,701			
Other Revenue	1,764			
Total Revenue	<u>5,698,545</u>	<u>78,354</u>	<u>3,856,435</u>	<u>24,848</u>
EXPENDITURES				
Current:				
General Governmental Services		83,484		
Public Safety	4,836,093		4,130,013	
Utilities and Environment				305,277
Transportation				
Economic Environment				
Health & Human Services				
Culture and Recreation				
Debt Service:				
Principal				
Interest				
Capital Outlay	811,706			
Total Expenditures	<u>5,647,799</u>	<u>83,484</u>	<u>4,130,013</u>	<u>305,277</u>
Excess (Deficit) of Revenues Over Expenditures	<u>50,746</u>	<u>(5,130)</u>	<u>(273,578)</u>	<u>(280,429)</u>
Other Financing Sources (Uses)				
Proceeds from Long Term Debt				360,761
Proceeds from Sale of Capital Assets	1,800			
Transfers In				
Transfers Out				(44,000)
Total Other Financial Sources (Uses)	<u>1,800</u>	<u>-</u>	<u>-</u>	<u>316,761</u>
Net Change in Fund Balance	<u>52,546</u>	<u>(5,130)</u>	<u>(273,578)</u>	<u>36,332</u>
Fund Balance, January 1	3,499,040	154,296	915,517	312,550
Prior Period Adjustments	10,271			
Fund Balance, January 1, restated	<u>3,509,310</u>	<u>154,296</u>	<u>915,517</u>	<u>312,550</u>
Fund Balance, December 31	<u>\$3,561,857</u>	<u>\$149,166</u>	<u>\$641,939</u>	<u>\$348,882</u>

SKAGIT COUNTY, WASHINGTON
COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND
CHANGES IN FUND BALANCE
NONMAJOR SPECIAL REVENUE FUNDS
FOR THE YEAR ENDED DECEMBER 31, 2014

REVENUES	Planning & Development	Lake Mgmt Dist. 1	Lake Mgmt Dist. 2	Lake Mgmt Dist. 3
Property Taxes				
Sales and Use Taxes				
Other Taxes		58,060	14,850	28,763
Licenses and Permits	572,237			
Intergovernmental	21,878			
Charges for Services	566,916			
Fines and Forfeits	2,537			
Interest Earnings	908	74	44	52
Donations				
Other Revenue	9,595			
Total Revenue	1,174,070	58,134	14,894	28,814
EXPENDITURES				
Current:				
General Governmental Services				
Public Safety				
Utilities and Environment		36,930	8,817	21,655
Transportation				
Economic Environment	2,362,091			
Health & Human Services				
Culture and Recreation				
Debt Service:				
Principal				
Interest				
Capital Outlay				
Total Expenditures	2,362,091	36,930	8,817	21,655
Excess (Deficit) of Revenues Over Expenditures	(1,188,021)	21,204	6,077	7,159
Other Financing Sources (Uses)				
Proceeds from Long Term Debt				
Proceeds from Sale of Capital Assets				
Transfers In	1,260,179			
Transfers Out				
Total Other Financial Sources (Uses)	1,260,179	-	-	-
Net Change in Fund Balance	72,158	21,204	6,077	7,159
Fund Balance, January 1	1,111,010	66,304	40,921	36,990
Prior Period Adjustments				
Fund Balance, January 1, restated	1,111,010	66,304	40,921	36,990
Fund Balance, December 31	\$1,183,168	\$87,508	\$46,999	\$44,149

SKAGIT COUNTY, WASHINGTON
COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND
CHANGES IN FUND BALANCE
NONMAJOR SPECIAL REVENUE FUNDS
FOR THE YEAR ENDED DECEMBER 31, 2014

REVENUES	Lake Mgmt Dist. 4	Edison Clean Wtr	Drug Enforce.	Boating Safety
Property Taxes				
Sales and Use Taxes				
Other Taxes	19,500	80,026		
Licenses and Permits				
Intergovernmental			19,749	78,951
Charges for Services				
Fines and Forfeits				
Interest Earnings	37	221	162	
Donations				
Other Revenue		500	6,969	225
Total Revenue	<u>19,537</u>	<u>80,747</u>	<u>26,880</u>	<u>79,176</u>
EXPENDITURES				
Current:				
General Governmental Services				
Public Safety			20,427	101,606
Utilities and Environment	13,087	35,164		
Transportation				
Economic Environment				
Health & Human Services				
Culture and Recreation				
Debt Service:				
Principal				
Interest				
Capital Outlay				
Total Expenditures	<u>13,087</u>	<u>35,164</u>	<u>20,427</u>	<u>101,606</u>
Excess (Deficit) of Revenues Over Expenditures	<u>6,450</u>	<u>45,583</u>	<u>6,453</u>	<u>(22,430)</u>
Other Financing Sources (Uses)				
Proceeds from Long Term Debt				
Proceeds from Sale of Capital Assets				55,000
Transfers In				
Transfers Out				
Total Other Financial Sources (Uses)	<u>-</u>	<u>-</u>	<u>-</u>	<u>55,000</u>
Net Change in Fund Balance	<u>6,450</u>	<u>45,583</u>	<u>6,453</u>	<u>32,570</u>
Fund Balance, January 1	38,407	251,011	224,406	34,780
Prior Period Adjustments				
Fund Balance, January 1, restated	<u>38,407</u>	<u>251,011</u>	<u>224,406</u>	<u>34,780</u>
Fund Balance, December 31	<u>\$44,857</u>	<u>\$296,594</u>	<u>\$230,859</u>	<u>\$67,350</u>

SKAGIT COUNTY, WASHINGTON
COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND
CHANGES IN FUND BALANCE
NONMAJOR SPECIAL REVENUE FUNDS
FOR THE YEAR ENDED DECEMBER 31, 2014

REVENUES	Low Inc. Housing	Title III Projects	Treasurer REET	Housing Assistance
Property Taxes				
Sales and Use Taxes			680	
Other Taxes				
Licenses and Permits				
Intergovernmental		45,729	11,640	
Charges for Services	111,138		11,853	538,703
Fines and Forfeits				
Interest Earnings	143		491	758
Donations				
Other Revenue				
Total Revenue	<u>111,281</u>	<u>45,729</u>	<u>24,664</u>	<u>539,461</u>
EXPENDITURES				
Current:				
General Governmental Services			0	
Public Safety				
Utilities and Environment				
Transportation				
Economic Environment	70,437	73,866		
Health & Human Services				824,935
Culture and Recreation				
Debt Service:				
Principal				
Interest				
Capital Outlay				
Total Expenditures	<u>70,437</u>	<u>73,866</u>	<u>0</u>	<u>824,935</u>
Excess (Deficit) of Revenues Over Expenditures	<u>40,844</u>	<u>(28,137)</u>	<u>24,664</u>	<u>(285,474)</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>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Net Change in Fund Balance	<u>40,844</u>	<u>(28,137)</u>	<u>24,664</u>	<u>(285,474)</u>
Fund Balance, January 1	183,488	39,612	157,689	480,248
Prior Period Adjustments				
Fund Balance, January 1, restated	<u>183,488</u>	<u>39,612</u>	<u>157,689</u>	<u>480,248</u>
Fund Balance, December 31	<u>\$224,331</u>	<u>\$11,474</u>	<u>\$182,353</u>	<u>\$194,773</u>

SKAGIT COUNTY, WASHINGTON
COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND
CHANGES IN FUND BALANCE
NONMAJOR SPECIAL REVENUE FUNDS
FOR THE YEAR ENDED DECEMBER 31, 2014

REVENUES	Interlocal Invest.	TOTAL
Property Taxes		\$7,624,423
Sales and Use Taxes		4,278,917
Other Taxes		201,198
Licenses and Permits		1,035,357
Intergovernmental	130,038	5,423,826
Charges for Services	950	3,500,766
Fines and Forfeits	204,193	213,136
Interest Earnings	41	11,866
Donations		402,486
Other Revenue	41,275	328,384
Total Revenue	376,497	23,020,360
 EXPENDITURES		
Current:		
General Governmental Services		965,970
Public Safety	292,249	9,836,503
Utilities and Environment		2,986,535
Transportation		160,012
Economic Environment		2,506,394
Health & Human Services		8,610,023
Culture and Recreation		1,791,363
Debt Service:		-
Principal		-
Interest		-
Capital Outlay		893,587
Total Expenditures	292,249	27,750,388
Excess (Deficit) of Revenues Over Expenditures	84,248	(4,730,028)
 Other Financing Sources (Uses)		
Proceeds from Long Term Debt		360,761
Proceeds from Sale of Capital Assets		56,800
Transfers In		4,324,974
Transfers Out		(181,800)
Total Other Financial Sources (Uses)	-	4,560,735
Net Change in Fund Balance	84,248	(169,293)
Fund Balance, January 1	124,036	15,194,684
Prior Period Adjustments		896,184
Fund Balance, January 1, restated	124,036	16,090,867
 Fund Balance, December 31	\$208,284	\$15,921,575

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, 2014

	Budgeted Amounts		Actual	Variance with Final Budget
	Original Budget	Final Budget		
Budgeted Fund Balance, January 1		\$ 130,522	\$ 500,897	
Resources (in-flows)				
Licenses and Permits	439,750	439,750	463,120	23,370
Intergovernmental Revenue	2,146,739	2,296,334	2,229,603	(66,731)
Charges for Goods and Services	675,359	667,424	629,518	(37,906)
Fines and Forfeits	6,000	6,000	6,406	406
Interest Revenue	150	150	49	(101)
Donations	3,000	3,000	1	(2,999)
Transfers In	889,943	889,943	889,943	-
Miscellaneous Revenues	600	600	3,267	2,667
Total Resources (in-flows)	4,161,541	4,303,201	4,221,907	(81,294)
Amounts Available for Appropriation	4,161,541	4,433,723	4,722,804	
Charges to Appropriations (out-flows)				
Salaries and Wages	2,202,107	2,181,566	2,155,637	(25,929)
Personnel Benefits	1,060,498	1,045,871	1,048,202	2,331
Supplies	206,498	432,798	464,588	31,790
Services and Charges	154,766	153,816	114,687	(39,129)
Capital Outlays				-
Interfund Payments for Services	537,672	619,672	592,470	(27,202)
Transfers Out				-
Amount Charged to Appropriations (out-flows)	4,161,541	4,433,723	4,375,584	(58,139)
Budgeted Fund Balance, December 31	\$ -	\$ -	\$ 347,220	

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, 2014

	Budgeted Amounts		Actual	Variance with Final Budget
	Original Budget	Final Budget		
Budgeted Fund Balance, January 1	\$ 148,278	\$ 148,278	\$ 558,945	
Resources (in-flows)				
Intergovernmental Revenue	158,000	158,000	63,950	(94,050)
Miscellaneous Revenue	3,500	3,500	1,123	(2,377)
Total Resources (in-flows)	<u>161,500</u>	<u>161,500</u>	<u>65,073</u>	<u>(96,427)</u>
Amounts Available for Appropriation	309,778	309,778	624,018	
Charges to Appropriations (out-flows)				
Salaries and Wages	94,667	94,667	69,091	(25,576)
Personnel Benefits	39,861	39,861	35,914	(3,947)
Supplies	53,250	53,250	1,577	(51,673)
Services and Charges	82,000	82,000	52,050	(29,950)
Capital Outlays	37,000	37,000	8,016	(28,984)
Interfund Payments for Services	3,000	3,000	1,378	(1,622)
Transfers Out	-	-	-	-
Amount Charged to Appropriations (out-flows)	<u>309,778</u>	<u>309,778</u>	<u>168,026</u>	<u>(141,752)</u>
Budgeted Fund Balance, December 31	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 455,992</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, 2014

	Budgeted Amounts			Variance with Final Budget
	Original Budget	Final Budget	Actual	
Budgeted Fund Balance, January 1	\$ (9,000)	\$ (9,000)	\$ 381,538	
Resources (in-flows)				
Licenses and Permits				-
Intergovernmental Revenue	312,706	508,590	342,203	(166,387)
Charges for Goods and Services	4,700	12,739	23,333	10,594
Transfers In	102,846	102,846	102,846	-
Miscellaneous Revenues	-	-	-	-
Total Resources (in-flows)	420,252	624,175	468,382	(155,793)
Amounts Available for Appropriation	411,252	615,175	849,920	
Charges to Appropriations (out-flows)				
Salaries and Wages	207,377	348,426	246,064	(102,362)
Personnel Benefits	87,132	91,156	96,678	5,522
Supplies	22,500	63,850	39,324	(24,526)
Services and Charges	49,714	49,214	30,809	(18,405)
Capital Outlays	12,137	30,137	67,761	37,624
Interfund Payments for Services	32,392	32,392	43,240	10,848
Transfers Out	-	-	-	-
Amount Charged to Appropriations (out-flows)	411,252	615,175	523,876	(91,299)
 Budgeted Fund Balance, December 31	 \$ -	 \$ -	 \$ 326,044	

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, 2014

	Budgeted Amounts			Variance with Final Budget
	Original Budget	Final Budget	Actual	
Budgeted Fund Balance, January 1	\$ 23,043	\$ 23,043	\$ 482,343	
Resources (in-flows)				
Licenses and Permits				-
Intergovernmental Revenue	19,376	19,376	17,925	(1,451)
Charges for Goods and Services	186,638	186,638	244,201	57,563
Donations	25,100	25,100	26,890	1,790
Other Revenue	39,569	39,569	48,422	8,853
Transfers In	25,000	25,000	25,000	-
Miscellaneous Revenues			-	-
Total Resources (in-flows)	295,683	295,683	362,438	66,755
Amounts Available for Appropriation	318,726	318,726	844,781	
Charges to Appropriations (out-flows)				
Salaries and Wages	100,785	100,785	86,482	(14,303)
Personnel Benefits	34,434	34,434	36,962	2,528
Supplies	20,754	20,754	27,842	7,088
Services and Charges	139,769	139,769	131,651	(8,118)
Capital Outlays				-
Interfund Payments for Services	22,984	22,984	24,658	1,674
Transfers Out	-	-	-	-
Amount Charged to Appropriations (out-flows)	318,726	318,726	307,595	(11,131)
Budgeted Fund Balance, December 31	\$ -	\$ -	\$ 537,186	

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, 2014

	Budgeted Amounts		Actual	Variance with Final Budget
	Original Budget	Final Budget		
Budgeted Fund Balance, January 1	\$ -		\$ 340,234	
Resources (in-flows)				
Property Tax	-	161,000	161,306	306
Sales and Use Tax	-	3,000	3,810	810
Intergovernmental Revenue	-	4,000	5,120	1,120
Interest Revenue	-	-	-	-
Miscellaneous Revenues	-	-	41	41
Total Resources (in-flows)	-	168,000	170,277	2,277
Amounts Available for Appropriation	-	168,000	510,511	
Charges to Appropriations (out-flows)				
Salaries and Wages				-
Personnel Benefits				-
Supplies				-
Services and Charges	-	168,000	97,463	(70,537)
Capital Outlays				-
Interfund Payments for Services	-	-	2,565	2,565
Transfers Out	-	-	-	-
Amount Charged to Appropriations (out-flows)	-	168,000	100,028	(67,972)
Budgeted Fund Balance, December 31	\$ -	\$ -	\$ 410,483	

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, 2014**

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance with Final Budget</u>
	<u>Original Budget</u>	<u>Final Budget</u>		
Budgeted Fund Balance, January 1		\$ 1,534	\$ 40,672	
Resources (in-flows)				
Charges for Goods and Services	49,400	49,400	48,445	(955)
Donations	-	-		-
Transfers In	76,108	76,108	76,108	-
Miscellaneous Revenues	2,500	2,500	1,639	(861)
Total Resources (in-flows)	<u>128,008</u>	<u>128,008</u>	<u>126,192</u>	<u>(1,816)</u>
Amounts Available for Appropriation	128,008	129,542	166,864	
Charges to Appropriations (out-flows)				
Salaries and Wages	49,667	51,115	51,114	(1)
Personnel Benefits	26,449	26,535	26,386	(149)
Supplies	7,300	7,300	6,699	(601)
Services and Charges	44,592	44,592	44,028	(564)
Capital Outlays				-
Interfund Payments for Services				-
Transfers Out				-
Amount Charged to Appropriations (out-flows)	<u>128,008</u>	<u>129,542</u>	<u>128,227</u>	<u>(1,315)</u>
Budgeted Fund Balance, December 31	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 38,637</u>	

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, 2014

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance with Final Budget</u>
	<u>Original Budget</u>	<u>Final Budget</u>		
Budgeted Fund Balance, January 1	\$ 341,114	\$ 341,114	\$ 754,308	
Resources (in-flows)				
Intergovernmental Revenue	1,300,000	1,300,000	1,311	(1,298,689)
Charges for Goods and Services	200,000	200,000	90,500	(109,500)
Interest Revenue	-	-	160	160
Transfers In	455,000	455,000	10,468	(444,532)
Miscellaneous Revenues	16,000	16,000	-	(16,000)
Total Resources (in-flows)	<u>1,971,000</u>	<u>1,971,000</u>	<u>102,439</u>	<u>(1,868,561)</u>
Amounts Available for Appropriation	2,312,114	2,312,114	856,747	
Charges to Appropriations (out-flows)				
Salaries and Wages	26,187	36,187	33,357	(2,830)
Personnel Benefits	12,120	17,120	15,266	(1,854)
Supplies	700	700	406	(294)
Services and Charges	182,500	167,500	28,743	(138,757)
Capital Outlays	1,300,000	1,300,000		(1,300,000)
Interfund Payments for Services	790,607	790,607	501,047	(289,560)
Transfers Out	-	-	-	-
Amount Charged to Appropriations (out-flows)	<u>2,312,114</u>	<u>2,312,114</u>	<u>578,819</u>	<u>(1,733,295)</u>
Budgeted Fund Balance, December 31	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 277,928</u>	

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, 2014

	Budgeted Amounts		Actual	Variance with Final Budget
	Original Budget	Final Budget		
Budgeted Fund Balance, January 1	\$ 16,050	\$ 99,800	\$ 615,210	
Resources (in-flows)				
Intergovernmental Revenue	85,000	85,000	65,435	(19,565)
Charges for Goods and Services	70,000	70,000	51,203	(18,797)
Interest Revenue	2,500	2,500	2,738	238
Total Resources (in-flows)	157,500	157,500	119,376	(38,124)
Amounts Available for Appropriation	173,550	257,300	734,586	
Charges to Appropriations (out-flows)				
Salaries and Wages	42,190	48,440	46,727	(1,713)
Personnel Benefits	24,360	28,110	26,330	(1,780)
Supplies	-	-	-	-
Services and Charges	7,000	15,750	12,799	(2,951)
Capital Outlays	-	-	-	-
Interfund Payments for Services	100,000	165,000	46,986	(118,014)
Transfers Out	-	-	-	-
Amount Charged to Appropriations (out-flows)	173,550	257,300	132,842	(124,458)
 Budgeted Fund Balance, December 31	 \$ -	 \$ -	 \$ 601,744	

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, 2014

	Budgeted Amounts		Actual	Variance with Final Budget
	Original Budget	Final Budget		
Budgeted Fund Balance, January 1	\$ (14,621)	\$ 8,379	\$ 222,040	
Resources (in-flows)				
Intergovernmental Revenue	3,000	3,000	3,043	43
Charges for Goods and Services	338,500	338,500	404,457	65,957
Transfers In	345,000	345,000	345,000	-
Miscellaneous Revenues	-	-	-	-
Total Resources (in-flows)	686,500	686,500	752,500	66,000
Amounts Available for Appropriation	671,879	694,879	974,540	
Charges to Appropriations (out-flows)				
Salaries and Wages	216,826	216,826	196,736	(20,090)
Personnel Benefits	108,499	108,499	82,471	(26,028)
Supplies	3,500	3,500	1,571	(1,929)
Services and Charges	287,250	297,250	232,218	(65,032)
Capital Outlays	-	-	-	-
Interfund Payments for Services	55,804	67,804	67,703	(101)
Transfers Out	-	-	-	-
Amount Charged to Appropriations (out-flows)	671,879	693,879	580,699	(113,180)
 Budgeted Fund Balance, December 31	 \$ -	 \$ 1,000	 \$ 393,841	

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, 2014

	Budgeted Amounts			Variance with Final Budget
	Original Budget	Final Budget	Actual	
Budgeted Fund Balance, January 1	\$ 147,545	\$ 147,545	\$ 633,840	
Resources (in-flows)				
Intergovernmental Revenue	4,000	4,000	-	(4,000)
Charges for Goods and Services	346,616	346,616	365,285	18,669
Interest Revenue	675	675	409	(266)
Donations	8,000	8,000	11,642	3,642
Transfers In	663,896	663,896	661,996	(1,900)
Miscellaneous Revenues	154,500	154,500	185,780	31,280
Total Resources (in-flows)	1,177,687	1,177,687	1,225,112	47,425
Amounts Available for Appropriation	1,325,232	1,325,232	1,858,952	
Charges to Appropriations (out-flows)				
Salaries and Wages	532,169	532,169	511,179	(20,990)
Personnel Benefits	238,157	238,157	245,308	7,151
Supplies	84,813	84,813	80,389	(4,424)
Services and Charges	325,069	325,069	326,814	1,745
Capital Outlays	6,300	6,300	5,588	(712)
Interfund Payments for Services	138,724	138,724	125,145	(13,579)
Transfers Out				-
Amount Charged to Appropriations (out-flows)	1,325,232	1,325,232	1,294,423	(30,809)
Budgeted Fund Balance, December 31	\$ -	\$ -	\$ 564,529	

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, 2014

	Budgeted Amounts		Actual	Variance with Final Budget
	Original Budget	Final Budget		
Budgeted Fund Balance, January 1	\$ 107,773	\$ 112,773	\$ 526,615	
Resources (in-flows)				
Intergovernmental Revenue	1,519,021	1,519,021	1,290,998	(228,023)
Miscellaneous Revenue	-	-	-	-
Transfers In	-	-	-	-
Total Resources (in-flows)	<u>1,519,021</u>	<u>1,519,021</u>	<u>1,290,998</u>	<u>(228,023)</u>
Amounts Available for Appropriation	1,626,794	1,631,794	1,817,613	
Charges to Appropriations (out-flows)				
Salaries and Wages	94,469	99,469	96,008	(3,461)
Personnel Benefits	44,784	44,784	44,617	(167)
Supplies	200	200	25	(175)
Services and Charges	1,468,191	1,468,191	1,216,938	(251,253)
Capital Outlays	-	-	-	-
Interfund Payments for Services	19,150	19,150	33,145	13,995
Transfers Out	-	-	-	-
Amount Charged to Appropriations (out-flows)	<u>1,626,794</u>	<u>1,631,794</u>	<u>1,390,733</u>	<u>(241,061)</u>
Budgeted Fund Balance, December 31	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 426,880</u>	

SKAGIT COUNTY, WASHINGTON

Community Service

Schedule of Revenues, Expenditures and Changes in Fund Balance

Budget (GAAP Basis) and Actual

For the Year Ended December 31, 2014

	Budgeted Amounts			Variance with Final Budget
	Original Budget	Final Budget	Actual	
Budgeted Fund Balance, January 1	\$ (3)	\$ -	\$ 335,393	
Resources (in-flows)				
Intergovernmental Revenue	712,262	654,069	649,552	(4,517)
Charges for Goods and Services	3,600	3,600	14,228	10,628
Donations	362,765	346,798	341,188	(5,610)
Transfers In	931,755	910,444	910,444	-
Miscellaneous Revenues	28,102	28,102	27,858	(244)
Total Resources (in-flows)	2,038,484	1,943,013	1,943,270	257
Amounts Available for Appropriation	2,038,481	1,943,013	2,278,663	
Charges to Appropriations (out-flows)				
Salaries and Wages	906,853	808,205	798,122	(10,083)
Personnel Benefits	508,665	459,082	445,500	(13,582)
Supplies	414,962	419,362	438,499	19,137
Services and Charges	183,951	232,314	212,569	(19,745)
Capital Outlays				-
Interfund Payments for Services	24,050	24,050	24,048	(2)
Transfers Out				-
Amount Charged to Appropriations (out-flows)	2,038,481	1,943,013	1,918,738	(24,275)
Budgeted Fund Balance, December 31	\$ -	\$ -	\$ 359,925	

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, 2014

	Budgeted Amounts		Actual	Variance with Final Budget
	Original Budget	Final Budget		
Budgeted Fund Balance, January 1	\$ 9,700	\$ 9,700	\$ 308,681	
Resources (in-flows)				
Sales and Use Tax	330,000	330,000	317,891	(12,109)
Miscellaneous Revenue	-	-	-	-
Interest Revenue	-	-	126	126
Total Resources (in-flows)	<u>330,000</u>	<u>330,000</u>	<u>318,017</u>	<u>(11,983)</u>
Amounts Available for Appropriation	339,700	339,700	626,698	
Charges to Appropriations (out-flows)				
Salaries and Wages				-
Personnel Benefits				-
Supplies				-
Services and Charges	198,500	198,500	193,312	(5,188)
Capital Outlays				-
Interfund Payments for Services	1,500	1,500	1,621	121
Transfers Out	139,700	139,700	137,800	(1,900)
Amount Charged to Appropriations (out-flows)	<u>339,700</u>	<u>339,700</u>	<u>332,733</u>	<u>(6,967)</u>
Budgeted Fund Balance, December 31	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 293,965</u>	

SKAGIT COUNTY, WASHINGTON

Clean Water Program

Schedule of Revenues, Expenditures and Changes in Fund Balance

**Budget (GAAP Basis) and Actual
For the Year Ended December 31, 2014**

	Budgeted Amounts			Variance with Final Budget
	Original Budget	Final Budget	Actual	
Budgeted Fund Balance, January 1	\$ 17,615	\$ 17,615	\$ 834,515	
Resources (in-flows)				
Property Tax	1,317,344	1,317,344	1,306,645	(10,699)
Intergovernmental Revenue	353,344	353,344	183,991	(169,353)
Charges for Goods and Services	361,012	361,012	241,473	(119,539)
Interest Revenue	-	-	1,102	1,102
Miscellaneous Revenues	14,830	14,830	834	(13,996)
Transfers In	42,990	42,990	42,990	-
Total Resources (in-flows)	2,089,520	2,089,520	1,777,035	(312,485)
Amounts Available for Appropriation	2,107,135	2,107,135	2,611,550	
Charges to Appropriations (out-flows)				
Salaries and Wages	556,410	556,410	503,021	(53,389)
Personnel Benefits	273,181	273,181	236,482	(36,699)
Supplies	56,677	56,677	44,300	(12,377)
Services and Charges	874,475	874,475	660,703	(213,772)
Capital Outlays	-	-	-	-
Interfund Payments for Services	346,392	346,392	400,787	54,395
Transfers Out	-	-	-	-
Amount Charged to Appropriations (out-flows)	2,107,135	2,107,135	1,845,293	(261,842)
Budgeted Fund Balance, December 31	\$ -	\$ -	\$ 766,257	

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, 2014

	Budgeted Amounts			Variance with Final Budget
	Original Budget	Final Budget	Actual	
Budgeted Fund Balance, January 1	\$ (331,025)	\$ (331,025)	\$ 1,648,326	
Resources (in-flows)				
Property Tax	780,000	780,000	800,800	20,800
Sales and Use Tax	13,200	13,200	18,875	5,675
Intergovernmental Revenue	1,325,785	1,325,785	25,446	(1,300,339)
Interest Revenue	200	200	196	(4)
Donations	-	-	65	65
Miscellaneous Revenues	200	200	216	16
Total Resources (in-flows)	2,119,385	2,119,385	845,598	(1,273,787)
Amounts Available for Appropriation	1,788,360	1,788,360	2,493,924	
Charges to Appropriations (out-flows)				
Salaries and Wages	26,794	33,794	31,460	(2,334)
Personnel Benefits	13,666	15,666	14,999	(667)
Supplies	700	700	302	(398)
Services and Charges	247,200	236,700	90,521	(146,179)
Capital Outlays	1,500,000	1,500,000	517	(1,499,483)
Interfund Payments for Services	-	1,500	4,209	2,709
Transfers Out	-	-	-	-
Amount Charged to Appropriations (out-flows)	1,788,360	1,788,360	142,008	(1,646,352)
Budgeted Fund Balance, December 31	\$ -	\$ -	\$ 2,351,916	

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, 2014

	Budgeted Amounts			Variance with Final Budget
	Original Budget	Final Budget	Actual	
Budgeted Fund Balance, January 1		\$ -	\$ 3,509,310	
Resources (in-flows)				
Property Tax	5,500,000	5,500,000	5,355,673	(144,327)
Sales and Use Tax	65,000	65,000	126,219	61,219
Intergovernmental Revenue	246,500	246,500	170,695	(75,805)
Charges for Services	-	-	19,836	19,836
Interest Revenue	-	-	1,657	1,657
Donations	-	-	22,701	22,701
Miscellaneous Revenues	1,500	1,500	3,564	2,064
Total Resources (in-flows)	5,813,000	5,813,000	5,700,345	(112,655)
Amounts Available for Appropriation	5,813,000	5,813,000	9,209,655	
Charges to Appropriations (out-flows)				
Salaries and Wages	-	492,000	503,515	11,515
Personnel Benefits	-	165,400	160,113	(5,287)
Supplies	-	199,850	80,426	(119,424)
Services and Charges	-	3,930,680	3,044,070	(886,610)
Capital Outlays	-	975,070	811,706	(163,364)
Interfund Payments for Services	5,813,000	50,000	1,047,968	997,968
Transfers Out	-	-	-	-
Amount Charged to Appropriations (out-flows)	5,813,000	5,813,000	5,647,798	(165,202)
Budgeted Fund Balance, December 31	\$ -	\$ -	\$ 3,561,857	

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, 2014

	<u>Budgeted Amounts</u>		Actual	Variance with Final Budget
	Original Budget	Final Budget		
Budgeted Fund Balance, January 1	\$ 9,735	\$ 9,735	\$ 154,296	
Resources (in-flows)				
Charges for Goods and Services	80,000	80,000	78,239	(1,761)
Interest Revenue	250	250	115	(135)
Total Resources (in-flows)	<u>80,250</u>	<u>80,250</u>	<u>78,354</u>	<u>(1,896)</u>
Amounts Available for Appropriation	89,985	89,985	232,650	
Charges to Appropriations (out-flows)				
Salaries and Wages	19,128	19,128	18,922	(206)
Personnel Benefits	12,257	12,257	12,193	(64)
Supplies	200	200	-	(200)
Services and Charges	8,400	8,400	2,369	(6,031)
Capital Outlays				-
Interfund Payments for Services	50,000	50,000	50,000	-
Transfers Out				-
Amount Charged to Appropriations (out-flows)	<u>89,985</u>	<u>89,985</u>	<u>83,484</u>	<u>(6,501)</u>
Budgeted Fund Balance, December 31	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 149,166</u>	

SKAGIT COUNTY, WASHINGTON

Communication System

Schedule of Revenues, Expenditures and Changes in Fund Balance

Budget (GAAP Basis) and Actual

For the Year Ended December 31, 2014

	Budgeted Amounts		Actual	Variance with Final Budget
	Original Budget	Final Budget		
Budgeted Fund Balance, January 1			\$ 915,518	
Resources (in-flows)				
Sales and Use Tax	2,500,000	3,100,000	3,811,441	711,441
Other Tax	1,165,000	1,165,000	-	(1,165,000)
Interest Earnings			262	262
Intergovernmental Revenue	46,500	46,500	44,732	(1,768)
Total Resources (in-flows)	3,711,500	4,311,500	3,856,435	(455,065)
Amounts Available for Appropriation	3,711,500	4,311,500	4,771,953	
Charges to Appropriations (out-flows)				
Salaries and Wages				-
Personnel Benefits				-
Supplies				-
Services and Charges	3,711,500	4,311,500	4,130,014	(181,486)
Capital Outlays				-
Interfund Payments for Services				-
Transfers Out				-
Amount Charged to Appropriations (out-flows)	3,711,500	4,311,500	4,130,014	(181,486)
 Budgeted Fund Balance, December 31	 \$ -	 \$ -	 \$ 641,939	

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, 2014

	Budgeted Amounts		Actual	Variance with Final Budget
	Original Budget	Final Budget		
Budgeted Fund Balance, January 1	\$ (14,500)	\$ (14,500)	\$ 312,551	
Resources (in-flows)				
Property Tax	-	-	-	-
Intergovernmental Revenue	-	-	21,837	21,837
Charges for Goods and Services	1,500	1,500	2,310	810
Interest Revenue	1,500	1,500	701	(799)
Proceeds of Long Term Debt	375,000	375,000	360,762	(14,238)
Total Resources (in-flows)	378,000	378,000	385,610	7,610
Amounts Available for Appropriation	363,500	363,500	698,161	
Charges to Appropriations (out-flows)				
Salaries and Wages	12,000	12,000	2,520	(9,480)
Personnel Benefits	-	-	1,059	1,059
Supplies	-	-	-	-
Services and Charges	351,500	351,500	301,700	(49,800)
Capital Outlays	-	-	-	-
Interfund Payments for Services	-	-	-	-
Transfers Out	-	-	44,000	44,000
Amount Charged to Appropriations (out-flows)	363,500	363,500	349,279	(14,221)
 Budgeted Fund Balance, December 31	 \$ -	 \$ -	 \$ 348,882	

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, 2014

	Budgeted Amounts			Variance with Final Budget
	Original Budget	Final Budget	Actual	
Budgeted Fund Balance, January 1	\$ 49,472	\$ 49,472	\$ 1,111,010	
Resources (in-flows)				
Licenses and Permits	511,500	540,860	572,237	31,377
Intergovernmental Revenue	12,500	12,500	21,878	9,378
Charges for Goods and Services	480,100	537,240	566,916	29,676
Fines and Forfeits	-	-	2,537	2,537
Interest Earnings	-	-	908	908
Transfers In	1,260,179	1,260,179	1,260,179	-
Miscellaneous Revenues	-	-	9,595	9,595
Total Resources (in-flows)	2,264,279	2,350,779	2,434,250	83,471
Amounts Available for Appropriation	2,313,751	2,400,251	3,545,260	
Charges to Appropriations (out-flows)				
Salaries and Wages	1,460,053	1,523,053	1,518,638	(4,415)
Personnel Benefits	631,617	655,117	649,485	(5,632)
Supplies	16,950	16,950	11,806	(5,144)
Services and Charges	148,995	148,995	127,478	(21,517)
Capital Outlays	-	-	-	-
Interfund Payments for Services	56,136	56,136	54,685	(1,451)
Transfers Out	-	-	-	-
Amount Charged to Appropriations (out-flows)	2,313,751	2,400,251	2,362,092	(38,159)
Budgeted Fund Balance, December 31	\$ -	\$ -	\$ 1,183,168	

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, 2014

	<u>Budgeted Amounts</u>		Actual	Variance with Final Budget
	Original Budget	Final Budget		
Budgeted Fund Balance, January 1	\$ (147)	\$ (147)	\$ 66,302	
Resources (in-flows)				
Other Tax	45,005	45,005	58,060	13,055
Interest Earnings	-	-	74	74
Total Resources (in-flows)	<u>45,005</u>	<u>45,005</u>	<u>58,134</u>	<u>13,129</u>
Amounts Available for Appropriation	44,858	44,858	124,436	
Charges to Appropriations (out-flows)				
Salaries and Wages	3,560	3,560	1,354	(2,206)
Personnel Benefits	1,798	1,798	581	(1,217)
Supplies	-	-	-	-
Services and Charges	39,500	39,500	34,993	(4,507)
Capital Outlays	-	-	-	-
Interfund Payments for Services	-	-	-	-
Transfers Out	-	-	-	-
Amount Charged to Appropriations (out-flows)	<u>44,858</u>	<u>44,858</u>	<u>36,928</u>	<u>(7,930)</u>
Budgeted Fund Balance, December 31	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 87,508</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, 2014

	Budgeted Amounts		Actual	Variance with Final Budget
	Original Budget	Final Budget		
Budgeted Fund Balance, January 1	\$ (49)	\$ 251	\$ 40,921	
Resources (in-flows)				
Other Tax	13,836	13,836	14,850	1,014
Interest Earnings			44	44
Total Resources (in-flows)	<u>13,836</u>	<u>13,836</u>	<u>14,894</u>	<u>1,014</u>
Amounts Available for Appropriation	13,787	14,087	55,815	
Charges to Appropriations (out-flows)				
Salaries and Wages	1,187	1,387	1,094	(293)
Personnel Benefits	600	700	526	(174)
Supplies				-
Services and Charges	12,000	12,000	7,196	(4,804)
Capital Outlays				-
Interfund Payments for Services	-	-		-
Transfers Out	-			-
Amount Charged to Appropriations (out-flows)	<u>13,787</u>	<u>14,087</u>	<u>8,816</u>	<u>(5,271)</u>
Budgeted Fund Balance, December 31	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 46,999</u>	

SKAGIT COUNTY, WASHINGTON

Lake Management District 3

Schedule of Revenues, Expenditures and Changes in Fund Balance

Budget (GAAP Basis) and Actual
For the Year Ended December 31, 2014

	Budgeted Amounts		Actual	Variance with Final Budget
	Original Budget	Final Budget		
Budgeted Fund Balance, January 1	\$ (74)	\$ (74)	\$ 36,990	
Resources (in-flows)				
Other Tax	29,752	29,752	28,763	(989)
Interest Earnings			52	52
Total Resources (in-flows)	<u>29,752</u>	<u>29,752</u>	<u>28,815</u>	<u>(937)</u>
Amounts Available for Appropriation	29,678	29,678	65,805	
Charges to Appropriations (out-flows)				
Salaries and Wages	1,780	1,780	906	(874)
Personnel Benefits	898	898	438	(460)
Supplies	-	-		-
Services and Charges	27,000	27,000	20,312	(6,688)
Capital Outlays				-
Interfund Payments for Services	-	-		-
Transfers Out				-
Amount Charged to Appropriations (out-flows)	<u>29,678</u>	<u>29,678</u>	<u>21,656</u>	<u>(8,022)</u>
Budgeted Fund Balance, December 31	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 44,149</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, 2014

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance with Final Budget</u>
	<u>Original Budget</u>	<u>Final Budget</u>		
Budgeted Fund Balance, January 1	\$ (74)	\$ (74)	\$ 38,406	
Resources (in-flows)				
Other Tax	19,752	19,752	19,500	(252)
Interest Earnings			37	37
Total Resources (in-flows)	<u>19,752</u>	<u>19,752</u>	<u>19,537</u>	<u>(215)</u>
Amounts Available for Appropriation	19,678	19,678	57,943	
Charges to Appropriations (out-flows)				
Salaries and Wages	1,780	1,780	876	(904)
Personnel Benefits	898	898	425	(473)
Supplies				-
Services and Charges	17,000	17,000	11,785	(5,215)
Capital Outlays				-
Interfund Payments for Services	-	-		-
Transfers Out				-
Amount Charged to Appropriations (out-flows)	<u>19,678</u>	<u>19,678</u>	<u>13,086</u>	<u>(6,592)</u>
Budgeted Fund Balance, December 31	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 44,857</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, 2014

	Budgeted Amounts			Variance with Final Budget
	Original Budget	Final Budget	Actual	
Budgeted Fund Balance, January 1	\$ (100)	\$ (100)	\$ 251,011	
Resources (in-flows)				
Property Tax	43,000	43,000	80,026	37,026
Interest Earnings			221	221
Miscellaneous Revenues			500	500
Total Resources (in-flows)	<u>43,000</u>	<u>43,000</u>	<u>80,747</u>	<u>37,747</u>
Amounts Available for Appropriation	42,900	42,900	331,758	
Charges to Appropriations (out-flows)				
Salaries and Wages				-
Personnel Benefits				-
Supplies	1,000	1,000	1,704	704
Services and Charges	41,900	41,900	33,460	(8,440)
Capital Outlays				-
Interfund Payments for Services				-
Transfers Out				-
Amount Charged to Appropriations (out-flows)	<u>42,900</u>	<u>42,900</u>	<u>35,164</u>	<u>(7,736)</u>
Budgeted Fund Balance, December 31	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 296,594</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, 2014

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance with Final Budget</u>
	<u>Original Budget</u>	<u>Final Budget</u>		
Budgeted Fund Balance, January 1		\$ 15,007	\$ 224,406	
Resources (in-flows)				
Intergovernmental Revenue	25,000	25,000	19,749	(5,251)
Interest Revenue	300	300	162	(138)
Miscellaneous Revenues	4,515	4,515	6,969	2,454
Total Resources (in-flows)	<u>29,815</u>	<u>29,815</u>	<u>26,880</u>	<u>(2,935)</u>
Amounts Available for Appropriation	29,815	44,822	251,286	
Charges to Appropriations (out-flows)				
Salaries and Wages	15,000	15,000	14,340	(660)
Personnel Benefits	-	-	-	-
Supplies	4,815	19,822	3,125	(16,697)
Services and Charges	10,000	10,000	2,962	(7,038)
Capital Outlays				-
Interfund Payments for Services				-
Transfers Out				-
Amount Charged to Appropriations (out-flows)	<u>29,815</u>	<u>44,822</u>	<u>20,427</u>	<u>(24,395)</u>
Budgeted Fund Balance, December 31	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 230,859</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, 2014

	Budgeted Amounts		Actual	Variance with Final Budget
	Original Budget	Final Budget		
Budgeted Fund Balance, January 1	\$ (372)	\$ (372)	\$ 34,781	
Resources (in-flows)				
Intergovernmental Revenue	126,432	126,432	78,951	(47,481)
Miscellaneous Revenues		-	55,225	55,225
Total Resources (in-flows)	<u>126,432</u>	<u>126,432</u>	<u>134,176</u>	<u>7,744</u>
Amounts Available for Appropriation	126,060	126,060	168,957	
Charges to Appropriations (out-flows)				
Salaries and Wages	65,000	65,000	43,351	(21,649)
Personnel Benefits	17,860	17,860	14,673	(3,187)
Supplies	14,000	14,000	11,979	(2,021)
Services and Charges	22,700	22,700	30,100	7,400
Capital Outlays	5,000	5,000	-	(5,000)
Interfund Payments for Services	1,500	1,500	1,504	4
Transfers Out				-
Amount Charged to Appropriations (out-flows)	<u>126,060</u>	<u>126,060</u>	<u>101,607</u>	<u>(24,453)</u>
Budgeted Fund Balance, December 31	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 67,350</u>	

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, 2014

	Budgeted Amounts		Actual	Variance with Final Budget
	Original Budget	Final Budget		
Budgeted Fund Balance, January 1	\$ (55,356)	\$ (55,356)	\$ 183,487	
Resources (in-flows)				
Charges for Goods and Services	155,052	155,052	111,138	(43,914)
Interest Revenue	304	304	143	(161)
Total Resources (in-flows)	155,356	155,356	111,281	(44,075)
Amounts Available for Appropriation	100,000	100,000	294,768	
Charges to Appropriations (out-flows)				
Salaries and Wages				-
Personnel Benefits				-
Supplies				-
Services and Charges	100,000	100,000	70,437	(29,563)
Capital Outlays				-
Interfund Payments for Services			-	-
Transfers Out				-
Amount Charged to Appropriations (out-flows)	100,000	100,000	70,437	(29,563)
 Budgeted Fund Balance, December 31	 \$ -	 \$ -	 \$ 224,331	

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, 2014

	Budgeted Amounts		Actual	Variance with Final Budget
	Original Budget	Final Budget		
Budgeted Fund Balance, January 1		\$ 84,000	\$ 39,611	
Resources (in-flows)				
Intergovernmental Revenue	-	-	45,729	45,729
Total Resources (in-flows)	-	-	45,729	45,729
Amounts Available for Appropriation	-	84,000	85,340	
Charges to Appropriations (out-flows)				
Salaries and Wages				-
Personnel Benefits				-
Supplies				-
Services and Charges	-	84,000	73,866	(10,134)
Capital Outlays				-
Interfund Payments for Services				-
Transfers Out				-
Amount Charged to Appropriations (out-flows)	-	84,000	73,866	(10,134)
Budgeted Fund Balance, December 31	\$ -	\$ -	\$ 11,474	

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, 2014**

	Budgeted Amounts		Actual	Variance with Final Budget
	Original Budget	Final Budget		
Budgeted Fund Balance, January 1			\$ 157,689	
Resources (in-flows)				
Sales and Use Tax			680	680
Intergovernmental			11,640	11,640
Services and Charges			11,853	11,853
Interest Revenue	-	-	491	491
Total Resources (in-flows)	-	-	24,664	24,664
Amounts Available for Appropriation	-	-	182,353	
Charges to Appropriations (out-flows)				
Salaries and Wages	-	-	-	-
Personnel Benefits				-
Supplies				-
Services and Charges				-
Capital Outlays				-
Interfund Payments for Services				-
Transfers Out				-
Amount Charged to Appropriations (out-flows)	-	-	-	-
 Budgeted Fund Balance, December 31			\$ -	\$ -
			\$ 182,353	

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, 2014

	Budgeted Amounts			Variance with Final Budget
	Original Budget	Final Budget	Actual	
Budgeted Fund Balance, January 1	\$ 124,013	\$ 155,013	\$ 480,248	
Resources (in-flows)				
Charges for Goods and Services	723,951	723,951	538,703	(185,248)
Interest Revenue	173	173	758	585
Total Resources (in-flows)	724,124	724,124	539,461	(184,663)
Amounts Available for Appropriation	848,137	879,137	1,019,709	
Charges to Appropriations (out-flows)				
Salaries and Wages				-
Personnel Benefits				-
Supplies				-
Services and Charges	848,137	879,137	821,329	(57,808)
Capital Outlays				-
Interfund Payments for Services			3,607	3,607
Transfers Out				-
Amount Charged to Appropriations (out-flows)	848,137	879,137	824,936	(54,201)
 Budgeted Fund Balance, December 31	 \$ -	 \$ -	 \$ 194,773	

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, 2014

	Budgeted Amounts		Actual	Variance with Final Budget
	Original Budget	Final Budget		
Budgeted Fund Balance, January 1			\$ 124,036	
Resources (in-flows)				
Intergovernmental Revenue	200,000	211,955	130,038	(81,917)
Charges for Goods and Services	1,500	1,500	950	(550)
Fines and Forfeits	263,450	263,450	204,193	(59,257)
Interest Revenue	300	300	41	(259)
Miscellaneous Revenues	8,000	8,000	41,275	33,275
Total Resources (in-flows)	473,250	485,205	376,497	(108,708)
Amounts Available for Appropriation	473,250	485,205	500,533	
Charges to Appropriations (out-flows)				
Salaries and Wages	-	41,694	36,871	(4,823)
Personnel Benefits	-	22,785	19,149	(3,636)
Supplies	23,000	23,000	11,250	(11,750)
Services and Charges	395,250	342,726	208,695	(134,031)
Capital Outlays	20,000	20,000	-	(20,000)
Interfund Payments for Services	35,000	35,000	16,284	(18,716)
Transfers Out				-
Amount Charged to Appropriations (out-flows)	473,250	485,205	292,249	(192,956)
Budgeted Fund Balance, December 31	\$ -	\$ -	\$ 208,284	

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, 2014

SKAGIT COUNTY, WASHINGTON
BALANCE SHEET
Combining Nonmajor Debt Service Fund
As of December 31, 2014

ASSETS AND OTHER DEBITS:	TOTALS
ASSETS:	
Cash	\$30,152
Investments	1,128,657
Accounts Receivable	140
Interfund Loans Receivable	
TOTAL ASSETS	\$1,158,949
LIABILITIES AND FUND BALANCES	
LIABILITIES	
Unearned Revenue	-
Interfund Loans Payable	1,500
TOTAL LIABILITIES	1,500
Deferred Inflow of Resources	140
FUND BALANCES	
Reserved for Debt Service	1,157,309
TOTAL FUND BALANCES	1,157,309
TOTAL LIABILITIES AND FUND BALANCES	1,158,949

SKAGIT COUNTY, WASHINGTON
Combing Statement of Revenues, Expenditures
And Changes in Fund Balances
DEBT SERVICE FUND
For the Year Ended December 31, 2014

REVENUES:	Total
Interest Revenue	\$75,147
Miscellaneous Revenues	269,823
TOTAL REVENUES	344,970
EXPENDITURES:	
Debt Service: Principal	2,772,142
Debt Service: Interest and Related Costs	693,958
TOTAL EXPENDITURES	3,466,100
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	(3,121,130)
OTHER FINANCING SOURCES (USES):	
Transfers In	1,401,556
Proceeds of Long Term Debt	544,443
TOTAL OTHER FINANCING SOURCES (USES)	1,945,999
EXCESS (DEFICIENCY) OF REVENUES AND OTHER FINANCING SOURCES OVER EXPENDITURES AND OTHER FINANCING USES	(1,175,131)
FUND BALANCES:	
Fund Balance, January 1	2,332,440
FUND BALANCE, DECEMBER 31	1,157,309

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, 2014

	<u>Budgeted Amounts</u>			Variance with Final Budget
	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	
Budgeted Fund Balance, January 1	\$ (272,613)	\$ 1,066,135	\$ 2,332,440	
Resources (in-flows)				
Intergovernmental Revenues			-	-
Transfers In	1,947,325	1,947,325	1,401,557	(545,768)
Interest Revenue	68,904	68,904	75,148	6,244
Other Revenue	395,114	395,114	814,266	419,152
Total Resources (in-flows)	<u>2,411,343</u>	<u>2,411,343</u>	<u>2,290,971</u>	<u>(120,372)</u>
Amounts Available for Appropriation	2,138,730	3,477,478	4,623,411	
Charges to Appropriations (out-flows)				
Debt Service				-
Principal	1,437,986	2,772,143	2,772,142	(1)
Interest	700,744	705,335	693,958	(11,377)
Transfers Out	-	-	-	-
Amount Charged to Appropriations (out-flows)	<u>2,138,730</u>	<u>3,477,478</u>	<u>3,466,100</u>	<u>(11,378)</u>
Budgeted Fund Balance, December 31	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 1,157,309</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, 2014

ASSETS:	FACILITY IMPROVEMENTS	CAPITAL IMPROVEMENT	DISTRESSED PUBLIC IMPROVEMENTS	PARKS IMPROVEMENT	2014 TOTALS
ASSETS:					
Cash	\$1,727,315	\$963,028	\$1,544,646	\$478,142	\$4,713,131
Investments	200,000	2,648,368	4,210,476	-	\$7,058,844
Due from Other Funds		-	-	-	\$0
Due from another government unit		-	403,083		\$403,083
Interfund Loan Receivable	-	-	-	-	0
TOTAL ASSETS	<u>1,927,315</u>	<u>3,611,397</u>	<u>6,158,204</u>	<u>478,142</u>	<u>\$12,175,058</u>
LIABILITIES AND FUND BALANCES					
LIABILITIES:					
Accounts/vouchers payable	31,102	-	110,706	25,846	167,655
Due to other funds	30,878	-	-		30,878
Unearned Revenue	-	-	-	56,384	56,384
TOTAL LIABILITIES	<u>61,980</u>	<u>-</u>	<u>110,706</u>	<u>82,229</u>	<u>\$254,917</u>
FUND BALANCES					
Fund balances:					
Nonspendable	-		-	-	-
Restricted	1,865,335	3,611,397	6,047,498	395,913	11,920,142
Committed					-
Unassigned	-	-	-	-	-
TOTAL FUND BALANCES	<u>1,865,335</u>	<u>3,611,397</u>	<u>6,047,498</u>	<u>395,913</u>	<u>\$11,920,142</u>
TOTAL LIABILITIES AND FUND BALANCES	<u>\$1,927,315</u>	<u>\$3,611,397</u>	<u>\$6,158,204</u>	<u>\$478,142</u>	<u>\$12,175,058</u>

SKAGIT COUNTY, WASHINGTON
COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES
IN FUND BALANCE
NONMAJOR CAPITAL PROJECTS FUNDS
For the Year Ended December 31, 2014

	Facility IMPROVEMENTS FUND	CAPITAL IMPROVEMENTS FUND	DISTRESSED PUBLIC IMPROVEMENT	PARK IMPROVEMENT FUND	2014 TOTALS
REVENUES:					
Property Taxes	\$0	\$1,189,133			\$1,189,133
Excise Taxes			\$2,258,836	\$0	\$2,258,836
Intergovernmental Revenue		-	-	-	\$0
Charges for Goods and Services	-	-	-	12,470	\$12,470
Interest Revenue		3,269	6,660		\$9,929
Other Revenue	689,453	-	-		689,453
TOTAL REVENUES	689,453	1,192,402	2,265,496	12,470	4,159,821
EXPENDITURES:					
Current	-	-	-	-	-
Economic Environment			488,435	-	488,435
Culture and Recreation	-	-		121,826	121,826
Capital Outlay	1,197,639	-	-	71,186	1,268,825
Total Expenditures	1,197,639	-	488,435	193,012	1,879,086
TOTAL EXPENDITURES	1,197,639	-	488,435	193,012	1,879,086
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	(508,186)	1,192,402	1,777,061	(180,542)	2,280,736
OTHER FINANCING SOURCES (USES):					
Issuance of Long Term Debt	881,410	-	-	-	881,410
Proceeds of Capital Assets		-	-	-	-
Transfers In	875,000	-		325,000	1,200,000
Transfers Out	-	(2,464,635)	(592,921)	-	(3,057,556)
TOTAL OTHER FINANCING SOURCES (USES)	1,756,410	(2,464,635)	(592,921)	325,000	(976,146)
EXCESS (DEFICIENCY) OF REVENUES AND OTHER FINANCING SOURCES OVER EXPENDITURES AND OTHER FINANCING USE	1,248,224	(1,272,233)	1,184,140	144,458	1,304,590
FUND BALANCES:					
Fund Balance, January 1	617,111	4,883,629	4,863,358	251,455	10,615,553
Prior Period Adjustment					-
FUND BALANCE, DECEMBER 31	\$1,865,335	\$3,611,397	\$6,047,498	395,913	11,920,142

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, 2014

	<u>Budgeted Amounts</u>			<u>Variance with Final Budget</u>
	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	
Budgeted Fund Balance, January 1	\$ (30,359)	\$ 2,069,641	\$ 617,111	
Resources (in-flows)				
Intergovernmental Revenues	29,840	29,840	-	(29,840)
Proceeds of Lt Debt	-	2,100,000	881,410	(1,218,590)
Transfers In	831,254	1,706,254	875,000	(831,254)
Interest Revenue	-	-	-	-
Other Revenue	3,000	3,000	689,453	686,453
Total Resources (in-flows)	<u>864,094</u>	<u>3,839,094</u>	<u>2,445,863</u>	<u>(1,393,231)</u>
Amounts Available for Appropriation	833,735	5,908,735	3,062,974	
Charges to Appropriations (out-flows)				
Salaries and Wages	12,892	12,892	11,063	(1,829)
Personnel Benefits	5,843	5,843	5,004	(839)
Supplies	-	-	5,349	5,349
Services and Charges	340,000	340,000	200,461	(139,539)
Capital Outlays	475,000	5,550,000	975,762	(4,574,238)
Interfund Payments for Services	-	-	-	-
Transfers Out	-	-	-	-
Amount Charged to Appropriations (out-flows)	<u>833,735</u>	<u>5,908,735</u>	<u>1,197,639</u>	<u>(4,711,096)</u>
Budgeted Fund Balance, December 31	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 1,865,335</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, 2014

	<u>Budgeted Amounts</u>			Variance with Final Budget
	Original Budget	Final Budget	Actual	
Budgeted Fund Balance, January 1	\$ 885,639	\$ 2,660,639	\$ 4,883,629	
Resources (in-flows)				
Property Tax	1,000,000	100,000	1,189,134	1,089,134
Interest Revenue	2,000	2,000	3,269	1,269
Total Resources (in-flows)	<u>1,002,000</u>	<u>102,000</u>	<u>1,192,403</u>	<u>1,090,403</u>
Amounts Available for Appropriation	1,887,639	2,762,639	6,076,032	
Charges to Appropriations (out-flows)				
Salaries and Wages				-
Personnel Benefits				-
Supplies				-
Services and Charges				-
Capital Outlays				-
Interfund Payments for Services				-
Transfers Out	1,887,639	2,762,639	2,464,635	(298,004)
Amount Charged to Appropriations (out-flows)	<u>1,887,639</u>	<u>2,762,639</u>	<u>2,464,635</u>	<u>(298,004)</u>
Budgeted Fund Balance, December 31	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 3,611,397</u>	

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, 2014

	<u>Budgeted Amounts</u>			Variance with Final Budget
	Original Budget	Final Budget	Actual	
Budgeted Fund Balance, January 1	\$ (737,871)	\$ (737,871)	\$ 4,863,358	
Resources (in-flows)				
Sales and Use Tax	2,000,000	2,000,000	2,258,836	258,836
Interest Revenue	3,500	3,500	6,660	3,160
Total Resources (in-flows)	<u>2,003,500</u>	<u>2,003,500</u>	<u>2,265,496</u>	<u>261,996</u>
Amounts Available for Appropriation	1,265,629	1,265,629	7,128,854	
Charges to Appropriations (out-flows)				
Salaries and Wages				-
Personnel Benefits				-
Supplies				-
Services and Charges	74,700	74,700	74,700	-
Capital Outlays				-
Interfund Payments for Services	598,007	598,007	413,735	(184,272)
Transfers Out	592,922	592,922	592,921	(1)
Amount Charged to Appropriations (out-flows)	<u>1,265,629</u>	<u>1,265,629</u>	<u>1,081,356</u>	<u>(184,273)</u>
Budgeted Fund Balance, December 31	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 6,047,498</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, 2014

	<u>Budgeted Amounts</u>		Actual	Variance with Final Budget
	Original Budget	Final Budget		
Budgeted Fund Balance, January 1	\$ 603,605	\$ 629,815	\$ 251,455	
Resources (in-flows)				
Intergovernmental Revenue	-	-	-	-
Charges for Goods and Services	-	-	12,470	12,470
Interest Earnings	395	395	-	(395)
Transfers In	-	-	325,000	325,000
Donations	-	-	-	-
Total Resources (in-flows)	<u>395</u>	<u>395</u>	<u>337,470</u>	<u>337,075</u>
Amounts Available for Appropriation	604,000	630,210	588,925	
Charges to Appropriations (out-flows)				
Salaries and Wages	-	23,260	21,720	(1,540)
Personnel Benefits	-	2,950	2,811	(139)
Supplies	10,000	10,000	1,000	(9,000)
Services and Charges	187,500	187,500	96,295	(91,205)
Capital Outlays	406,500	406,500	71,186	(335,314)
Interfund Payments for Services				-
Transfers Out				-
Amount Charged to Appropriations (out-flows)	<u>604,000</u>	<u>630,210</u>	<u>193,012</u>	<u>(437,198)</u>
Budgeted Fund Balance, December 31	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 395,913</u>	

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Nonmajor Enterprise Funds



SKAGIT COUNTY, WASHINGTON

NONMAJOR ENTERPRISE FUNDS

For the Year ended December 31, 2014, 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 Position
Internal Service Funds
December 31, 2014

Assets	Equipment Rental Fund	Insurance Service Fund	Central Services Fund	Unemployment Compensation # Fund	Total
Current Assets					
Cash and Cash Equivalents	\$6,386,702	\$10,684,504	\$1,450,332	\$276,734	\$18,798,272
Accounts Receivable	3,844	-	-	-	3,844
Due From Other Funds	1,434,190	1,971,469	995,806	-	4,401,465
Due From Other Governments	-	-	194,242	-	194,242
Inventories and Prepayments	5,010,294	-	-	-	5,010,294
Total Current Assets	12,835,030	12,655,973	2,640,379	276,734	28,408,117
Noncurrent Assets					
Capital Assets					
Buildings	180,888	-	-	-	180,888
Machinery and Equipment	16,756,511	-	1,900,922	-	18,657,433
Less Accumulated Depreciation	(8,206,443)	-	(1,327,133)	-	(9,533,576)
Total noncurrent assets	8,730,956	-	573,790	-	9,304,745
Total Assets	21,565,986	12,655,973	3,214,169	276,734	37,712,862
Liabilities and Fund Equity					
Current Liabilities					
Accounts/Vouchers Payable	86,464	30,719	100,484	11,513	229,180
Claims and Judgements Payable	-	2,149,360	-	-	2,149,360
Accrue Wages Payable	25,366	12,145	101,148	140,402	279,061
Due to other Funds	1,589,162	48,455	-	-	1,637,617
Accrued Employee Benefits	5,599	2,332	19,124	-	27,054
Other Accrued Liabilities	3,000	-	27	-	3,027
Total Current Liabilities	1,709,591	2,243,011	220,783	151,915	4,325,300
Non-Current Liabilities					
Compensated Absences	48,264	16,702	163,992	-	228,958
Environmental Liability	116,397	-	-	-	116,397
Other Accrued Liabilities	-	-	-	-	-
Total Non-Current Liabilities	164,661	16,702	163,992	-	345,355
Total Liabilities	1,874,252	2,259,713	384,775	151,915	4,670,655
Net Position					
Net Investment in Capital Assets,	8,730,956	-	573,790	-	9,304,746
Unrestricted	10,960,778	10,396,260	2,255,604	124,819	23,737,461
Total Net Position	\$ 19,691,734	\$ 10,396,260	\$ 2,829,394	\$ 124,819	\$ 33,042,207

SKAGIT COUNTY, WASHINGTON

Combining Statement of Revenues, Expenses and Changes in Fund Net Position Internal Service Funds December 31, 2014

	Equipment Rental Fund	Insurance Services Fund	Central Services Fund	Unemployment Compensation Fund	2014 Total
Operating Revenues:					
Charges For Services	\$7,044,968	\$1,971,469	\$6,517,119	\$481,259	\$16,014,815
Miscellaneous	62,218	11,766,035		0	11,828,254
Total Operating Revenue	<u>7,107,186</u>	<u>13,737,504</u>	<u>6,517,119</u>	<u>481,259</u>	<u>27,843,069</u>
Operating Expenses:					
Personal services	805,738	463,838	3,260,999	575,284	5,105,858
Contractual services	-	2,178,388	-		2,178,388
Other supplies and expenses	4,030,619	115,118	3,019,617	-	7,165,354
Depreciation	971,905	-	(110,836)	-	861,069
Payment to Claimants	-	10,309,696	-	86,293	10,395,990
Total Operating Expenses	<u>5,808,262</u>	<u>13,067,040</u>	<u>6,169,780</u>	<u>661,577</u>	<u>25,706,659</u>
Operating Income (Loss)	<u>1,298,925</u>	<u>670,464</u>	<u>347,339</u>	<u>(180,318)</u>	<u>2,136,410</u>
Non-Operating Revenues (Expenses):					
Interest Revenue	5,531	4,335		-	9,866
Miscellaneous Revenue	-			-	-
Gain (Loss) on Fixed Asset Disposal	(153,155)	-	(245,492)	-	(398,647)
Miscellaneous Expense			-	-	-
Total non-operating revenues	<u>(147,624)</u>	<u>4,335</u>	<u>(245,492)</u>	<u>-</u>	<u>(388,781)</u>
Net Income (Loss) Before Operating Transfers Contributions and Special Items	<u>1,151,300</u>	<u>674,799</u>	<u>101,847</u>	<u>(180,318)</u>	<u>1,747,629</u>
Transfers In	40,889	-	-		40,889
Transfers Out		-	-	-	
Changes in Net Position	<u>1,192,190</u>	<u>674,799</u>	<u>101,847</u>	<u>(180,318)</u>	<u>1,788,518</u>
Net Position as of January 1	18,499,543	9,721,461	2,727,547	305,137	31,253,688
Prior Period Correction					
Net Position as of December 31	<u><u>\$19,691,734</u></u>	<u><u>\$10,396,260</u></u>	<u><u>2,829,394</u></u>	<u><u>\$124,819</u></u>	<u><u>33,042,207</u></u>

SKAGIT COUNTY, WASHINGTON
Combining Statement of Cash Flow
Internal Service Funds
December 31, 2014

	Equipment Rental Fund	Insurance Service Fund	Central Services Fund	Unemployment Compensation Fund	2014 Total
<u>Cash Flows From Operating Activities:</u>					
Receipts from Customers	\$165,471	\$1,159,508	\$451,008	\$0	\$1,775,987
Receipts from interfund services provided	5,515,982	13,007,938	6,034,957	481,258	25,040,135
Payments to Employees	(804,099)	(462,472)	(2,994,254)	(465,647)	(4,726,472)
Payments to Suppliers	(2,072,955)	(2,411,930)	(2,976,476)	-	(7,461,361)
Payments to Claimants		(10,336,371)	-	(91,522)	(10,427,893)
Payments for interfund services used	(431,988)	(49,710)	(15,325)	-	(497,023)
Miscellaneous receipts(payments)	(2,715)	68,591	(995)	-	64,881
Net cash provided (used) by operating activities	2,369,696	975,554	498,915	(75,911)	3,768,254
<u>Cash Flows From Non-Capital And Related Financing Activities</u>					
Transfers to Other Funds	40,889	-	-	-	40,889
Transfers From Other Funds		-	-	-	-
Net cash provided (used) by Non-Capital and related financing activities	40,889	-	-	-	40,889
<u>Cash Flows From Capital And Related Financing Activities</u>					
Capital Grant Received	-	-	-	-	-
Proceeds from sale of capital assets	(1,434,190)	-	(369,740)	-	(1,803,930)
Purchases of capital assets	72,230	-	31,895	-	104,125
Net cash provided (used) by capital and related financing activities	(1,361,960)	-	(337,845)	-	(1,699,805)
<u>Cash Flows From Investing Activities:</u>					
Interest Received	5,531	4,335	-	-	9,866
Net Cash Provided by Investing Activities	5,531	4,335	-	-	9,866
Net Increase in Cash & Cash Equivalents	1,054,156	979,889	161,070	(75,911)	2,119,204
Balances as of January 1	5,332,546	9,704,615	1,289,262	352,645	16,679,068
Balances as of December 31	6,386,702	10,684,504	1,450,333	276,734	18,798,272
Operating Income/(Loss)	1,298,925	670,464	347,339	(180,318)	2,136,411

SKAGIT COUNTY, WASHINGTON
Combining Reconciliation of Operating Income to Net Cash Provided
Internal Service Funds
December 31, 2014

	Equipment Rental Fund	Insurance Service Fund	Central Services Fund	Unemployment Compensation # Fund	Total
Reconciliation of Operating Income (Loss) to Net Cash Provided (Used) by Operating Activities					
Operating Income (Loss)	\$ 1,298,925	\$ 670,464	\$ 347,339	\$ (180,318)	2,136,410
Adjustments to Reconcile Operating Income to Net Cash Provided (Used) by Operating Activities:					
Depreciation Expense	971,905		(110,836)		861,069
Miscellaneous Receipts	(2,715)	-	-		(2,715)
Changes in Assets and Liabilities:					
Receivables, Net	(1,425,735)	498,534	(31,154)	-	(958,355)
Prepayables	-	-	284,099		284,099
Inventories	172,716				172,716
Accounts and Other Payables	1,354,600	(193,444)	9,467	104,407	1,275,030
Net Cash Provided (Used) by Operating Activities	<u>\$ 2,369,696</u>	<u>\$ 975,554</u>	<u>\$ 498,915</u>	<u>\$ (75,911)</u>	<u>\$ 3,768,254</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, 2014

ASSETS	TRUST FUNDS	CLEARING FUNDS	STATE FUNDS	NW CLEAN AIR AGENCY FUNDS
Cash	\$ 1,107,153	\$ 6,752,749	\$ 1,100,323	\$ 67,926
Investments				6,920,899
Taxes Receivable			1,029,943	
Deposits		-		
TOTAL ASSETS	1,107,153	6,752,749	2,130,266	6,988,825
LIABILITIES				
Warrants Payable		6,670,407		
Custodial Accounts	1,107,153	82,342	2,130,266	6,988,825
TOTAL LIABILITIES	\$ 1,107,153	\$ 6,752,749	\$ 2,130,266	\$ 6,988,825

ASSETS	LIBRARY FUNDS	SKAGIT HOUSING FUND	CITIES AND TOWNS FUNDS	PORT OF ANACORTES FUNDS
Cash	\$ 1,223,596	\$ 1,000	\$ 405,278	\$ 125,769
Investments	494,165	702,690		8,386,838
Taxes Receivable	43,089		425,935	10,089
Deposits				
TOTAL ASSETS	1,760,850	703,690	831,213	8,522,696
LIABILITIES				
Warrants Payable	11,079			20,143
Custodial Accounts	1,749,771	703,690	831,213	8,502,553
TOTAL LIABILITIES	\$ 1,760,850	\$ 703,690	\$ 831,213	\$ 8,522,696

SKAGIT COUNTY, WASHINGTON
COMBINING BALANCE SHEET
As of December 31, 2014

ASSETS	COUNCIL OF GOVERNMENTS FUNDS	FIDALGO PARK FUNDS	AFFILIATED HEALTH SERVICES FUNDS
Cash	\$ 67,783	\$ 313,643	\$ 402
Investments	801,949	185,099	383,303
Taxes Receivable		10,789	
Deposits			
TOTAL ASSETS	869,732	509,531	383,705
LIABILITIES			
Warrants Payable	17,544	67,766	401
Custodial Accounts	852,188	441,765	383,304
TOTAL LIABILITIES	\$ 869,732	\$ 509,531	\$ 383,705

ASSETS	PORT OF SKAGIT FUNDS	DIKE DISTRICTS FUNDS	SKAGIT TRANSPORTATION FUNDS
Cash	\$ 593,819	\$ 6,432,839	
Investments	7,874,295	6,217,365	8,511,518
Taxes Receivable	63,987	163,483	
Deposits			
TOTAL ASSETS	8,532,101	12,813,687	8,511,518
LIABILITIES			
Warrants Payable	50,476	56,442	
Custodial Accounts	8,481,625	12,757,245	8,511,518
TOTAL LIABILITIES	\$ 8,532,101	\$ 12,813,687	\$ 8,511,518

SKAGIT COUNTY, WASHINGTON
COMBINING BALANCE SHEET

As of December 31, 2014

ASSETS	HOSPITAL DISTRICT 1 FUNDS	HOSPITAL DISTRICT 2 FUNDS	HOSPITAL DISTRICT 304 FUNDS	WATER DISTRICT FUNDS
Cash	\$ 4,365,029	\$ 1,594,306	\$ 131,307	\$ 37,014
Investments	137,672,545	28,039,916	14,811,013	227,394
Taxes Receivable	113,057	63,726	34,495	
Deposits				
TOTAL ASSETS	142,150,631	29,697,948	14,976,815	264,408
LIABILITIES				
Warrants Payable	2,823,401	1,384,972	67,751	-
Custodial Accounts	139,327,230	28,312,976	14,909,064	264,408
TOTAL LIABILITIES	\$ 142,150,631	\$ 29,697,948	\$ 14,976,815	\$ 264,408

ASSETS	DRAINAGE DISTRICT FUNDS	SCHOOL DISTRICTS FUNDS	CEMETARY DISTRICTS FUNDS	SKAGIT COMMUNITY NETWORK
Cash	\$ 357,641	\$ 16,672,672	\$ 260,183	\$ 1,801
Investments	1,143,349	50,479,358	637,218	
Taxes Receivable	21,233	1,805,987	8,283	
Deposits				
TOTAL ASSETS	1,522,223	68,958,017	905,684	1,801
LIABILITIES				
Warrants Payable	12,625	8,700,282	7,558	
Custodial Accounts	1,509,598	60,257,735	898,126	1,801
TOTAL LIABILITIES	\$ 1,522,223	\$ 68,958,017	\$ 905,684	\$ 1,801

SKAGIT COUNTY, WASHINGTON
COMBINING BALANCE SHEET
As of December 31, 2014

ASSETS	SEWER DISTRICT FUNDS	FIRE DISTRICT FUNDS	NORTH SOUND RSN FUNDS
Cash	\$ 152,603	\$ 2,886,112	\$ 638,198
Investments	882,498	3,505,357	54,746,944
Taxes Receivable	3,102	178,017	
Deposits			
TOTAL ASSETS	1,038,203	6,569,486	55,385,142
LIABILITIES			
Warrants Payable	2,958	171,085	5,482,807
Custodial Accounts	1,035,245	6,398,401	49,902,335
TOTAL LIABILITIES	\$ 1,038,203	\$ 6,569,486	\$ 55,385,142

ASSETS	PUBLIC FACILITIES DISTRICT	SKAGIT EMERGENCY COMM	2014 TOTALS
Cash	\$ 142,149	\$ 635,535	\$ 46,066,830
Investments	1,223,793	444,459	334,291,965
Taxes Receivable			3,975,215
Deposits			-
TOTAL ASSETS	1,365,942	1,079,994	384,334,010
LIABILITIES			
Warrants Payable	-	-	25,547,697
Custodial Accounts	1,365,942	1,079,994	358,786,313
TOTAL LIABILITIES	\$ 1,365,942	\$ 1,079,994	\$ 384,334,010

SKAGIT COUNTY, WASHINGTON
COMBINING STATEMENT OF CHANGES IN ASSETS AND LIABILITIES
Fiscal Year Ended December 31, 2014

TRUST FUNDS	Balance			Balance		
	December 31, 2013	Additions	Deductions	December 31, 2014		
ASSETS						
Cash	\$ 481,342	\$ 7,655,395	\$ 7,029,584	\$ 1,107,153		
Investments	-			-		
Taxes Receivable	-			-		
Deposits	-			-		
TOTAL ASSETS	481,342	7,655,395	7,029,584	1,107,153		
LIABILITIES						
Warrants Payable	-			-		
Custodial Accounts	481,342	7,655,395	7,029,584	1,107,153		
TOTAL LIABILITIES	\$ 481,342	\$ 7,655,395	\$ 7,029,584	\$ 1,107,153		

CLEARING FUNDS	Balance			Balance		
	December 31, 2013	Additions	Deductions	December 31, 2014		
ASSETS						
Cash	\$ 1,827,563	\$ 294,761,102	\$ 289,835,916	\$ 6,752,749		
Investments	-			-		
Taxes Receivable	-			-		
Deposits	-	-	-	-		
TOTAL ASSETS	1,827,563	294,761,102	289,835,916	6,752,749		
LIABILITIES						
Warrants Payable	1,722,202	226,136,886	221,188,681	6,670,407		
Custodial Accounts	105,361	104,756,148	104,779,167	82,342		
TOTAL LIABILITIES	\$ 1,827,563	\$ 330,893,034	\$ 325,967,848	\$ 6,752,749		

STATE FUNDS	Balance			Balance		
	December 31, 2013	Additions	Deductions	December 31, 2014		
ASSETS						
Cash	\$ 749,979	\$ 48,237,346	\$ 47,887,002	\$ 1,100,323		
Investments	-			-		
Taxes Receivable	1,106,998	34,808,141	34,885,196	1,029,943		
Deposits	-			-		
TOTAL ASSETS	1,856,977	83,045,487	82,772,198	2,130,266		
LIABILITIES						
Warrants Payable	-			-		
Custodial Accounts	1,856,977	38,156,842	37,883,553	2,130,266		
TOTAL LIABILITIES	\$ 1,856,977	\$ 38,156,842	\$ 37,883,553	\$ 2,130,266		

SKAGIT COUNTY, WASHINGTON
COMBINING STATEMENT OF CHANGES IN ASSETS AND LIABILITIES
Fiscal Year Ended December 31, 2014

NW AIR POLLUTION FUNDS	Balance				Balance	
	December 31, 2013	Additions	Deductions		December 31, 2014	
ASSETS						
Cash	\$ 22,168	\$ 9,888,716	\$ 9,842,958	\$	67,926	
Investments	7,116,254	5,532,645	5,728,000		6,920,899	
Taxes Receivable	-				-	
Deposits	-				-	
TOTAL ASSETS	7,138,422	15,421,361	15,570,958		6,988,825	
LIABILITIES						
Warrants Payable	-	4,310,000	4,310,000		-	
Custodial Accounts	7,138,422	-	149,597		6,988,825	
TOTAL LIABILITIES	\$ 7,138,422	\$ 4,310,000	\$ 4,459,597	\$	6,988,825	

COUNCIL OF GOV'T FUNDS	Balance				Balance	
	December 31, 2013	Additions	Deductions		December 31, 2014	
ASSETS						
Cash	\$ 188,688	\$ 965,685	\$ 1,086,590	\$	67,783	
Investments	575,940	368,215	142,206		801,949	
Taxes Receivable	-				-	
Deposits	-				-	
TOTAL ASSETS	764,628	1,333,900	1,228,796		869,732	
LIABILITIES						
Warrants Payable	21,426	330,735	334,617		17,544	
Custodial Accounts	743,202	291,037	182,052		852,188	
TOTAL LIABILITIES	\$ 764,628	\$ 621,772	\$ 516,669	\$	869,732	

LIBRARY FUNDS	Balance				Balance	
	December 31, 2013	Additions	Deductions		December 31, 2014	
ASSETS						
Cash	\$ 173,152	\$ 2,174,862	\$ 1,124,418	\$	1,223,596	
Investments	663,959	460,745	630,539		494,165	
Taxes Receivable	25,000	1,209,025	1,190,936		43,089	
Deposits	-				-	
TOTAL ASSETS	862,111	3,844,632	2,945,893		1,760,850	
LIABILITIES						
Warrants Payable	10,456	182,633	182,010		11,079	
Custodial Accounts	851,655	2,395,755	1,497,639		1,749,771	
TOTAL LIABILITIES	\$ 862,111	\$ 2,578,388	\$ 1,679,649	\$	1,760,850	

SKAGIT COUNTY, WASHINGTON
COMBINING STATEMENT OF CHANGES IN ASSETS AND LIABILITIES
Fiscal Year Ended December 31, 2014

SKAGIT HOUSING	Balance				Balance
	December 31, 2013	Additions	Deductions		December 31, 2014
ASSETS					
Cash	\$ -	\$ 83,975	\$ 82,975	\$	1,000
Investments	625,715	76,975	-		702,690
Taxes Receivable	-				-
Deposits	-				-
TOTAL ASSETS	625,715	160,950	82,975		703,690
LIABILITIES					
Warrants Payable	-	-	-		-
Custodial Accounts	625,715	77,975	-		703,690
TOTAL LIABILITIES	\$ 625,715	\$ 77,975	\$ -	\$	703,690

CITIES AND TOWNS FUNDS	Balance				Balance
	December 31, 2013	Additions	Deductions		December 31, 2014
ASSETS					
Cash	\$ 267,555	\$ 19,810,579	\$ 19,672,857	\$	405,278
Investments	-				-
Taxes Receivable	464,911	17,679,130	17,718,106		425,935
Deposits	-				-
TOTAL ASSETS	732,466	37,489,709	37,390,963		831,213
LIABILITIES					
Warrants Payable	-				-
Custodial Accounts	732,466	17,830,048	17,731,300		831,213
TOTAL LIABILITIES	\$ 732,466	\$ 17,830,048	\$ 17,731,300	\$	831,213

PORT OF ANACORTES FUNDS	Balance				Balance
	December 31, 2013	Additions	Deductions		December 31, 2014
ASSETS					
Cash	\$ 556,163	\$ 25,985,244	\$ 26,415,638	\$	125,769
Investments	7,864,789	6,490,505	5,968,456		8,386,838
Taxes Receivable	10,573	500,965	501,449		10,089
Deposits	-				-
TOTAL ASSETS	8,431,525	32,976,714	32,885,543		8,522,696
LIABILITIES					
Warrants Payable	36,143	15,230,671	15,246,671		20,143
Custodial Accounts	8,395,382	3,098,620	2,991,449		8,502,553
TOTAL LIABILITIES	\$ 8,431,525	\$ 18,329,291	\$ 18,238,120	\$	8,522,696

SKAGIT COUNTY, WASHINGTON
COMBINING STATEMENT OF CHANGES IN ASSETS AND LIABILITIES
Fiscal Year Ended December 31, 2014

PORT OF SKAGIT FUNDS	Balance			Balance		
	December 31, 2013	Additions	Deductions	December 31, 2014		
ASSETS						
Cash	\$ 454,041	\$ 15,929,078	\$ 15,789,300	\$ 593,819		
Investments	10,350,513	3,652,282	6,128,500	7,874,295		
Taxes Receivable	65,238	1,868,706	1,869,957	63,987		
Deposits	-			-		
TOTAL ASSETS	10,869,792	21,450,066	23,787,757	8,532,101		
LIABILITIES						
Warrants Payable	84,900	5,792,159	5,826,583	50,476		
Custodial Accounts	10,784,892	5,341,684	7,644,951	8,481,625		
TOTAL LIABILITIES	\$ 10,869,792	\$ 11,133,843	\$ 13,471,534	\$ 8,532,101		

FIDALGO PARK FUNDS	Balance			Balance		
	December 31, 2013	Additions	Deductions	December 31, 2014		
ASSETS						
Cash	\$ 347,984	\$ 1,333,339	\$ 1,367,680	\$ 313,643		
Investments	20,000	241,081	75,982	185,099		
Taxes Receivable	10,072	593,606	592,889	10,789		
Deposits	-			-		
TOTAL ASSETS	378,056	2,168,026	2,036,551	509,531		
LIABILITIES						
Warrants Payable	-	976,393	908,627	67,766		
Custodial Accounts	378,056	1,339,809	1,276,100	441,765		
TOTAL LIABILITIES	\$ 378,056	\$ 2,316,202	\$ 2,184,727	\$ 509,531		

AFFILIATED HEALTH FUNDS	Balance			Balance		
	December 31, 2013	Additions	Deductions	December 31, 2014		
ASSETS						
Cash	\$ 401	\$ 365,558	\$ 365,557	\$ 402		
Investments	96,956	325,952	39,605	383,303		
Taxes Receivable	-			-		
Deposits	-			-		
TOTAL ASSETS	97,357	691,510	405,162	383,705		
LIABILITIES						
Warrants Payable	401	40,150	40,150	401		
Custodial Accounts	96,956	286,348		383,304		
TOTAL LIABILITIES	\$ 97,357	\$ 326,498	\$ 40,150	\$ 383,705		

SKAGIT COUNTY, WASHINGTON
COMBINING STATEMENT OF CHANGES IN ASSETS AND LIABILITIES
Fiscal Year Ended December 31, 2014

HOSPITAL DISTRICT 1 FUNDS	Balance			Balance
	December 31, 2013	Additions	Deductions	December 31, 2014
ASSETS				
Cash	\$ 1,839,905	\$ 796,692,360	\$ 794,167,236	\$ 4,365,029
Investments	107,728,277	407,569,584	377,625,316	137,672,545
Taxes Receivable	126,004	3,573,389	3,586,336	113,057
Deposits	-			-
TOTAL ASSETS	109,694,186	1,207,835,333	1,175,378,888	142,150,631
LIABILITIES				
Warrants Payable	935,908	206,316,124	204,428,631	2,823,401
Custodial Accounts	108,758,278	90,076,612	59,507,660	139,327,230
TOTAL LIABILITIES	\$ 109,694,186	\$ 296,392,736	\$ 263,936,291	\$ 142,150,631
HOSPITAL DISTRICT 2 FUNDS	Balance			Balance
	December 31, 2013	Additions	Deductions	December 31, 2014
ASSETS				
Cash	\$ 398,826	\$ 116,437,400	\$ 115,241,920	\$ 1,594,306
Investments	19,224,708	29,459,328	20,644,120	28,039,916
Taxes Receivable	64,362	3,155,499	3,156,135	63,726
Deposits	-			-
TOTAL ASSETS	19,687,896	149,052,227	139,042,175	29,697,948
LIABILITIES				
Warrants Payable	218,586	43,785,256	42,618,870	1,384,972
Custodial Accounts	19,469,310	72,947,896	64,104,230	28,312,976
TOTAL LIABILITIES	\$ 19,687,896	\$ 116,733,152	\$ 106,723,100	\$ 29,697,948
HOSPITAL DISTRICT 304 FUNDS	Balance			Balance
	December 31, 2013	Additions	Deductions	December 31, 2014
ASSETS				
Cash	\$ 346,323	\$ 53,477,641	\$ 53,692,657	\$ 131,307
Investments	9,735,130	26,338,205	21,262,322	14,811,013
Taxes Receivable	35,272	928,009	928,786	34,495
Deposits	-			-
TOTAL ASSETS	10,116,725	80,743,855	75,883,765	14,976,815
LIABILITIES				
Warrants Payable	210,489	16,495,372	16,638,110	67,751
Custodial Accounts	9,906,236	5,931,616	928,788	14,909,064
TOTAL LIABILITIES	\$ 10,116,725	\$ 22,426,988	\$ 17,566,898	\$ 14,976,815

SKAGIT COUNTY, WASHINGTON
COMBINING STATEMENT OF CHANGES IN ASSETS AND LIABILITIES
Fiscal Year Ended December 31, 2014

DIKE FUNDS	Balance			Balance	
	December 31, 2013	Additions	Deductions	December 31, 2014	
ASSETS					
Cash	\$ 7,114,543	\$ 8,892,136	\$ 9,573,840	\$ 6,432,839	
Investments	2,789,284	4,614,371	1,186,290	6,217,365	
Taxes Receivable	180,209	5,445,202	5,461,928	163,483	
Deposits	-	-	-	-	
TOTAL ASSETS	10,084,036	18,951,709	16,222,058	12,813,687	
LIABILITIES					
Warrants Payable	44,142	2,019,221	2,006,921	56,442	
Custodial Accounts	10,039,894	9,364,705	6,647,354	12,757,245	
TOTAL LIABILITIES	\$ 10,084,036	\$ 11,383,926	\$ 8,654,275	\$ 12,813,687	

SKAGIT TRANSPORTATION	Balance			Balance	
	December 31, 2013	Additions	Deductions	December 31, 2014	
ASSETS					
Cash	\$ -	\$ 9,951	\$ 9,951	\$ -	
Investments	8,501,567	9,951	-	8,511,518	
Taxes Receivable	-	-	-	-	
Deposits	-	-	-	-	
TOTAL ASSETS	8,501,567	19,902	9,951	8,511,518	
LIABILITIES					
Warrants Payable	-	-	-	-	
Custodial Accounts	8,501,567	9,951	-	8,511,518	
TOTAL LIABILITIES	\$ 8,501,567	\$ 9,951	\$ -	\$ 8,511,518	

DRAINAGE DISTRICT FUNDS	Balance			Balance	
	December 31, 2013	Additions	Deductions	December 31, 2014	
ASSETS					
Cash	\$ 459,926	\$ 986,704	\$ 1,088,989	\$ 357,641	
Investments	952,435	226,048	35,134	1,143,349	
Taxes Receivable	19,063	712,459	710,289	21,233	
Deposits	-	-	-	-	
TOTAL ASSETS	1,431,424	1,925,211	1,834,412	1,522,223	
LIABILITIES					
Warrants Payable	42,841	490,358	520,574	12,625	
Custodial Accounts	1,388,583	1,111,676	990,661	1,509,598	
TOTAL LIABILITIES	\$ 1,431,424	\$ 1,602,034	\$ 1,511,235	\$ 1,522,223	

SKAGIT COUNTY, WASHINGTON
COMBINING STATEMENT OF CHANGES IN ASSETS AND LIABILITIES
Fiscal Year Ended December 31, 2014

SCHOOL DISTRICT FUNDS	Balance December 31, 2013	Additions	Deductions	Balance December 31, 2014
ASSETS				
Cash	\$ 10,247,308	\$ 460,606,371	\$ 454,181,007	\$ 16,672,672
Investments	68,889,344	199,785,373	218,195,359	50,479,358
Taxes Receivable	1,916,058	62,579,978	62,690,049	1,805,987
Deposits	-			-
TOTAL ASSETS	81,052,710	722,971,722	735,066,415	68,958,017
LIABILITIES				
Warrants Payable	6,643,334	181,455,992	179,399,044	8,700,282
Custodial Accounts	74,409,376	95,777,951	109,929,592	60,257,735
TOTAL LIABILITIES	\$ 81,052,710	\$ 277,233,943	\$ 289,328,636	\$ 68,958,017

CEMETERY DISTRICT FUNDS	Balance December 31, 2013	Additions	Deductions	Balance December 31, 2014
ASSETS				
Cash	\$ 164,230	\$ 770,759	\$ 674,806	\$ 260,183
Investments	629,488	411,430	403,700	637,218
Taxes Receivable	7,072	304,344	303,133	8,283
Deposits	-			-
TOTAL ASSETS	800,790	1,486,533	1,381,639	905,684
LIABILITIES				
Warrants Payable	5,420	136,879	134,741	7,558
Custodial Accounts	795,370	462,252	359,496	898,126
TOTAL LIABILITIES	\$ 800,790	\$ 599,131	\$ 494,237	\$ 905,684

WATER DISTRICT FUNDS	Balance December 31, 2013	Additions	Deductions	Balance December 31, 2014
ASSETS				
Cash	\$ 58,454	\$ 352,702	\$ 374,143	\$ 37,014
Investments	197,184	168,287	138,077	227,394
Taxes Receivable	-			-
Deposits	-			-
TOTAL ASSETS	255,638	520,989	512,220	264,408
LIABILITIES				
Warrants Payable	-	35,633	35,633	-
Custodial Accounts	255,638	9,820	1,050	264,408
TOTAL LIABILITIES	\$ 255,638	\$ 45,453	\$ 36,683	\$ 264,408

SKAGIT COUNTY, WASHINGTON
COMBINING STATEMENT OF CHANGES IN ASSETS AND LIABILITIES
Fiscal Year Ended December 31, 2014

SEWER DISTRICT FUNDS	Balance			Balance		
	December 31, 2013	Additions	Deductions	December 31, 2014		
ASSETS						
Cash	\$ 141,944	\$ 4,194,247	\$ 4,183,588	\$ 152,603		
Investments	1,810,656	1,152,162	2,080,320	882,498		
Taxes Receivable	9,305		6,203	3,102		
Deposits	-			-		
TOTAL ASSETS	1,961,905	5,346,409	6,270,111	1,038,203		
LIABILITIES						
Warrants Payable	5,360	2,077,709	2,080,111	2,958		
Custodial Accounts	1,956,545	10,848,696	11,769,996	1,035,245		
TOTAL LIABILITIES	\$ 1,961,905	\$ 12,926,405	\$ 13,850,107	\$ 1,038,203		

FIRE DISTRICT FUNDS	Balance			Balance		
	December 31, 2013	Additions	Deductions	December 31, 2014		
ASSETS						
Cash	\$ 2,691,368	\$ 11,827,228	\$ 11,632,484	\$ 2,886,112		
Investments	5,345,383	2,444,919	4,284,945	3,505,357		
Taxes Receivable	179,689	4,878,971	4,880,643	178,017		
Deposits	-			-		
TOTAL ASSETS	8,216,440	19,151,118	20,798,072	6,569,486		
LIABILITIES						
Warrants Payable	354,266	6,459,221	6,642,402	171,085		
Custodial Accounts	7,862,174	10,423,115	11,886,888	6,398,401		
TOTAL LIABILITIES	\$ 8,216,440	\$ 16,882,336	\$ 18,529,290	\$ 6,569,486		

NORTH SOUND RSN	Balance			Balance		
	December 31, 2013	Additions	Deductions	December 31, 2014		
ASSETS						
Cash	\$ 1,225,393	\$ 131,050,088	\$ 131,637,283	\$ 638,198		
Investments	33,424,979	50,430,234	29,108,269	54,746,944		
Taxes Receivable	-			-		
Deposits	-			-		
TOTAL ASSETS	34,650,372	181,480,322	160,745,552	55,385,142		
LIABILITIES						
Warrants Payable	6,312,201	77,108,467	77,937,861	5,482,807		
Custodial Accounts	28,338,171	22,985,554	1,421,390	49,902,335		
TOTAL LIABILITIES	\$ 34,650,372	\$ 100,094,021	\$ 79,359,251	\$ 55,385,142		

SKAGIT COUNTY, WASHINGTON
COMBINING STATEMENT OF CHANGES IN ASSETS AND LIABILITIES
Fiscal Year Ended December 31, 2014

SKAGIT EMERGENCY COMM	Balance			Balance		
	December 31, 2013	Additions	Deductions	December 31, 2014		
ASSETS						
Cash	\$ 456,910	\$ 6,413,353	\$ 6,234,728	\$ 635,535		
Investments	713,917	444,908	714,366	444,459		
Taxes Receivable	-			-		
Deposits	-			-		
TOTAL ASSETS	1,170,827	6,858,261	6,949,094	1,079,994		
LIABILITIES						
Warrants Payable	260,758	2,456,792	2,717,550	-		
Custodial Accounts	910,069	1,153,017	983,092	1,079,994		
TOTAL LIABILITIES	\$ 1,170,827	\$ 3,609,809	\$ 3,700,642	\$ 1,079,994		

SKAGIT COMMUNITY NETWORK	Balance			Balance		
	December 31, 2013	Additions	Deductions	December 31, 2014		
ASSETS						
Cash	\$ 1,801	\$ -	\$ -	\$ 1,801		
Investments	-			-		
Taxes Receivable	-			-		
Deposits	-			-		
TOTAL ASSETS	1,801	-	-	1,801		
LIABILITIES						
Warrants Payable	-			-		
Custodial Accounts	1,801			1,801		
TOTAL LIABILITIES	\$ 1,801	\$ -	\$ -	\$ 1,801		

PUBLIC FACILITY DISTRICT	Balance			Balance		
	December 31, 2013	Additions	Deductions	December 31, 2014		
ASSETS						
Cash	\$ 141,144	\$ 2,404,134	\$ 2,403,129	\$ 142,149		
Investments	1,106,570	792,924	675,701	1,223,793		
Taxes Receivable	-			-		
Deposits	-			-		
TOTAL ASSETS	1,247,714	3,197,058	3,078,830	1,365,942		
LIABILITIES						
Warrants Payable	4,419	153,670	158,089	-		
Custodial Accounts	1,243,295	457,647	335,000	1,365,942		
TOTAL LIABILITIES	\$ 1,247,714	\$ 611,317	\$ 493,089	\$ 1,365,942		

SKAGIT COUNTY, WASHINGTON
COMBINING STATEMENT OF CHANGES IN ASSETS AND LIABILITIES
Fiscal Year Ended December 31, 2014

TRUST AGENCY FUNDS	Balance December 31, 2013	Additions	Deductions	Balance December 31, 2014
ASSETS				
Cash	\$ 30,357,110	\$ 2,021,305,953	\$ 2,005,596,236	\$ 46,066,830
Investments	288,363,049	\$ 740,996,124	\$ 695,067,207	334,291,965
Taxes Receivable	4,219,826	\$ 138,237,424	\$ 138,482,035	3,975,215
Deposits	-			-
TOTAL ASSETS	322,939,985	2,900,539,501	2,839,145,478	384,334,010
LIABILITIES				
Warrants Payable	16,913,254	\$ 791,990,321	\$ 783,355,878	25,547,697
Custodial Accounts	306,026,731	\$ 502,790,169	\$ 450,030,589	358,786,313
TOTAL LIABILITIES	\$ 322,939,985	\$ 1,294,780,490	\$ 1,233,386,467	\$ 384,334,010

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.

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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.	179
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.	184
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.	187

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

	Fiscal Year									
	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014
Government Activities										
Net Investment in Capital Assets	\$ 381,055,873	\$ 366,147,997	\$ 357,149,388	\$ 348,749,188	\$ 369,397,842	\$ 359,956,151	\$ 327,995,991	\$ 324,329,535	\$ 311,928,988	\$ 291,628,047
Restricted	21,211,901	22,616,026	31,094,299	33,205,191	24,794,518	27,543,125	29,091,499	28,152,145	31,055,769	30,418,711
Unrestricted	10,587,650	19,952,312	19,336,537	14,966,923	14,514,433	16,234,084	24,183,225	29,972,479	11,722,089	28,256,073
Total Governmental Activities Net Position	<u>412,855,424</u>	<u>408,716,335</u>	<u>407,580,224</u>	<u>396,921,302</u>	<u>408,706,793</u>	<u>403,733,360</u>	<u>381,270,715</u>	<u>382,454,159</u>	<u>354,706,846</u>	<u>350,302,831</u>
Business-Type Activities										
Net Investment in Capital Assets	(1,849,849)	(488,175)	367,220	1,183,845	592,025	3,843,894	4,669,373	6,207,740	7,110,665	14,405,733
Restricted	-	-	-	-	-	-	-	-	-	-
Unrestricted	5,733,014	5,230,238	1,760,885	285,705	2,293,537	(2,267,094)	(1,589,457)	(1,926,699)	(2,810,762)	(2,963,191)
Total Business-Type Activities Net Position	<u>3,883,165</u>	<u>4,742,063</u>	<u>2,128,105</u>	<u>1,469,550</u>	<u>2,885,562</u>	<u>1,576,800</u>	<u>3,079,916</u>	<u>4,281,041</u>	<u>4,299,903</u>	<u>11,442,542</u>
Primary Government										
Net Investment in Capital Assets	379,206,024	365,659,822	357,516,608	349,933,033	369,989,867	363,800,045	332,665,364	330,537,275	319,039,653	306,033,780
Restricted	21,211,901	22,616,026	31,094,299	33,205,191	24,794,518	27,543,125	29,091,499	28,152,145	31,055,769	30,418,711
Unrestricted	16,320,664	25,182,550	21,097,422	15,252,628	16,807,970	13,966,990	22,593,768	28,045,780	8,911,327	25,292,882
Total Primary Government Net Position	<u>\$ 416,738,589</u>	<u>\$ 413,458,398</u>	<u>\$ 409,708,329</u>	<u>\$ 398,390,852</u>	<u>\$ 411,592,355</u>	<u>\$ 405,310,160</u>	<u>\$ 384,350,631</u>	<u>\$ 386,735,200</u>	<u>\$ 359,006,749</u>	<u>\$ 361,745,373</u>

In 2014, jail operations were removed from Government Activities and now reside in Business-Type Activities. See Note X

Source: Financial Statements for relevant years.

SKAGIT COUNTY, WASHINGTON
Changes in Net Position by Function
Last Ten Fiscal Years
(Accrual Basis of Accounting)

	Fiscal Year				
	2005	2006	2007	2008	2009
Expenses					
Governmental Activities					
General Government	\$ 24,063,135	\$ 22,760,258	\$ 23,993,651	\$ 34,187,307	\$ 32,293,073
Judicial	-	-	-	6,385,303	6,786,074
Public Safety	21,022,495	22,496,619	24,872,632	22,665,563	24,713,361
Physical Environment	2,680,477	2,161,454	3,509,248	3,008,208	2,185,797
Transportation	35,666,953	32,499,589	32,079,278	28,136,224	27,080,176
Economic Environment	7,346,469	6,149,970	5,763,176	5,947,702	5,348,995
Health and Human Services	6,688,020	8,409,308	9,293,864	12,606,481	11,340,490
Culture and Recreation	2,721,796	2,809,835	3,020,552	2,782,984	2,573,312
Interest on Long-Term Debt	523,482	544,820	708,941	687,761	660,210
Total Governmental Activities	100,712,827	97,831,853	103,241,342	116,407,533	112,981,488
Business-Type Activities					
Solid Waste	8,744,612	8,548,400	8,775,500	8,216,764	7,723,823
Drainage Utility	769,880	644,188	787,587	905,641	1,626,049
Jail Fund	-	-	-	-	-
Total Business-Type Activities	9,514,492	9,192,588	9,563,087	9,122,405	9,349,872
Total Primary Government	110,227,319	107,024,441	112,804,429	125,529,938	122,331,360
Program Revenues					
Government Activities					
Property Tax	29,189,439	30,847,043	34,519,624	37,192,117	38,020,570
Sales and Other Tax	17,340,242	20,435,624	22,179,773	20,586,592	17,367,314
Interest and Investments	1,878,787	3,183,945	4,578,687	3,040,686	1,432,797
Charges for Services					
General Government	5,453,668	5,589,012	6,116,977	10,110,482	7,888,910
Judicial	-	-	-	2,515,475	3,931,874
Public Safety	1,128,315	1,384,252	1,449,743	3,408,760	3,577,904
Physical Environment	383,437	351,242	440,067	521,983	89,253
Transportation	2,853,613	3,996,397	3,918,644	7,693,881	6,188,799
Economic Environment	2,427,374	2,768,354	2,576,391	1,788,532	1,424,780
Health and Human Services	854,792	838,835	1,691,416	3,999,141	3,555,103
Culture and Recreation	774,545	960,501	931,713	935,070	719,082
Operating Grants and Contributions	14,843,903	16,196,475	22,093,519	9,659,021	11,271,785
Capital Grants and Contributions	7,721,163	6,623,961	2,667,303	1,496,744	3,384,760
Gain (Loss) from Sale of Capital Assets	-	417,575	-	(82,021)	(59,262)
Issuance of Long Term Debt	-	-	-	-	-
Total Governmental Activities Program Revenues	84,849,278	93,593,216	103,163,857	102,866,463	98,793,669
Business-Type Activities					
Interest and Investments	154,382	192,586	266,841	138,581	44,502
Charges for Services					
Solid Waste	8,564,058	8,806,633	9,231,853	8,531,366	7,809,298
Drainage Utility	987,945	986,778	1,028,099	1,353,038	1,752,753
Jail Fund	-	-	-	-	-
Operating Grants and Contributions	232,330	246,250	203,909	266,239	485,717
Capital Grants and Contributions	-	-	-	-	-
Gain (Loss) from Sale of Capital Assets	-	-	-	-	-
Total Business-Type Activities Program Revenues	9,938,715	10,232,247	10,730,702	10,289,224	10,092,270
Total Primary Government Program Revenues	94,787,993	103,825,463	113,894,559	113,155,687	108,885,939
Net (Expense) Revenue					
Governmental Activities	(15,863,549)	(4,238,637)	(77,485)	(13,541,070)	(14,187,819)
Business-Type Activities	424,223	1,039,659	1,167,615	1,166,819	742,398
Total Primary Government Net Expense	\$ (15,439,326)	\$ (3,198,978)	\$ 1,090,131	\$ (12,374,251)	\$ (13,445,421)

Note: The County began separating out Judicial in 2009

In 2014, jail operations were removed from Government Activities and now reside in Business-Type Activities. See Note X

SKAGIT COUNTY, WASHINGTON
Changes in Net Position by Function
Last Ten Fiscal Years
(Accrual Basis of Accounting)

	Fiscal Year				
	2010	2011	2012	2013	2014
Expenses					
Governmental Activities					
General Government	\$ 30,411,707	\$ 29,694,591	\$ 32,996,294	\$ 31,210,941	\$ 33,434,058
Judicial	6,281,910	6,528,192	6,762,929	7,068,715	6,993,755
Public Safety	20,015,584	20,622,410	19,980,408	22,333,986	21,504,017
Physical Environment	3,560,748	2,672,643	2,729,881	2,835,410	2,241,397
Transportation	27,144,427	29,952,995	29,724,498	32,986,406	32,912,501
Economic Environment	3,467,987	3,162,607	3,233,397	3,188,571	2,836,294
Health and Human Services	10,134,616	10,387,711	10,391,910	11,895,878	11,366,884
Culture and Recreation	2,566,016	1,642,170	2,066,029	1,699,884	2,010,042
Interest on Long-Term Debt	559,293	516,260	222,519	969,862	2,572,433
Total Government Activities	104,142,288	105,179,579	108,107,865	114,189,653	115,871,381
Business-Type Activities					
Solid Waste	8,705,787	7,252,470	6,952,600	8,826,690	8,065,622
Drainage Utility	1,240,898	1,412,499	1,716,453	1,468,019	2,495,934
Jail Fund	-	-	-	-	6,944,227
Total Business-Type Activities	9,946,685	8,664,969	8,669,053	10,294,709	17,505,783
Total Primary Government	114,088,973	113,844,548	116,776,918	124,484,362	133,377,164
Program Revenues					
Government Activities					
Property Tax	40,839,173	40,612,732	41,460,187	45,491,521	44,659,376
Sales and Other Tax	15,939,206	18,124,427	18,898,614	16,716,680	18,060,643
Interest and Investments	1,104,621	781,032	589,613	2,896,837	1,559,578
Charges for Services					
General Government	8,468,108	9,081,343	7,670,970	7,902,178	8,053,198
Judicial	3,922,658	3,962,902	3,923,771	4,148,064	4,129,697
Public Safety	3,268,388	3,590,375	2,813,154	3,296,521	1,854,641
Physical Environment	113,852	125,144	201,726	312,525	527,379
Transportation	6,227,702	6,354,529	6,756,935	6,607,346	6,731,733
Economic Environment	1,195,078	894,872	1,088,468	1,184,165	1,055,292
Health and Human Services	3,057,962	3,322,591	3,026,346	3,506,429	3,769,935
Culture and Recreation	884,659	894,709	666,661	939,657	917,338
Operating Grants and Contributions	10,628,645	8,961,787	9,492,002	7,423,603	8,098,345
Capital Grants and Contributions	3,471,716	5,685,601	13,169,596	4,165,511	4,097,331
Gain (Loss) from Sale of Capital Assets	14,837	(118,394)	-	1,292,478	(340,575)
Issuance of Long Term Debt	-	-	-	-	1,786,614
Total Governmental Activities Program Revenues	99,136,605	102,273,650	109,758,043	105,883,515	104,960,525
Business-Type Activities					
Interest and Investments	21,111	(545,115)	(485,298)	(504,334)	(406,062)
Charges for Services					
Solid Waste	8,253,739	8,194,581	8,084,972	8,616,406	9,083,934
Drainage Utility	1,670,508	1,544,370	1,604,197	1,646,427	1,592,768
Jail Fund	-	-	-	-	12,121,803
Operating Grants and Contributions	303,245	397,974	480,798	446,909	1,044,605
Capital Grants and Contributions	-	71,451	-	54,414	-
Gain (Loss) from Sale of Capital Assets	-	700	-	8,372	-
Total Business-Type Activities Program Revenues	10,248,603	9,663,961	9,684,669	10,268,194	23,437,048
Total Primary Government Program Revenues	109,385,208	111,937,611	119,442,712	116,151,709	128,397,573
Net (Expense) Revenue					
Governmental Activities	(5,005,683)	(2,905,929)	1,650,178	(8,306,138)	(10,910,856)
Business-Type Activities	301,918	998,992	1,015,616	(26,515)	5,931,265
Total Primary Government Net Expense	\$ (4,703,765)	\$ (1,906,937)	\$ 2,665,794	\$ (8,332,653)	\$ (4,979,591)

Note: The County began separating out Judicial in 2009

In 2014, jail operations were removed from Government Activities and now reside in Business-Type Activities. See Note X

SKAGIT COUNTY, WASHINGTON

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

	Fiscal Year					Fiscal Year				
	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014
General Revenues and Other Changes in Net Position										
Governmental Activities										
Property Taxes	\$ 29,189,439	\$ 30,847,043	\$ 34,519,624	\$ 37,192,117	\$ 38,020,570	\$ 40,839,173	\$ 40,612,732	\$41,460,187	\$45,491,521	\$ 44,659,376
Sales/Use Tax	12,028,184	14,454,242	16,628,142	15,301,986	13,850,662	13,065,954	15,478,629	16,447,958	16,716,680	17,263,481
Other Tax	5,312,058	5,981,382	5,551,631	5,284,606	3,516,652	2,873,252	2,645,798	2,450,656	895,827	797,162
Interest and Investment Earnings	1,878,787	3,183,945	4,578,687	3,040,686	1,432,797	1,104,621	781,032	589,613	2,001,010	1,559,578
Gain (Loss) From Sale of Assets	-	417,575	-	(82,021)	(59,262)	14,837	(118,394)	-	1,292,478	(340,575)
Special Item	-	-	-	-	-	-	-	-	-	1,786,614
Transfers	121,677	180,761	131,923	154,075	(83,945)	(84,008)	9,142	(185,509)	104,000	(50,845)
Total Governmental Activities	48,530,145	55,064,948	61,410,007	60,891,449	56,677,474	57,813,829	59,408,939	60,762,905	66,501,516	65,674,791
Business-Type Activities										
Interest on Long-Term Debt	154,382	192,586	266,841	138,581	44,502	21,111	(545,115)	(485,298)	(504,334)	(406,062)
Gain (Loss) From Sale of Assets	-	-	-	-	-	-	700	-	8,372	-
Transfers	(121,677)	(180,761)	(131,923)	(154,075)	83,945	84,008	(9,142)	185,509	(104,000)	50,845
Total Business-Type Activities	32,705	11,825	134,918	(15,494)	128,447	105,119	(553,557)	(299,789)	(599,962)	(355,217)
Total Primary Government	48,562,850	55,076,773	61,544,925	60,875,955	56,805,921	57,918,948	58,855,382	60,463,116	65,901,554	65,319,574
Changes in Net Position										
Government Activities	(15,741,868)	(4,057,876)	54,439	(13,386,995)	(14,271,764)	(5,089,691)	(2,896,787)	1,464,669	(8,202,138)	(10,961,701)
Busine Charges for Services	302,546	858,898	1,035,692	1,012,744	826,343	385,926	989,850	1,201,125	(130,515)	5,982,110
Total Primary Government	\$ (15,439,322)	\$ (3,198,978)	\$ 1,090,131	\$ (12,374,251)	\$ (13,445,421)	\$ (4,703,765)	\$ (1,906,937)	\$ 2,665,794	\$ (8,332,653)	\$ (4,979,591)

In 2014, jail operations were removed from Government Activities and now reside in Business-Type Activities. See Note X

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

	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014
General Fund*										
Nonspendable										
Restricted										
Committed							350,000			
Assigned										
Unassigned							10,349,381	11,915,249	13,962,092	13,822,646
Reserved	292,959	553,183	605,636	343,754	2,210,372	146,500	-			
Unreserved	3,761,632	4,461,601	6,441,097	7,683,278	4,397,640	7,752,934	-			
Total General Fund	<u>4,054,591</u>	<u>5,014,784</u>	<u>7,046,733</u>	<u>8,027,032</u>	<u>6,608,012</u>	<u>7,899,434</u>	<u>10,699,381</u>	<u>11,915,249</u>	<u>13,962,092</u>	<u>13,822,646</u>
All Other Governmental Funds*										
Nonspendable							60,685	45,681	122,235	57,488
Restricted							31,305,595	30,877,381	29,266,009	30,576,475
Committed							3,480,815	2,776,253	3,102,611	6,313,711
Assigned							10,349,381			
Unassigned										
Reserved, Reported in:										
Prepaid Items	66,441	53,253	73,808	101,101	286,266	76,143	-			
Loans Receivables	717,013	-	-	434,000	3,003,000	2,374,000	-			
Debt Service	925,618	1,214,492	1,658,600	775,311	1,149,878	1,507,334	-			
Petty Cash and Inventory	41,000	57,441	-	51,877	40,614	-	-			
Unreserved, Reported in:										
Special Revenue Funds	17,872,928	18,626,312	26,123,516	29,212,957	24,966,994	23,992,632	-			
Capital Projects Funds	6,159,606	14,938,555	14,115,766	6,399,111	(115,505)	2,870,512	-			
Total All Other Governmental Funds	<u>\$ 25,782,606</u>	<u>\$ 34,890,053</u>	<u>\$ 41,971,690</u>	<u>\$ 36,974,357</u>	<u>\$ 29,331,247</u>	<u>\$ 30,820,621</u>	<u>\$ 45,196,476</u>	<u>\$ 33,699,315</u>	<u>\$ 32,490,855</u>	<u>\$ 36,947,674</u>

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

In 2014, Jail operations were removed from Government Activities to Business-Type activities. See Note X

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

	2006	2007	2008
Revenues			
Property Tax	\$ 30,751,030	\$ 34,665,358	\$ 37,029,198
Sales/Use Tax	14,454,242	16,628,142	15,301,986
Other Tax	5,981,382	5,551,631	5,284,606
License and Permits	1,729,005	1,754,547	1,390,282
Intergovernmental	22,413,705	24,423,925	24,288,227
Charges for Services	11,355,353	12,391,649	11,052,341
Fines and Forfeits	1,976,925	2,205,135	2,101,195
Interest Earnings	3,028,179	4,340,981	3,140,914
Donations	406,731	454,780	431,841
Other Revenues	904,179	1,031,830	1,548,852
Total Revenues	<u>93,000,731</u>	<u>103,447,978</u>	<u>101,569,442</u>
Expenditures			
General Government	22,490,341	23,366,301	18,227,332
Judicial	-	-	7,321,077
Public Safety	22,754,680	25,096,699	26,163,388
Physical Environment	2,216,002	3,304,072	3,928,950
Transportation	21,691,759	18,143,040	17,147,101
Economic Environment	6,156,994	5,856,721	6,657,659
Health and Human Services	8,400,558	9,351,952	13,428,834
Culture and Recreation	2,776,941	2,954,850	3,040,439
Debt Service			
Principal	574,151	960,427	2,308,099
Interest	503,345	685,115	679,353
Capital Outlay	3,600,769	4,961,542	10,469,357
Total Expenditures	<u>91,165,540</u>	<u>94,680,719</u>	<u>109,371,589</u>
Excess (deficiency) of Revenues over (under) Expenditures	<u>1,835,191</u>	<u>8,767,259</u>	<u>(7,802,147)</u>
Other Financial Sources (Uses)			
Proceeds of Long Term Debt	8,132,222	430,284	990,768
Proceeds from Sale of Capital Assets	674	-	3,226
Transfers In	7,299,234	8,604,266	8,597,666
Transfers Out	(7,118,473)	(8,472,343)	(8,656,869)
Total Other Financing Sources (Uses)	<u>8,313,657</u>	<u>562,207</u>	<u>934,791</u>
Net Change in Fund Balance	<u><u>\$ 10,148,848</u></u>	<u><u>\$ 9,329,466</u></u>	<u><u>\$ (6,867,356)</u></u>
Debt Service as a percentage of noncapital Expenditures	1.3%	1.2%	1.8%

In 2014, Jail operations were removed from the General Fund to the new enterprise Jail Fund. See Note X.

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

	2009	2010	2011
Revenues			
Property Tax	\$ 37,752,796	\$ 39,891,962	\$ 40,654,187
Sales/Use Tax	13,850,662	13,065,954	15,478,629
Other Tax	3,516,652	2,873,252	2,645,798
License and Permits	1,173,469	1,104,621	970,105
Intergovernmental	24,406,041	25,397,870	26,894,695
Charges for Services	10,705,767	9,757,448	10,019,437
Fines and Forfeits	1,992,299	1,957,965	2,285,628
Interest Earnings	1,405,561	919,121	756,562
Donations	490,959	524,932	350,297
Other Revenues	1,399,883	1,707,960	1,299,538
Total Revenues	<u>96,694,089</u>	<u>97,201,085</u>	<u>101,354,876</u>
Expenditures			
General Government	17,571,572	16,556,020	16,633,997
Judicial	7,841,920	7,479,340	7,823,116
Public Safety	28,240,870	24,420,953	24,533,549
Physical Environment	3,317,183	4,394,408	3,467,079
Transportation	18,775,959	17,027,304	17,585,104
Economic Environment	6,044,992	3,949,022	3,606,739
Health and Human Services	12,124,090	11,261,219	11,617,447
Culture and Recreation	2,707,825	3,209,727	2,016,505
Debt Service			
Principal	1,017,081	1,058,134	1,116,572
Interest	627,364	589,480	600,115
Capital Outlay	7,673,632	4,704,095	5,750,727
Total Expenditures	<u>105,942,488</u>	<u>94,649,702</u>	<u>94,750,950</u>
Excess (deficiency) of Revenues over (under) Expenditures	<u>(9,248,399)</u>	<u>2,551,383</u>	<u>6,603,926</u>
Other Financial Sources (Uses)			
Proceeds of Long Term Debt	389,607	415,042	201,035
Proceeds from Sale of Capital Assets	43,988		1,200
Transfers In	8,967,747	8,622,743	8,588,548
Transfers Out	(9,242,081)	(8,706,751)	(8,829,405)
Total Other Financing Sources (Uses)	<u>159,261</u>	<u>331,034</u>	<u>(38,622)</u>
Net Change in Fund Balance	<u>\$ (9,089,138)</u>	<u>\$ 2,882,417</u>	<u>\$ 6,565,304</u>
Debt Service as a percentage of noncapital Expenditures	3.0%	1.7%	2.0%

In 2014, Jail operations were removed from the General Fund to the new enterprise Jail Fund. See Note X.

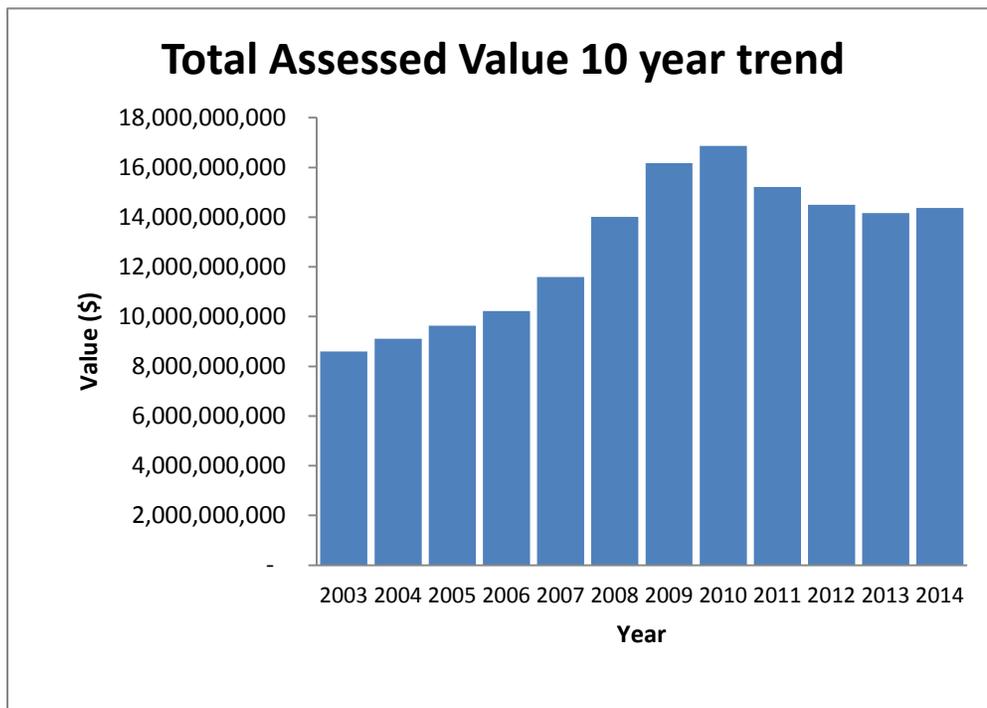
SKAGIT COUNTY, WASHINGTON
Changes in Fund Balance of Government Funds
Last Nine Fiscal Years
(Modified Accrual Basis of Accounting)

	2012	2013	2014
Revenues			
Property Tax	\$ 41,270,011	\$ 45,950,878	\$ 44,633,004
Sales/Use Tax	16,447,958	16,716,680	17,263,481
Other Tax	2,450,656	895,827	797,162
License and Permits	1,039,551	1,363,241	1,403,580
Intergovernmental	33,469,657	22,187,738	21,210,374
Charges for Services	10,309,648	10,580,307	10,351,662
Fines and Forfeits	1,852,797	2,606,269	2,420,473
Interest Earnings	584,571	1,995,311	1,549,712
Donations	574,306	479,642	437,591
Other Revenues	2,019,288	1,786,735	1,652,153
Total Revenues	110,018,443	104,562,628	101,719,192
Expenditures			
General Government	18,111,961	17,218,893	21,016,835
Judicial	8,192,507	8,426,095	6,437,688
Public Safety	25,249,050	26,727,069	26,225,434
Physical Environment	3,583,100	3,605,198	3,000,198
Transportation	18,953,032	18,872,864	17,771,654
Economic Environment	3,602,203	3,736,169	3,369,706
Health and Human Services	12,060,459	13,163,601	12,630,363
Culture and Recreation	2,536,420	2,108,744	2,353,191
Debt Service			-
Principal	1,213,119	2,084,813	2,772,142
Interest	565,948	667,297	693,958
Capital Outlay	15,023,756	8,960,070	7,052,054
Total Expenditures	109,091,555	105,570,813	103,323,223
Excess (deficiency) of Revenues over (under) Expenditures	<u>926,888</u>	<u>(1,008,185)</u>	<u>(1,604,031)</u>
Other Financial Sources (Uses)			
Proceeds of Long Term Debt	353,939	715,416	1,786,614
Proceeds from Sale of Capital Assets	8,172	1,414,600	58,072
Transfers In	8,808,381	7,058,643	7,551,869
Transfers Out	(9,398,067)	(7,342,090)	(7,643,603)
Total Other Financing Sources (Uses)	(227,575)	1,846,569	1,752,952
Net Change in Fund Balance	<u>\$ 699,313</u>	<u>\$ 838,384</u>	<u>\$ 148,921</u>
Debt Service as a percentage of noncapital Expenditures	1.9%	2.9%	3.7%

**In 2014, Jail operations were removed from
the General Fund to the new enterprise Jail Fund.
See Note X.**

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

Year	Real Property Assessed Value	Personal Property Assessed Value	Total Assessed Value	Total Direct Tax Rate
2003	7,805,819,286	794,696,921	8,600,516,207	3.88
2004	8,271,017,360	838,169,892	9,109,187,252	3.83
2005	8,735,243,216	900,051,468	9,635,294,684	3.84
2006	9,255,714,763	965,923,623	10,221,638,386	3.78
2007	10,622,301,046	972,398,736	11,594,699,782	3.51
2008	12,954,570,410	1,049,853,451	14,004,423,861	3.24
2009	15,019,067,448	1,147,615,059	16,166,682,507	2.98
2010	15,696,268,675	1,171,931,494	16,868,200,169	2.90
2011	14,123,251,945	1,087,219,836	15,210,471,781	3.32
2012	13,630,153,404	864,518,340	14,494,671,744	3.52
2013	13,010,191,978	1,153,862,901	14,164,054,879	3.81
2014	13,150,792,759	1,219,229,512	14,370,022,271	3.80



Source: Skagit County Assessors Office

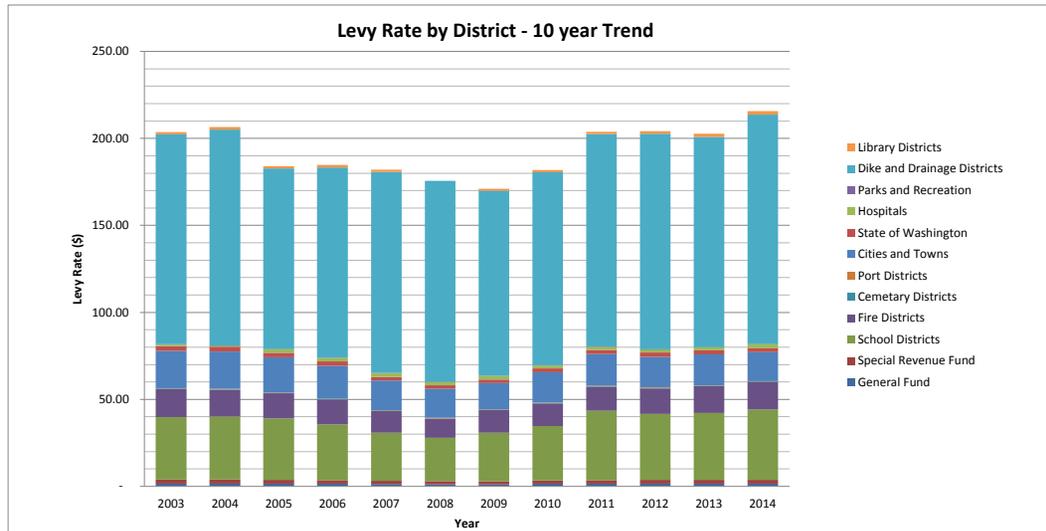
Skagit County does not estimate actual value. Re-evaluations occur on a market resale base. The County is revalued in each four year period by area, and statistically updated annually. Valuation data of assessed property may not coincide with fiscal year end.

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

	2003	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014
General Fund	1.58	1.57	1.55	1.52	1.32	1.21	1.24	1.45	1.55	1.62	1.62	1.59
Special Revenue Fund	2.25	2.27	2.23	1.99	1.92	1.77	1.66	1.87	1.97	2.19	2.19	2.21
Total	3.83	3.84	3.78	3.51	3.24	2.98	2.90	3.32	3.52	3.81	3.81	3.80
School Districts	35.89	36.29	35.34	32.05	27.64	24.83	27.91	31.39	39.90	37.82	38.30	40.31
Fire Districts	16.14	15.26	14.42	14.25	12.48	11.04	13.01	13.01	13.83	14.65	15.38	15.83
Cemetery Districts	0.39	0.39	0.37	0.35	0.21	0.29	0.29	0.34	0.35	0.36	0.35	0.29
Port Districts	0.28	0.25	0.22	0.24	0.20	0.20	0.20	0.20	0.30	0.30	0.30	0.32
Cities and Towns	21.36	21.39	20.02	18.89	17.00	16.72	15.12	17.26	18.09	17.41	17.64	16.51
State of Washington	2.82	2.78	2.71	2.51	2.17	2.01	1.96	2.21	2.37	2.55	2.41	2.30
Special Assessment Districts	-	-	-	-	-	-	-	-	-	-	-	-
Hospitals	0.81	0.73	2.07	2.08	2.17	2.01	2.06	1.80	1.93	1.82	1.80	2.47
Parks and Recreation	0.11	0.10	0.10	0.09	0.08	0.07	0.07	0.11	0.11	0.14	0.14	0.14
Dike and Drainage Districts	120.74	124.05	103.67	109.42	115.50	115.53	106.39	110.89	122.14	123.86	120.73	131.67
Library Districts	1.30	1.46	1.37	1.35	1.30	-	1.05	1.25	1.31	1.41	1.94	1.99
Total	203.67	206.54	184.07	184.74	181.99	175.68	170.96	181.78	203.86	204.13	202.80	215.63

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
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
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%
2013	182,248,613	179,129,124	98.29%	5,165,263	184,294,387	100.00%	5,654,739	3.10%
2014	182,581,205	179,125,895	98.11%	2,677,312	181,803,207	99.57%	5,386,231	2.95%

- (1) Includes prior years delinquent tax collections, the County is in process of calculating the delinquent taxes by levy year.
(2) Percent computed on current year's levy
(3) Includes omissions, supplements, and cancellations

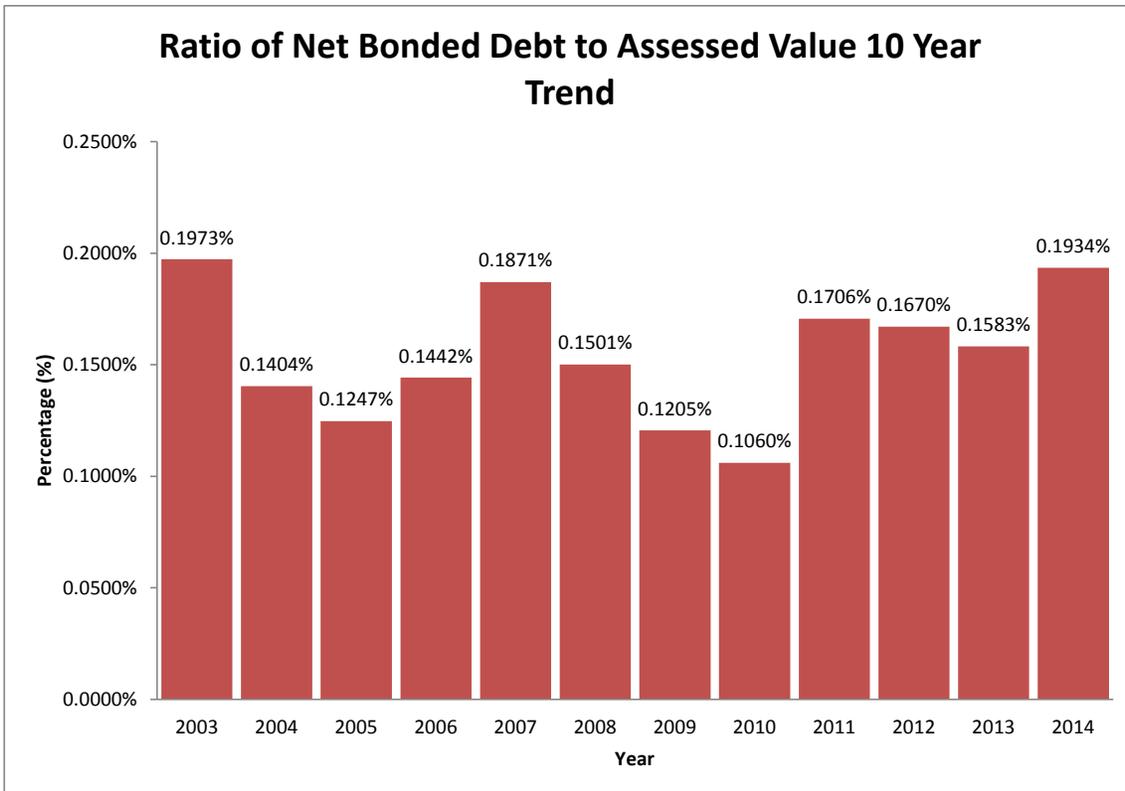
SKAGIT COUNTY, WASHINGTON
STATISTICAL TABLES
SPECIAL ASSESSMENT COLLECTIONS
For a Eighteen Year Period

Year	Assessment Receivable January 1	Additions	Collections	Assessment Receivable December 31
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
2013	102,179	1,524,402	1,566,780	59,801
2014	59,801	1,535,589	1,529,046	66,344

SOURCE: Skagit County Treasurer

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

<u>Year</u>	<u>Population</u>	<u>Assessed Value</u>	<u>Net Bonded Debt</u>	<u>Ratio of Net Bonded Debt to Assessed Value</u>	<u>Debt Per Capita (restated)</u>
2003	105,100	8,600,516,207	12,785,000	0.1973%	161
2004	106,700	9,109,187,252	12,015,000	0.1404%	120
2005	108,800	9,635,294,684	14,740,000	0.1247%	110
2006	110,900	10,221,638,386	21,690,000	0.1442%	133
2007	113,100	11,594,699,782	21,025,000	0.1871%	192
2008	115,300	14,004,423,861	19,485,000	0.1501%	182
2009	117,500	16,166,682,507	17,880,000	0.1205%	166
2010	118,900	16,868,200,169	25,945,000	0.1060%	150
2011	116,901	15,210,471,781	24,210,000	0.1706%	222
2012	117,400	14,494,671,744	22,415,000	0.1670%	206
2013	118,837	14,164,054,879	27,790,000	0.1583%	189
2014	120,365	14,370,022,271	78,730,000	0.1934%	231



SKAGIT COUNTY, WASHINGTON

Limitation of Indebtedness

Last Ten Fiscal Years

	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014
Total Taxable Property Value	\$ 10,221,638,386	\$ 11,594,699,782	\$ 14,004,423,861	\$ 16,166,682,507	\$ 16,868,200,169	\$ 15,210,471,781	\$ 14,494,671,744	\$ 14,164,054,879	\$ 14,370,022,271	\$ 14,670,422,177
Indebtedness for General Purpose Without a Vote										
Debt Limit - 1.5% of Total Assessed Value	153,324,576	173,920,497	210,066,358	242,500,238	253,023,003	228,157,077	217,420,076	212,460,823	215,550,334	220,056,333
Debt Applicable to Limit:										
Outstanding Debt	17,800,275	22,265,000	21,025,000	19,485,000	17,880,000	25,945,000	24,210,000	30,400,000	27,790,000	78,730,000
Add Assets Available	7,744,883	9,163,481	9,145,795	9,636,104	6,735,282	11,324,248	16,395,142	13,861,676	16,550,695	16,040,207
Total Debt Applicable to Limit	10,055,392	13,101,519	11,879,205	9,848,896	11,144,718	14,620,752	7,814,858	16,538,324	11,239,305	62,689,793
Remaining Debt Capacity Without a Vote	143,269,184	160,818,978	198,187,153	232,651,342	241,878,285	213,536,325	209,605,218	195,922,499	204,311,029	157,366,540
Indebtedness for General Purpose With a Vote										
Debt Limit - 2.5% of Total Assessed Value	289,867,495	350,110,597	404,167,063	421,705,004	421,705,004	380,261,795	362,366,794	354,101,372	359,250,557	366,760,554
Remaining Debt Capacity Including Voted Debt	\$ 136,542,919	\$ 176,190,100	\$ 194,100,705	\$ 179,204,767	\$ 168,682,002	\$ 152,104,718	\$ 144,946,717	\$ 141,640,549	\$ 143,700,223	\$ 146,704,222
Total net debt applicable to the limit as a percentage of debt limit	6.56%	7.53%	5.65%	4.06%	4.40%	6.41%	3.59%	7.78%	5.21%	28.49%

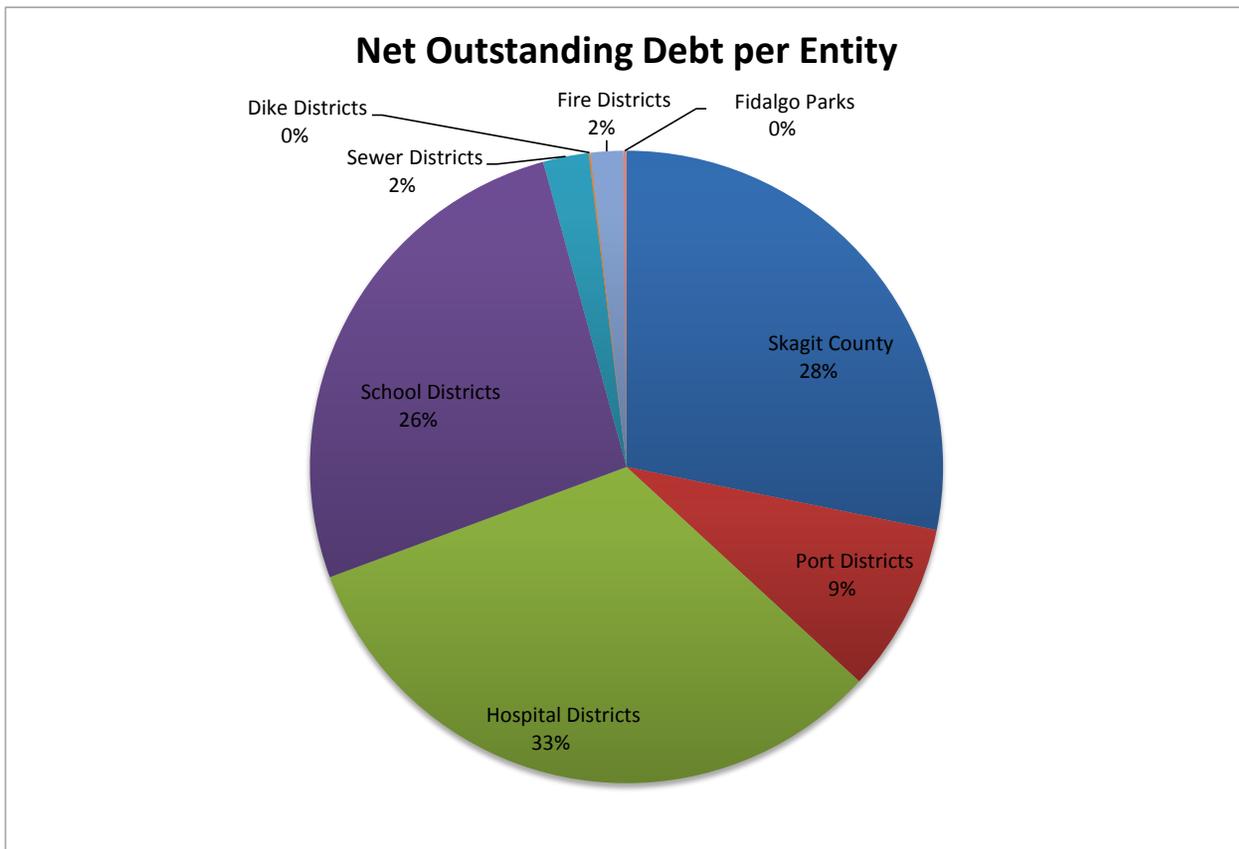
SKAGIT COUNTY, WASHINGTON
Ratios of Outstanding Debt by Type
Last Eleven Fiscal Years

Fiscal Year	Governmental Activities		Business-Type Activities		Total Primary Government	Percentage of Personal Income	Per Capita
	General Obligation Bonds	Loans Payable	General Obligation Bonds				
2004	12,295,382	2,335,382	7,225,000		21,855,764	0.58%	179
2005	12,121,474	2,466,474	6,450,000		21,037,948	0.52%	167
2006	19,660,153	2,875,153	5,480,000		28,015,306	0.63%	222
2007	20,479,969	4,124,969	4,670,000		29,274,938	0.58%	218
2008	19,162,639	3,637,639	3,960,000		26,760,278	0.52%	197
2009	18,535,164	3,880,164	3,225,000		25,640,328	0.49%	183
2010	17,892,073	4,147,073	12,200,000		34,239,146	0.96%	257
2011	16,886,503	4,086,503	11,410,000		32,383,006	0.63%	241
2012	11,825,000	3,848,383	10,590,000		26,263,383	0.69%	190
2013	18,050,000	3,153,698	9,740,000		30,943,698	0.85%	234
2014	17,550,000	2,802,125	61,180,000		81,532,125	2.42%	654

SKAGIT COUNTY, WASHINGTON
STATISTICAL TABLES
COMPUTATION OF DIRECT & OVERLAPPING DEBT
FOR THE YEAR ENDED DECEMBER 31, 2014

<u>JURISDICTION</u>	<u>NET DEBT OUTSTANDING</u>	<u>PERCENTAGE APPLICABLE TO SKAGIT COUNTY</u>	<u>AMOUNT APPLICABLE TO SKAGIT COUNTY</u>
Direct Debt			
Skagit County	\$78,730,000	100%	\$78,730,000
Total Direct Debt	<u>78,730,000</u>		<u>78,730,000</u>
Overlapping debt			
Port Districts	24,170,000	100%	24,170,000
Hospital Districts	90,655,000	100%	90,655,000
School Districts	73,751,250	100%	73,751,250
Sewer Districts	6,523,507	100%	6,523,507
Dike Districts	237,400	100%	237,400
Fire Districts	4,626,978	100%	4,626,978
Fidalgo Parks	471,468	100%	471,468
Total Overlapping Debt	<u>200,435,603</u>		<u>200,435,603</u>
Total Direct & Overlapping Debt	<u>\$279,165,603</u>		<u>\$279,165,603</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
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%
2013	2,084,813	667,297	2,752,110	93,858,633	2.93%
2014	2,772,142	693,958	3,466,100	92,805,069	3.73%

* Does not include Enterprise Funds

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

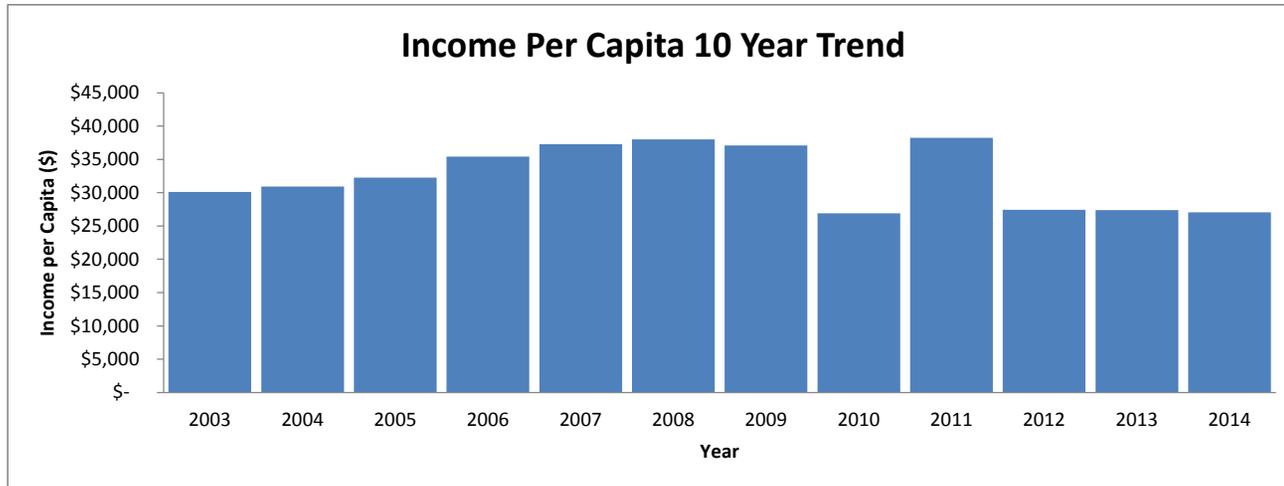
SKAGIT COUNTY, WASHINGTON

Demographic Statistics

For a Twelve Year Period as of April

	2003	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014
Unincorporated	45,830	46,455	47,250	47,886	48,640	49,720	49,915	48,112	48,255	48,345	48,411	48,720
Incorporated	60,870	62,345	63,650	65,214	66,660	67,780	68,985	68,789	69,145	69,605	70,189	70,780
Totals	106,700	108,800	110,900	113,100	115,300	117,500	118,900	116,901	117,400	117,950	118,600	119,500
Income Per Capita	\$ 30,126	\$ 30,947	\$ 32,288	\$ 35,422	\$ 37,289	\$ 37,989	\$ 37,076	\$26,925	\$38,225	\$27,447	\$27,395	\$27,065
Unemployment Rate	8.6%	7.9%	6.4%	5.5%	4.8%	5.6%	10.2%	10.7%	10.2%	9.2%	8.7%	5.8%
School Enrollment	19,280	18,932	19,332	19,233	19,249	19,296	18,723	18,878	18,668	18,920	18,678	18,869

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
STATISTICAL TABLES
Principal Property Tax Payers
Current and Ten Years Ago

Taxpayer	2014			2004		
	Taxable Assessed Value	Rank	Percentage of Total Taxable Assessed Value	Taxable Assessed Value	Rank	Percentage of Total Taxable Assessed Value
Equilon Enterprises LLC	\$488,496,200	1	3.40%	\$ 288,846,250	1	2.83%
Tesoro Refining and Marketing Corp	323,314,800	2	2.25%	209,396,212	3	2.05%
Puget Sound Energy/Electric	317,384,494	3	2.21%	232,259,027	2	2.27%
Sierra Pacific Industries	65,736,200	4	0.46%			
Tesoro Logistics Operations LLC	64,350,000	5	0.45%			
Pacific Woodtech Corporation	53,406,400	6	0.37%	37,320,900	5	0.37%
PACCAR Inc Truck Testing	46,540,900	7	0.32%	22,799,983	6	0.22%
Frontier Property Tax Dept NCA	44,921,843	8	0.31%			
NW Pipeline GP	36,052,653	9	0.25%	42,469,213	4	0.42%
Linde Gas North America LLC	29,385,200	10	0.20%			
	1,469,588,690		10.23%			8.15%
Total County Assessed Value	\$ 14,370,022,271			\$ 10,221,638,386		

Source: Skagit County Assessor

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

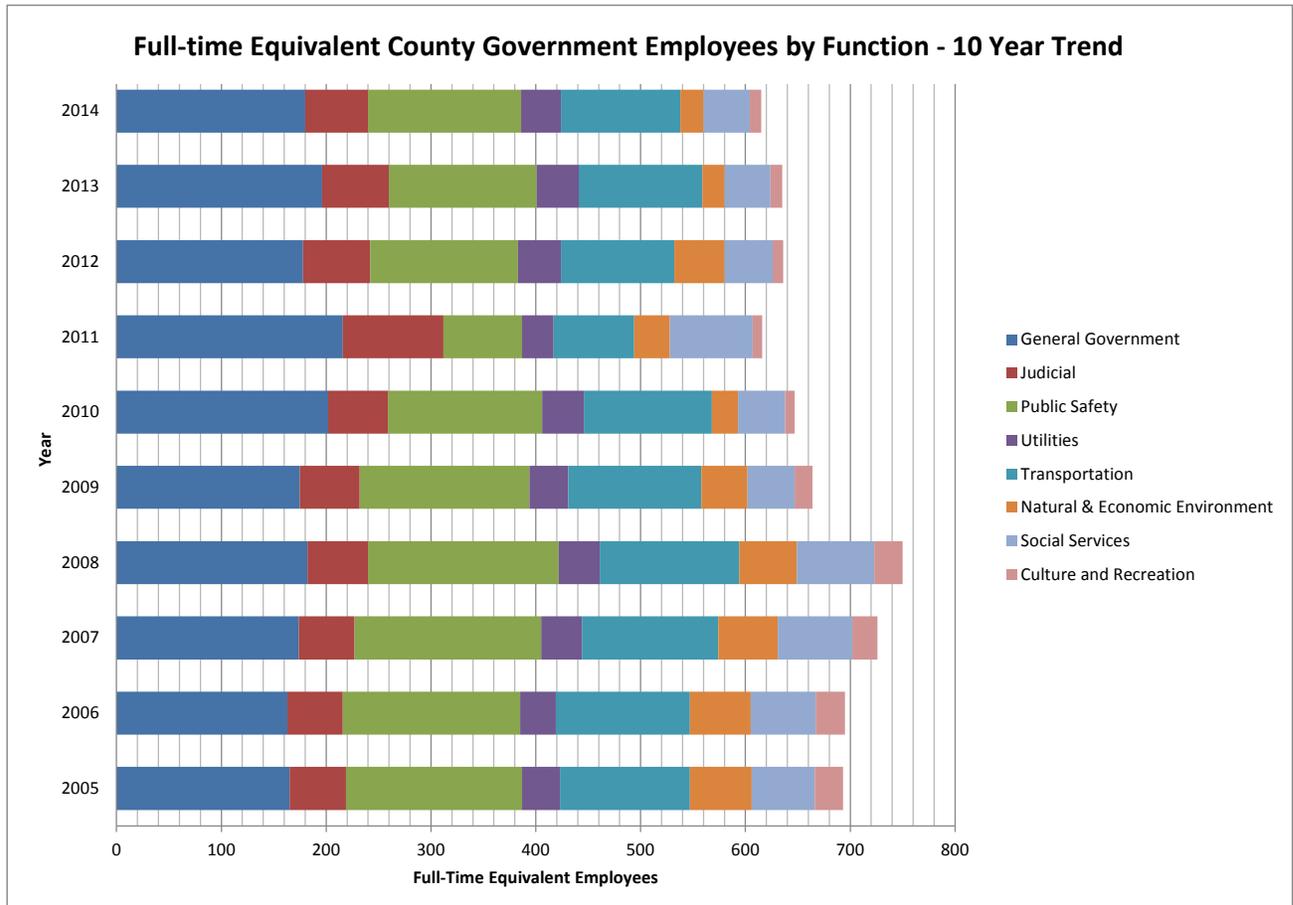
Employer	2014			2004		
	Number of Employees	Rank	Percentage of Total Labor Force	Number of Employees	Rank	Percentage of Total Labor Force
Skagit Regional Health	2,000	1	3.53%	1,035	2	1.88%
Mount Vernon School District	815	2	1.44%			
Shell Puget Sound Refinery	726	3	1.28%	415	6	0.75%
Island Hospital	718	4	1.27%	461	5	0.84%
Janicki Industries	695	5	1.23%			
Skagit County Government	636	6	1.12%	936	3	1.70%
Swinomish Casino	499	7	0.88%	316	10	0.57%
Walmart	425	8	0.75%	280	12	0.51%
Tesoro Refinery	400	9	0.71%	325	8	0.59%
Sedro-Woolley School District	366	10	0.65%			
Total Top Ten Employees	7,280		12.86%	3,768		6.85%
Total County Labor Force	56,600			55,010		

*Source: Employment Security
Port of Skagit*

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

Function	Full-Time Equivalent Employees as of December 31									
	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014
General Government	165	163	174	182	175	202	216	178	196	180
Judicial	54	53	53	58	57	57	96	64	64	60
Public Safety	168	169	178	182	162	147	75	141	141	146
Utilities	36	34	39	39	37	40	30	41	40	38
Transportation	124	128	130	133	127	122	77	108	118	114
Natural & Economic Environment	59	58	57	55	44	25	34	48	21	22
Social Services	60	62	71	74	45	45	79	46	44	44
Culture and Recreation	27	28	24	27	17	9	9	10	11	11
Total	693	695	726	750	664	647	616	636	635	615

Source: Skagit County Auditor



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

	<u>2005</u>	<u>2006</u>	<u>2007</u>	<u>2008</u>	<u>2009</u>
(A) MILES OF ROAD					
Roads, paved	757	757	757	756	758
Roads, unpaved	39	39	38	41	41
(B) BUILDING PERMITS					
Permits issued	1,036	988	927	632	547
Value of buildings	\$93,228,793	\$ 110,000,000	\$ 106,903,097	\$ 48,838,303	\$ 41,441,249
(C) FIRE PROTECTION					
Number of districts	16	17	17	17	18
Number of paid firefighters	64	60	65	67	66
Number of volunteer firefighters	682	523	515	509	550
(D) POLICE PROTECTION					
Number of employees, commissioner	59	59	59	61	62
Number of employees, civilian and limited commission	55	56	56	57	58
Average daily jail population	224	233	240	241	275
Police patrol units, vehicle	70	60	60	61	62
Police patrol units, boats	3	3	3	3	4
(E) RECREATIONAL FACILITIES					
Number of parks	32	33	34	34	35
Park acreage	1,751	1,827	2,227	2227	2240
(F) GENERAL ELECTIONS					
Number of registered voters	67,968	67,167	63,604	69,335	68,119
Number of votes cast	38,599	41,641	33,455	56,632	36,160
Percentage voting	57%	62%	53%	82%	53%
(G) PUBLIC EDUCATION					
Elementary	25	25	25	25	25
Middle/Junior High	6	6	6	5	5
High	8	8	8	8	9
Community College	1	1	1	1	1
Alternative	10	7	7	6	4
Special Education	3	4	5	5	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

	2010	2011	2012	2013	2014
(A) MILES OF ROAD					
Roads, paved	761	761	760	761	761
Roads, unpaved	41	41	41	40	40
(B) BUILDING PERMITS					
Permits issued	414	416	424	445	392
Value of buildings	\$ 42,538,000	\$ 38,893,281	\$40,588,568	\$58,051,285	\$57,696,373
(C) FIRE PROTECTION					
Number of districts	18	18	18	18	18
Number of paid firefighters	65	65	65	65	65
Number of volunteer firefighters	585	568	561	559	572
(D) POLICE PROTECTION					
Number of employees, commissione	58	46	44	50	52
Number of employees, civilian and limited commission	53	53	59	55	56
Average daily jail population	243	196	226.3	247.7	235
Police patrol units, vehicle	54	49	71	55	56
Police patrol units, boats	4	5	5	5	4
(E) RECREATIONAL FACILITIES					
Number of parks	36	26	32	29	29
Park acreage	2255	2300	2153.5	2054.5	2054.5
(F) GENERAL ELECTIONS					
Number of registered voters	68,936	\$ 68,996	72,966	74,075	75,774
Number of votes cast	48,960	\$ 38,256	56,262	35,847	40,825
Percentage voting	71%	59%	83%	53%	61%
(G) PUBLIC EDUCATION					
Elementary	25	25	25	26	26
Middle/Junior High	5	5	5	5	5
High	9	6	6	6	6
Community College	1	1	1	1	1
Alternative	4	6	8	8	8
Special Education	4	4	5	5	4

SOURCE:

*County Roads Department, Skagit Cour
Planning and Community Development,
Board of Volunteer Firefighters, State of
Appropriate City Fire Departments
Sheriff's Department, Skagit County
Parks & Recreation Department, Skagit
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, 2014

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		679.00		1
Department of Agriculture Farm Service Agency/	Conservation Reserve Program	10.069	CREP 2003 0055 Day Creek		274.00		1
Department of Agriculture Farm Service Agency/	Conservation Reserve Program	10.069	CREP 2005 0072 Martin Slough-Rockport		6,519.00		1
Total Department of Agriculture Farm Service Agency/						\$7,472.00	
Department of Agriculture Food and Nutrition Service /Office of Superintendent of Public Instruction	School Breakfast Program	10.553	29-320-9788	5,394.66			1, 6
Total Department of Agriculture Food and Nutrition Service/						\$5,394.66	
Department of Agriculture Food and Nutrition Service /Office of Superintendent of Public Instruction	National School Lunch Program	10.555	29-320-9788	8,531.19			1, 6
Total Department of Agriculture Food and Nutrition Service/						\$8,531.19	
Department of Agriculture Food and Nutrition Service/Washington State Department of Health	Special Supplemental Nutrition Program for Women, Infants and Children	10.557	C16899	100,634.00			1, 4(e), 5
Total Department of Agriculture Food and Nutrition Service/						\$100,634.00	
Department of Agriculture Food and Nutrition Service/Washington State Department of Health	WIC Farmers' Market Nutrition Program (FMNP)	10.572	C16899 (12, 15, 16)	145.00			1,4(e)
Total Department of Agriculture Food and Nutrition Service/						\$145.00	
Department of Agriculture Food and Nutrition Service/Northwest Regional Council	Senior Farmers Market Nutrition Program	10.576	162009-NUTR	5,562.00			1
Total Department of Agriculture Food and Nutrition Service/						\$5,562.00	
Department of Agriculture Forest Service/	Schools and Roads - Grants to States	10.665	Title III Forest Yield		45,728.90		1
Department of Agriculture Forest Service/	Schools and Roads - Grants to States	10.665	Title I Forest Yield		277,624.78		1
Total Department of Agriculture Forest Service/						\$323,353.68	
Department of Commerce National Oceanic and Atmospheric Administration (NOAA)/Northwest Straits Commission	Coastal Zone Management Administration Awards	11.419	SEANWA-2014-SkCoPW-00003	702.63			1, 5
Total Department of Commerce National Oceanic and Atmospheric Administration (NOAA)						\$702.63	
Department of Commerce National Oceanic and Atmospheric Administration (NOAA)/Washington Recreation and Conservation Office	Pacific Coast Salmon Recovery_Pacific Salmon Treaty Program	11.438	13-1052R	931,503.59			1, 2
Department of Commerce National Oceanic and Atmospheric Administration (NOAA)/Washington Recreation and Conservation Office	Pacific Coast Salmon Recovery_Pacific Salmon Treaty Program	11.438	RCO#11-1534C	16,483.48			1,2, 8
Total Department of Commerce National Oceanic and Atmospheric Administration (NOAA)						\$947,987.07	
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	13-65400-035	24,000.00			1
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	14-65400-012	37,722.73			1, 5
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	13-65400-011	29,395.17			1, 5
Total Department of Housing and Urban Development Office of Community Planning and Development/						\$91,117.90	

SKAGIT COUNTY, WASHINGTON
 SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
 For the Year Ended December 31, 2014

Federal Agency Name/Pass Through Agency Name	Federal Program Name	CFDA Number	Other I.D. Number	Expenditures			Foot Note Ref
				From Pass - Through Awards	From Direct Awards	Total	
Department of Justice Drug Enforcement Administration/Washington State Patrol	Law Enforcement Assistance_Narcotics and Dangerous Drugs_Laboratory Analysis	16.001	Domestic Cannabis Eradication/Suppression C141442FED	19,748.61			1
Total Department of Justice Drug Enforcement Administration/						\$19,748.61	
Department of Justice Office of Juvenile Justice and Delinquency Prevention/ Washington State Department of Health & Social Services	Juvenile Accountability Block Grant	16.523	1363-84195	6,793.95			1, 2
Department of Justice Office of Juvenile Justice and Delinquency Prevention/ Washington State Department of Health & Social Services	Juvenile Accountability Block Grant	16.523	1463-17297	3,513.74			1, 2
Total Department of Justice Office of Juvenile Justice and Delinquency Prevention/						\$10,307.69	
Department of Justice Bureau of Justice Assistance/	Drug Court Discretionary Grant Program	16.585	2011-DC-BX-0016		146,247.34		1, 2
Total Department of Justice Bureau of Justice Assistance/						\$146,247.34	
Department of Justice Violence Against Women Office/Washington State Department of Commerce	ARRA - Violence Against Women Formula Grants	16.588	F13-31103-056	16,915.00			1, 2, 9
Total Department of Justice Violence Against Women Office/						\$16,915.00	
Department of Justice Bureau of Justice Assistance/Washington State Department of Social & Health Services-Residential Substance Abuse Treatment	Residential Substance Abuse Treatment for State Prisoners	16.593	1163-38470	152,795.49			1, 2
Total Department of Justice Bureau of Justice Assistance/						\$152,795.49	
Department of Justice Bureau of Justice Assistance/	State Criminal Alien Assistance Program	16.606	2014-AP-BX-0196		25,807.00		1
Total Department of Justice Bureau of Justice Assistance/						\$25,807.00	
Department of Justice Office of Juvenile Justice and Delinquency Prevention/Washington State Department of Health and Social Services thru United General Hospital #304	Enforcing Underage Drinking Laws Program	16.727	1369-90202	1,113.11			1
Department of Justice Office of Juvenile Justice and Delinquency Prevention/Washington State Department of Health and Social Services thru United General Hospital #304	Enforcing Underage Drinking Laws Program	16.727	1369-90202	1,494.31			1
Total Department of Justice Office of Juvenile Justice and Delinquency Prevention/						\$2,607.42	
Department of Justice Bureau of Justice Assistance/Washington State Department of Commerce	Edward Byrne Memorial Justice Assistance Grant Program	16.738	M13-31440-014	60,738.73			1
Department of Justice Bureau of Justice Assistance/	Edward Byrne Memorial Justice Assistance Grant Program	16.738	2012-DJ-BX-1115		4,794.85		1, 5
Department of Justice Bureau of Justice Assistance/	Edward Byrne Memorial Justice Assistance Grant Program	16.738	2013-DJ-BX-0374		8,386.39		1, 5
Department of Justice Bureau of Justice Assistance/Washington State Department of Commerce	Edward Byrne Memorial Justice Assistance Grant Program	16.738	M14-31440-014	69,299.66			1
Total Department of Justice Bureau of Justice Assistance/						\$143,219.63	
Department of Transportation Federal Highway Administration (FHWA)/Washington State Department of Transportation	Highway Planning and Construction	20.205	Centennial Trail (Big Rock to Clear Lake) LA8425	1,117.03			1
Department of Transportation Federal Highway Administration (FHWA)/Washington State Department of Transportation	Highway Planning and Construction	20.205	Josh Wilson Road Phase 1 LA8426	4,295.93			1, 2
Department of Transportation Federal Highway Administration (FHWA)/Washington State Department of Transportation	Highway Planning and Construction	20.205	Skagit River Bridge Modification & Interstate Highway LA6452	1,311.08			1

SKAGIT COUNTY, WASHINGTON
 SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
 For the Year Ended December 31, 2014

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	Pioneer Highway/Fir Island Road Intersection LA8199	1,697,149.99			1
Department of Transportation Federal Highway Administration (FHWA)/Washington State Department of Transportation	Highway Planning and Construction	20.205	Burlington Northern Overpass LA8075	248,904.78			1, 2
Department of Transportation Federal Highway Administration (FHWA)/Washington State Department of Transportation	Highway Planning and Construction	20.205	Bow Hill Reconstruction LA8076	91,969.20			1, 2
Department of Transportation Federal Highway Administration (FHWA)/Washington State Department of Transportation	Highway Planning and Construction	20.205	Guemes Ferry Dolphin Replacement	1,038,258.04			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	507.12			1
Total Department of Transportation Federal Highway Administration (FHWA)						\$3,083,513.17	
Department of Transportation National Highway Traffic Safety Administration (NHTSA)/Washington Traffic Safety Commission	State and Community Highway Safety	20.600	Target Zero Corridor Project-DUI	2,500.00			1
Department of Transportation National Highway Traffic Safety Administration (NHTSA)/Washington Traffic Safety Commission	State and Community Highway Safety	20.600	Target Zero Corridor Project-DUI & Law Enforcement Liasion	2,400.45			1
Department of Transportation National Highway Traffic Safety Administration (NHTSA)/Washington Traffic Safety Commission	State and Community Highway Safety	20.600	Traffic Safety Equipment Grant	4,999.00			1
Total Department of Transportation National Highway Traffic Safety Administration (NHTSA)						\$9,899.45	
Environmental Protection Agency Region 10/Washington State Department of Health	Puget Sound Action Agenda: Technical Investigations and Implementation Assistance Program	66.123	DOH Contract N20689 / PC-00J32601	24,092.11			1
Environmental Protection Agency Region 10/Northwest Straits Foundation	Puget Sound Action Agenda: Technical Investigations and Implementation Assistance Program	66.123	PC-00J29801-0	1,200.00			1
Environmental Protection Agency Region 10/Washington State Department of Commerce	Puget Sound Action Agenda: Technical Investigations and Implementation Assistance Program	66.123	12-63401-005	13,719.45			1, 2
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 (13, 16)	160,641.15			1,4(e)
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 (12)	190,323.89			1,4(a)
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 (12)	44,890.06			1,4(a)
Total Environmental Protection Agency Region 10/						\$434,866.66	
Environmental Protection Agency Office of Water/State of Washington Department of Ecology	National Estuary Program	66.456	G1400105	60,616.24			1, 2, 5
Environmental Protection Agency Office of Water/	National Estuary Program	66.456	SEANWA-2014-SkCoPW-00003		9,334.92		1, 5
Total Environment Protection Agency Office of Water/						\$69,951.16	
U.S. Election Assistance Commission/State of Washington, Office of the Secretary of State, Elections Division	Help America Vote Act Requirements Payments	90.401	OSOS No. G-2855	3,042.89			1

SKAGIT COUNTY, WASHINGTON
 SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
 For the Year Ended December 31, 2014

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	
Total U.S. Election Assistance Commission/						\$3,042.89	
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	162009-NUTR	170,325.00			1, 2, 6
Total Department of Health and Human Services Administration for Community Living/						\$170,325.00	
Department of Health and Human Services Administration for Community Living/Northwest Regional Council	Nutrition Services Incentive Program	93.053	162009-NUTR	104,175.00			1, 6
Total Department of Health and Human Services Administration for Community Living/						\$104,175.00	
Department of Health and Human Services Centers for Disease Control and Prevention/Washington State Department of Health	Public Health Emergency Preparedness	93.069	EPR LHJ C16899 (16)	20,647.00			1, 4(e)
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	12,924.76			1, 4(e)
Total Department of Health and Human Services Centers for Disease Control and Prevention/						\$33,571.76	
Department of Health and Human Services Substance Abuse and Mental Health Services Administration/State of Washington Department of Social and Health Services-Recovery Support	Substance Abuse and Mental Health Services Projects of Regional and National Significance	93.243	Partners for Success Grant 1363-90042	30,047.31			1
Total Department of Health and Human Services Substance Abuse and Mental Health Services Administration/						\$30,047.31	
Department of Health and Human Services Centers for Disease Control and Prevention/Washington State Department of Health	Immunization Cooperative Agreements	93.268	AFIX C16889 (12, 13)	25,836.00			1
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 (12, 13)	11,412.00			1
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	147,521.82			1, 3, 6
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	26,346.40			1, 6
Department of Health and Human Services Centers for Disease Control and Prevention/Washington State Department of Health	Immunization Cooperative Agreements	93.268	Ops C16899 (12, 13)	6,690.00			1
Total Department of Health and Human Services Centers for Disease Control and Prevention/						\$217,806.22	
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	FY14-HVSA Award	255,867.11			1,4(b)
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	FY15-HVSA MIECHV	83,667.81			1,4(b)
Total Department of Health and Human Services Health Resources and Services Administration/						\$339,534.92	
Department of Health and Human Services Administration for Children and Families/ Washington State Department of Health & Social Services	Child Support Enforcement	93.563	75-1501-0-1-609/2110-80608	167,082.00			1,2, 4(d)
Department of Health and Human Services Administration for Children and Families/ Washington State Department of Social & Health Services	Child Support Enforcement	93.563	75-1501-0-1-609/2110-80608	450,534.00			1, 2, 4(d)
Department of Health and Human Services Administration for Children and Families/ Washington State Department of Social & Health Services	Child Support Enforcement	93.563	0763-15102-01	43,405.00			1,2,4(d)

SKAGIT COUNTY, WASHINGTON
 SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
 For the Year Ended December 31, 2014

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	
Total Department of Health and Human Services Administration for Children and Families/						\$661,021.00	
Department of Health and Human Services Centers for Disease Control and Prevention/Washington State Department of Health	Capacity Building Assistance to Strengthen Public Health Immunization Infrastructure and Performance – financed in part by the Prevention and Public Health Fund (PPHF)	93.733	C16899 (14, 17)	6,571.72			1
Total Department of Health and Human Services Centers for Disease Control and Prevention/						\$6,571.72	
Department of Health and Human Services Substance Abuse and Mental Health Services Administration/Washington State Department of Social & Health Services-Substance Abuse Prevention-DASA	Block Grants for Prevention and Treatment of Substance Abuse	93.959	1163-27323	226,613.17			1
Total Department of Health and Human Services Substance Abuse and Mental Health Services/						\$226,613.17	
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 (12, 13, 16)	107,287.61			1, 4(e)
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	PPO MCHBG Operations C16899 (13, 16)	5,227.00			1
Total Department of Health and Human Services Health Resources and Services Administration/						\$112,514.61	
Department of Homeland Security/Washington State Parks and Recreation Commission	Boating Safety Financial Assistance	97.012	NA	20,659.00			1
Total Department of Homeland Security/						\$20,659.00	
Department of Homeland Security/Washington State Military Department	Disaster Grants - Public Assistance (Presidentially Declared Disasters)	97.036	E07-786	83,502.99			1, 2
Total Department of Homeland Security/						\$83,502.99	
Department of Homeland Security/Washington State Military Department/Snohomish County	Hazard Mitigation Grant	97.039	E14-026	36,076.25			1, 2
Total Department of Homeland Security/						\$36,076.25	
Department of Homeland Security/Washington State Military Department/Snohomish County	Emergency Management Performance Grants	97.042	E15-132	56,985.00			1, 2
Department of Homeland Security/Washington State Military Department/Snohomish County	Emergency Management Performance Grants	97.042	E14-188	10,000.00			1
Total Department of Homeland Security/						\$66,985.00	
Department of Homeland Security/Washington State Military Department/Snohomish County	Homeland Security Grant Program	97.067	E14-075	40,308.73			1
Department of Homeland Security/Washington State Military Department/Snohomish County	Homeland Security Grant Program	97.067	E15-082	27,169.73			1
Department of Homeland Security/Washington State Military Department/Snohomish County	Homeland Security Grant Program	97.067	E13-152	37,028.29			1
Department of Homeland Security/Washington State Military Department/Snohomish County	Homeland Security Grant Program	97.067	E12-186	38,381.65			1
Total Department of Homeland Security/						\$142,888.40	

TOTAL FEDERAL EXPENDITURES \$7,862,113.99

SKAGIT COUNTY, WASHINGTON

NOTES TO THE SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS

For the year ended December 31, 2014

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 2014 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) 8.19%, (b) 10.0%, (c) 11.19%, (d) 18.18%, (e) 26.11%

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 – PROGRAM INCOME

The amount reported is net of \$462,294.07 received as program income.

NOTE 7 – NONCASH AWARDS - VOUCHERS

The amount of vouchers reported on the schedule is the value of food vouchers received by Skagit County during 2014 and priced as prescribed by the Department of Agriculture.

NOTE 8 – PRIOR YEAR EXPENSE

The total amount expended for this program includes \$3,391.06 for 2013.

NOTE 9 – AMERICAN RECOVERY AND REINVESTMENT ACT (ARRA) OF 2009

Expenditures for this program were funded by ARRA.

SKAGIT COUNTY, WASHINGTON
 SCHEDULE OF STATE AND LOCAL FINANCIAL ASSISTANCE
 For the Year Ending December 31, 2014

Grantor/Program Title	Identification Number	Current Year Expenditures
Administrative Office of the Courts		
Witness Fees	RCW 10.46.230	\$ 2,491.95
Interpreter Fees	IAA14222	\$ 8,045.51
Interpreter Fees	IAA15216	\$ 10,917.00
Becca Bill	IAA15033	\$ 164,152.60
Becca Bill	IAA14056	\$ 79,856.07
Becca Bill	IAA14056	\$ 70,183.91
<u>TOTAL ADMINISTRATIVE OFFICE OF THE COURTS</u>		<u>\$ 335,647.04</u>
County Road Administration Board		
County Roads - Arterial Preservation	NA	\$ 564,922.75
<u>TOTAL COUNTY ROAD ADMINISTRATION BOARD</u>		<u>\$ 564,922.75</u>
Department of Agriculture		
Spartina Program	K1145	\$ 23,540.19
Knotweed Control (Grandy Creek)	K1231	\$ 3,644.05
<u>TOTAL DEPARTMENT OF AGRICULTURE</u>		<u>\$ 27,184.24</u>
Department of Early Learning		
Home Visiting Service Account (HVSA)	201208013	\$ 18,018.60
<u>TOTAL DEPARTMENT OF EARLY LEARNING</u>		<u>\$ 18,018.60</u>
Department of Ecology		
Site Hazard Assessment	G1400046	\$ 39,591.81
Local Source Control Partnership	IAAC1400034	\$ 96,459.26
Local Toxins Control Coordinated Prevention Grant	G14000167	\$ 76,002.05
Samish River Natural Resource Stewardship Program	G1400401	\$ 29,285.51
On Site Septic Grant with Loan	L1100016	\$ 12,303.06
On Site Septic Grant with Loan	WQC-2015-SkPD-00130	\$ 9,533.25
Local Toxins Control	G1400074	\$ 196,179.61
Community Litter Cleanup Program	G1400056	\$ 26,115.54
2013-15 Biennial Municipal Stormwater Capacity Grant	G1400256	\$ 50,000.00
LID Demonstration Project (Kulshan Creek)	G1200598	\$ 264,615.89
Skagit County Vector Waste Facility	G1200542	\$ 100,776.05
<u>TOTAL DEPARTMENT OF ECOLOGY</u>		<u>\$ 900,862.03</u>
Department of Health		
Sexual Predator Reimbursement	NA	\$ 4,543.31
PS OSS MLP Implementation Clearing	C16899	\$ 31,393.00
Rec Shellfish/Biotoxin(PSAA)	C16899	\$ 2,776.17
<u>TOTAL DEPARTMENT OF HEALTH</u>		<u>\$ 38,712.48</u>
Department of Social & Health Services		
Child Support Enforcement Reimbursement	2110-80608	\$ 26,776.00
Juvenile Rehabilitation Administration	CJS At-Risk 1363-79615	\$ 96,298.44
Juvenile Rehabilitation Administration	HB3900 1363-79615	\$ 43,863.00
Juvenile Rehabilitation Administration - Treatment & Intergovt Prog	1363-78932	\$ 29,455.59
Juvenile Rehabilitation Administration	Intensive Diversion 1363-79615	\$ 54,507.29
Juvenile Rehabilitation Administration	SSODA 1363-79615	\$ 919.75
Juvenile Rehabilitation Administration	Diagnostics 1363-79615	\$ 2,976.00

SKAGIT COUNTY, WASHINGTON
 SCHEDULE OF STATE AND LOCAL FINANCIAL ASSISTANCE
 For the Year Ending December 31, 2014

Grantor/Program Title	Identification Number	Current Year Expenditures
Juvenile Rehabilitation Administration	CDDA 1363-79615	\$ 1,909.76
Child Support Enforcement	NA	\$ 6,955.00
Immunization Cooperative Agreements	Vaccine in Lieu of Cash C16899	\$ 65,539.01
Substance Abuse Service Treatment	1163-27323	\$ 665,788.09
NSMHA Jail Services	Jail Services 13-15	\$ 69,832.68
NSMHA-SKAGIT-ADMIN-13-14	Admin-13-14	\$ 262,742.60
Juvenile Rehabilitation Administration-Treatment & Intergovt Prog	1363-78932	\$ 23,326.80
Child Support Enforcement	75-1501-0-1-609/2110-80608	\$ 196,390.00
<u>TOTAL DEPARTMENT OF SOCIAL AND HEALTH SERVICES</u>		<u>\$ 1,547,280.01</u>
Office of Public Defense		
Parent's Representation Program	CSV15044	\$ 124,282.98
<u>TOTAL OFFICE OF PUBLIC DEFENSE</u>		<u>\$ 124,282.98</u>
Samish Indian Nation		
Knotweed Control	NA	\$ 9,840.99
<u>TOTAL SAMISH INDIAN NATION</u>		<u>\$ 9,840.99</u>
State Treasurer		
Elected Official Salary Match	RCW 36.17.020	\$ 76,663.56
40% Autopsy Reimbursement	RCW 68.08.104	\$ 37,377.00
<u>TOTAL STATE TREASURER</u>		<u>\$ 114,040.56</u>
Washington Association of Sheriffs and Police Chiefs		
Registered Sex Offender Address & Residency Verification Program	RSO 13-14 Skagit	\$ 80,693.25
Registered Sex Offender Address & Residency Verification Program	RSO 14-15 Skagit	\$ 26,897.75
<u>TOTAL WASHINGTON ASSOCIATION OF SHERIFFS & POLICE CHIEFS</u>		<u>\$ 107,591.00</u>
Washington Recreation and Conservation Office		
DD#3 Delta Channel Design	RCO#13-1057P	\$ 15,863.48
Hansen Creek - Reach 5 Restoration	RCO#13-1060P	\$ 6,939.39
North Fork Skagit Acquisition and Feasibility	RCO#13-1059C	\$ 12,000.86
<u>TOTAL WASHINGTON RECREATION AND CONSERVATION OFFICE</u>		<u>\$ 34,803.73</u>
Washington State Department of Commerce		
Victim/Witness Assistance Grant Program	S14-31102-526	\$ 12,508.58
Victim/Witness Assistance Grant Program	S15-31102526	\$ 15,543.00
<u>TOTAL WASHINGTON STATE DEPARTMENT OF COMMERCE</u>		<u>\$ 28,051.58</u>
Washington State Military Department		
Professional Development & Operational E911	E14-017	\$ 14,087.13
Professional Development & Operational E911	E15-048	\$ 30,644.65
<u>TOTAL WASHINGTON STATE MILITARY DEPARTMENT</u>		<u>\$ 44,731.78</u>
	TOTAL STATE GRANTS	\$ 3,895,969.77

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