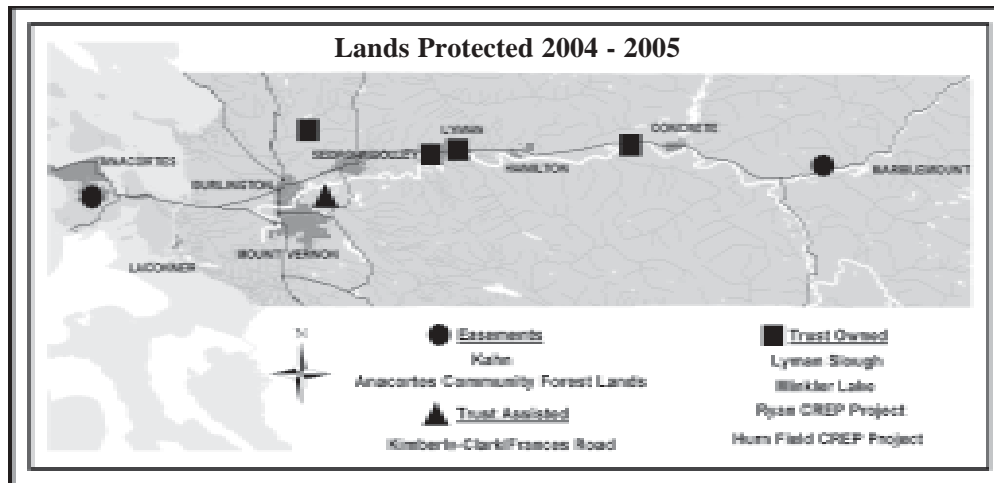


Gene Kahn protected an additional 29 acres of forest at Cascadian Farm.



Anacortes Community Forest Lands were almost halfway to being protected by March 2005.

Stewardship Committee members Ralph Heft and Kari Odden discussing a forest management plan.



Minkler Lake Conservation Area purchased in 2005



People of all ages helped steward our land in 2005.



Newly protected Lyman Slough Conservation Area.

Financial Statements 2004 - 2005

Comparative Financial Statements FOR THE YEARS ENDING MARCH 31, 2005 AND MARCH 31, 2004

ABBREVIATED STATEMENTS OF FINANCIAL POSITION As of March 31

Assets	2005	2004
Cash	\$279,183	681,625
Pledges and other receivables	42,388	61,211
Investments (land & stewardship funds)	638,725	26,987
Money on deposit	0	230,831
Conservation land	1,749,048	1,600,277
Other	11,817	14,898
Total Assets	\$2,721,161	\$2,615,829
Liabilities	\$8,698	\$204,740
Net Assets	\$2,712,463	\$2,411,089
Total Liabilities & Net Assets	\$2,721,161	\$2,615,829

To accurately maintain and report the financial statements of Skagit Land Trust, the board of directors contracts for an outside annual financial review or audit of the Trust's financial records. For FY 2004 the board of directors selected an audit. For FY 2005 the board of directors selected to use a financial review and will return to an audit in 2006.

This abbreviated financial statement is a summary of the Review Report submitted to your Board of Directors by Larson Gross, Certified Public Accountants, who, based on their review, were not aware of any material modifications that should be made to the financial statements for them to be in conformity with accounting principles generally accepted in the USA, as of March 31, 2005. The March 31, 2005 financial statement and independent review are on file in the offices of Skagit Land Trust. Also available for review is the IRS 990 tax return for this year.

At year-end March 2005 the Trust held 40 Conservation Easements and owned 20 parcels in fee. Total area under Trust stewardship was 3,708 acres throughout Skagit County. Trust membership totaled 534 households and businesses.



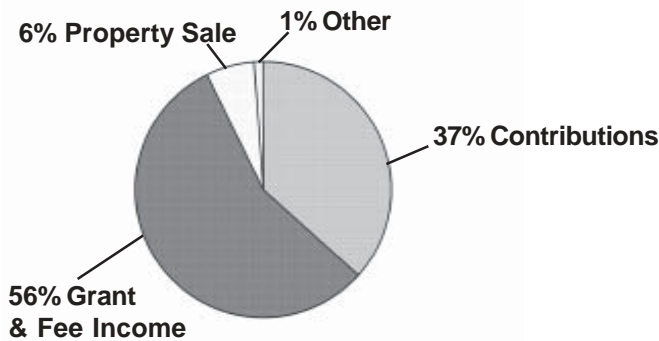
ABBREVIATED SUMMARY OF ACTIVITIES For the Years Ending March 31

	2005	2004
Support and Revenue		
Contributions (cash and in-kind)	\$103,665	93,513
Grant and fee income	331,259	364,413
Rental income	5,320	4,533
Investment income	1,287	10,154
Net gain on land sales	36,128	330,857
Restricted contributions for land acquisition and stewardship	112,500	104,000
Total Support and Revenue	\$590,159	\$907,470
Expenses and Acquisitions		
Land and stewardship programs	187,418	213,999
Administration and fundraising	101,367	74,194
Subtotal	\$288,785	\$288,193
Land acquisitions	268,000	341,000
Total Expenses and Acquisitions	\$556,785	\$629,193
Net result	\$33,374	\$278,277

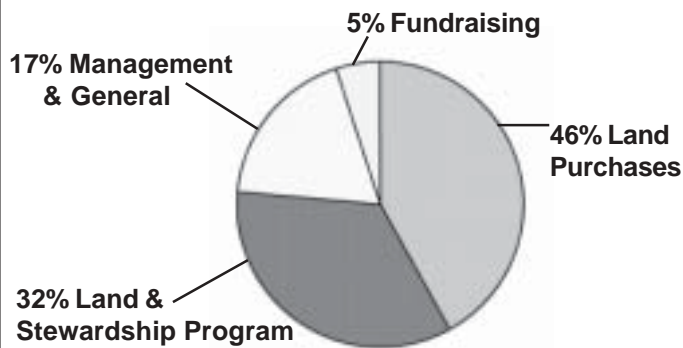
Revenue & Expenses 2005

April 1, 2004 - March 31, 2005

Revenue - 2005



Expenses - 2005



FINANCIAL NOTES

Skagit Land Trust completed the following land purchases:

- The Trust purchased 107 acres at Minkler Lake for \$228,000 in April 2004. The Salmon Recovery Funding Board contributed grant funding of \$193,800.
- The Trust purchased 19 acres at Lyman Slough for \$40,000. The Salmon Recovery Funding Board contributed grant funding of \$34,000.

Land sales and donations

- Skagit Land Trust donated a conservation easement on 88 acres of farmland on Francis Road to Skagit County's Farmland Legacy Program. The conservation easement extinguished all development rights and ensured the land was permanently protected. The Trust then sold the property to a farmer at farmland prices.
- Skagit Land Trust donated \$5,000 to San Juan Preservation Trust's Sares Bluff Campaign.

FY 2005 Highlights

April 1, 2004 - March 31, 2005

CONSERVATION

107 acres of important lake shoreline, wetlands and salmon habitat were added to the Trust's ownership at Minkler Lake with help from our members, the Salmon Recovery Funding Board and the Skagit Watershed Council.

We added conservation easements on 75 acres of the Anacortes Community Forest Lands in partnership with Friends of the Forest and the City of Anacortes.

We received a generous conservation easement donation from Gene Kahn who protected 29 acres of native forest outside of Marblemount.

The Trust protected 19 acres of shoreline near the city of Lyman. This land is comprised of large gravel bars and shady backwaters and connects to Skagit River Wild and Scenic River lands.

With Whatcom Land Trust we completed an assessment of the most important lands to protect in the Chuckanut-to-Cascade corridor.

The Trust assisted Seattle City Light to purchase, for protection, two miles of Skagit River shoreline at Iron Mountain Ranch (along the South Skagit Highway).

LAND MANAGEMENT AND STEWARDSHIP

Over 11,500 person-hours of time was given by Trust volunteers to steward and maintain Trust-protected properties. Thank you!

The Trust continued its successful reforestation of river shoreline and sloughs on our Tope Ryan and Hurn Field properties, with assistance from the Conservation Reserve Enhancement Program (CREP) and the Skagit County Conservation District.

MANAGING THE TRUST

The Trust's Strategic Plan was up-dated through 2007 and we developed a Strategic Funding Plan. The vast majority of our expenses go directly to land protection or property management. However, the funding of day-to-day operations is also critical. Funding our operations makes the difference between having the capacity to take on the necessary work to protect threatened land or not. The Strategic Funding Plan addresses our urgent need to raise more general operating funds so we can protect Skagit County's special places before it is too late.

As the Trust has grown, the Board of Directors has acknowledged the need to place Trust investments under professional management. In December 2004 the board selected UBS Financial Services as its financial investment manager.

Skagit Land Trust Members and Partners

April 1, 2004 - March 31, 2005

We are grateful to the Individuals, Businesses, Organizations and Foundations, listed below whose donations were received between April 1, 2004 and March 31, 2005.

Corporate Members

Business Benefactor

(\$500 - \$999)

Printwise, Inc.
Sea-Land Development Corporation
Shell Oil Products US
Skagit State Bank
Timmers Appraisal Services

Business Patron (\$250-\$499)

First American Title
Leonard, Boudinot & Skodje, Inc.
MacGregor Publishing Co.
Miller Consulting
Shorebird Properties

Business Sponsor (\$100-\$249)

Art by Thais
Concrete Nor' West
Dunton's Auto Body Shop
Graham-Bunting & Associates
Hoekstra & Hoekstra
Puget Sound Energy
Skagit River Steel & Recycling, Inc.
Skagit Valley Healing Arts
Skagit Wild Bird Supply
Soto McNett Construction, Inc.
Woody's Car Wash

Business Supporters (\$50-\$99)

A1 Builders
Christianson Nursery, LTD
Earthbound Used Books
Fran Little LLC
McGregor Insurance Agency, Inc.
Meyer Sign & Advertising Co.
Preview Properties Skagit, LLC
Sauk Mountain Pottery

Organizations

Evergreen Islands
Fidalgo Fly Fishers
Friends of the Anacortes
Community Forest Lands
Skagit Conservation District
Skagitonians to Preserve Farmland
The Nature Conservancy

Matching Gifts

Safeco
Puget Sound Energy

Granting Organizations & Foundations

The Burning Foundation
The Dudley Foundation
Horizons Foundation
Linnemann Family Foundation
Salmon Recovery Funding Board
Temcov Foundation

Pro-Bono Services

Bradford E. Furlong P.S.

Stewardship Fund

City of Anacortes
Brenda Cunningham & Tim Manns
Ralph & Ruth Heft
Gene Kahn
James C. Squires, Jr.

Trust Builders

Major Donors (\$5000 & up)

Robert Brown &
Patricia Hegg Brown

Steward (\$2500-\$4999)

Anonymous

Conservator (\$1000-\$2499)

Anonymous
Harold & Shirley Christenson
Ann & Bob Dursch
Lin Folsom
Dr. Jay Ham & Jan Hersey
John & Linda Hunt
Beau MacGregor
Marlene & James Moore
Mark Nysether
Keith & Jan Wiggers
Rich & Beth Williamson
Ben Winkes & Sloane Polillo
Andrea Xaver

Sustaining Members

Benefactor (\$500-\$999)

Anonymous
Joanne Abelson & Chris Goelz
Lloyd & Wendy Brown
Jane Clapp
Brenda Cunningham & Tim Manns
Tom & Catherine Dostart
David Duskin
Donald J. Finsen
Elsa Gruber & Charles Pruett
Jerald & Sheila Haegele
Gene Kahn
Rae Kozloff
Rusty Kuntze & Libby Mills
Janice Martin & Doug Robinson
Sue & George Mehler
Gene & Ginny Murphy
Dennis Stanchfield &
Susan Radkins
Erynn E.M. Stephan
Richard & Sharon Stewart
John & Doris Tursi
Ken & Anne Winkes
Margaret Yeoman

Patron (\$250-\$499)

Anonymous
Ruth & Harry Adamitz

Robert L. Apter, MD
Mary Kay Barbieri & Linda Jordon
Diane Bednarz & Peter Jepson
Jim Bishop II
Glenn & Theda Bordner
Martha Bray & John Day
Nadine Burrington & Robert Foist
Bob Carey and Kari Odden
Laura Deason
Bill & Holly Dietrich
Molly Doran & Andrew Cline
Nick Fahey & Deborah Martin
Ron Feld and Lorna Klemanski
Kristine & Roger Goodan
Phil and Kathy Green
Larry and Josie Hedgpath
Bill & Susan Henry
Robert MD, & Judith Higgins
Marcia Hunt
Patricia Karlberg & Robert Keller
Sean Kelly
Sheila Klein & Ries Niemi
Dick & Doris Kohler
Patricia Botsford-Martin &
Daniel Martin
Cynthia McGuinness
Kenneth & Enid Oates
H. Donald Parry &
Vicki Soderberg Parry
Bob & Barb Rock
Kathleen H. Root
William & Kris Rowe
Jim & Levy Scheltens
David & Eddylee Scott
Pat Sneeringer
Linda Speck & Ken Willis
Kate Stewart & Deborah DeWolfe

Sponsor (\$100-\$249)

Astrid Aamot
Frances Ambrose & Steve Hunter
Bruce & Joanne Ault
Bob & Pat Bell
Claudia Biermann
J.E. Bishop
Paul & Patty Calver
Cathy Carmody & David Deffenbaugh
John A. Carr, MD
Tom, Beth & Christine Cleland
Debbie & Darrell Cornelius
Tom & Barbara Corrigan
Patricia A. Cowgill
Barbara & Lyle Craner
Larry & Lorry D'Arienzo
Allison Deets
Joyce & Cecil Dillard
Paul Dinnel & Vicki McNeil
Harold & Diane Eiesland
Corwin Ferguson
Jim & Frances Ford
Brad Furlong & Eileen Butler
James Gallup
Carolyn & Ed Gastellum
Warren & Marilyn Gilbert
Herb & Theresa Goldston
Ernie & Joan Handelman
Daniel & Marilyn Hanesworth
Mary Mae Hardt & Scott Andrews
Lief & Monica Hazelet
Ralph & Ruth Heft
Mark & Alison Hitchcock
Bill & Ruth Hood
Hal & Claris Hyatt
Jean & Brad Imus
Clayton & Barbara James
Ryan & Christina Jepperson
Stephen & Nancy Johnson
James Kaufman
Robert & Carol Knowles
Fayette Krause
Robin LaRue
George Lawson
Mr. & Mrs. Gordon Lisser
Candace L Lower
Ann Magnano
Robert & Marie Martinez
William & Diana McGaw
Malcolm & Michelle McPhee
John Merrell II
Jim & Harlyn Meyer
Anne Brooks Middleton &
Jack Middleton
Gary & Betty Miles
Susan & Fred F. Miller
John and Marjorie Milnor
Tom & Mary Moody
David C. Moreland
Diane Morton & Wendy Cobb
Dick & Joyce Nelson
George & Mary Newbury
Kathleen Walsh Packard
Robert G. Personius
Fred Poppe
Maragaret Potter
Ed & Linda Pysher
Denny & Laurie Quirk
Richard & Karen Raisler
Carl & Jane Randolph
Peggy Ratermann
Gary A. Richardson
Richard & Nancy Robblee
Valerie & Gary Robinson
Andrew Ross & Laura Cailloux
Cyd and Herb Sanborn
Herb & Christine Sargo
Robert & Emma Schroder
Charles Schultz & Terri Bakke-Schultz
Terence & Lois Slotemaker
Harriet Spanel
Mary Augusta Stapp
Charles Stavig
Terry & Kathy Stevens
Tamara Stevens & Todd Rubano
Dennis & Mary Ann Taylor
Bill & Sally Turner
Gary & Ruby Vallat
James W. Van Horn
Tim & Alice Volwiler

Thank You For Your Support

Jane Wagner & Bruce Bollert
Sarah Welch & Jon Riedel
James Wells
Don Wick
Robert & Anne Marie Willis
Todd Wood & Judy Gamble
Robert C. Woolley
Annette Woolsey & Jim Shiflett
Ms. G. O. Wright
Robert & Kay Wuerth
Sara Young & Wade Melton
Jane Zillig & Paul Ingalls
Stan Zyskowski

Contributing Members

Supporter (\$60-\$99)

David Adams & Greta Movassaghi
Dick Anderson & Lynn Reed
Arthur & Maryann Arndt
Charles Ayers
Scott & Jennifer Aylor
Liz & Michael Bart
Al & Sue Berger
Richard Bergner
Rick & Laura Bethke
Rich & Feryll Blanc
John & Gail Boggs
Carol Bohmbach
Jon & Ann Bowman
Doyle & Gloria Bowzer
Karen & Jonathan Briggs
William & Joan Colvin
Joan Cross
Lynne Darnell
Daniel & Charlotte Decker
Gene & Marilyn Derig
Carol & Jon Engels
Doug & Cheryl Everhart
Nancy & Scott Fulton
Peter & Dorothy Haase
Helen Heneks
George Jay
Paul Johnson
Beth Kraig & Suzanne Klinger
Logan & Allison Knowles
Eric & Laura Kraig
Von & Elizabeth Kuehn
Anne & Bob Kuntz
Jere LaFollette & Wende Sanderson
Karen A. Lewis-Hart & Derek Hart
Meredith & Rick Machin
Dr. Jennifer McCoy
Mark & Alison Miller
W.M. Mohundro
Tarn Mower
Edward K. Newbold
Nicholas Nigro
Deborah North & Robert Coffey
Mike & Bonnie Olpin
Mark Pearson
Peter Remick
Susan Richardson
Marilyn Ross & Robert Schwartzberg
Eric & Jenny Sandbo
Robert E. Scott
Paul Schissler & Sue Willis
Jonathan & Scottie Schneider
Margaret M. Schulz
Anne Schwartz & Mike Brondi
Don & Margaret Semrau

Maurice & Virginia Shank
Liz Smith
Bob & Connie Snell
Jane E. Stephens
Jack Stephens & Ellen O'Neill Stephens
Jaye Stover
Jim & Dorothy Stover
Steve & Frederica Sulzbacher
Nancy Swalling
Ann & William Tanner
Gina Van Hess
Bill & Laurie Wallace
Virginia Walsh
Dederick Ward & Susan Parke
Philip & Carolynne Wright
David & Pat Young

Partner (\$40-\$59)

Norman Ainslie
Anonymous
Arbor Pacific Forestry
Nancy Ashenfelter
Mark & Ruth Backlund
Graydon & Joyce Baker
Judy Baker
John & Nancy Barnard
Tom & Helen Bassler
Dr. Bruce Berkowsky
Paul Blum & Alison Zak
Ric & Janet Boge
Robert & Victoria Bourns
John & Mary Louise Brown
Kelly Bush & Russ Dalton
Ferdi Businger
Daniel F. Casey & Sally Weakley Casey
Joan Casey
John & Cindy Custer
Chris Danilson & Jenny Baker
Patricia & Richard de La Chapelle
Jack & Sonjia de Yonge
Ivar Dolph & Phyllis Dolph
Judith Dudley & Thomas Slocum
Tom & Stacy Fawell
Alix Foster & Rick Shorten
Sue & John Freeto
Hellmut & Marcy Golde
Barbara & Dean Gregory
Ramona Hammerly
Anne Hillard
Steve & Katie Hinton
David & Kathy Hirdler
Bill & Gail Hlavacek
Clara Hogg
Steve & Andrea Hood
Edward & Valerie Jensen
Alfred R. Kraig
Kathy & Mark Larson
Father Paul Magnano
Donald & Mary Magness
Michael Maki
William & Laurel Malcomson
Michael & Suellen Mancer
Ingrid & Bruce McBane
Todd McNett & Liz McNett Crowl
Joe & Judy Menish
Scott Mennella & Anne Sidbury
Anita Meyer & Josh Greenberg
Steve & Betty Miller
Michael Monroe
Gordon & Joanne Odegaard

Paula A. Ogden-Muse & Jeff Muse
Judy & David Olson
Helen M. Ovenell
James Owens
Robert & Maureen Ratfield
Robert Raymond & Dorothy Downes
Kathy & Robert Reim
Lauren Rich
Harold & Irene Richardson
Bob Rose
Kim Sager
Jo-an & Bill Scott
John & Julie Semrau
Sue & Richard Sigmen
Robert & Joan Skeele
Gail R. Smith
John Smith & Cheryl Harrison
Richard Staples
Richard & Daphne Storwick
Margaret Studer
Linda & Stephen Summers
Mary & Bob Taylor
Richard & Carol Treston
Lynette Trucco-Baier & Doug Baier
Kathryn Van Alstyne & Edmund Marmol
Natalie & Steve Weatherby
June Wheeler
Brian & Dyani Wetcher
Louise Willis
Robert & Polly Winkelman
Stedem Wood

Friend (\$30 - \$39)

Evelyn Adams
Kathryn Alexandra
John Allen
Helen Andersen
Jim & Joyce Anderson
Steve & Gail Aslanian
Robert T. Bailey
Cathy Baker & Rich Feldman
Ms. Barbara Bashaw
Hazel Blakeslee
Gary & Heidi Bletsch
Kalman Brauner & Amy Carlson
Rone & Marcella Brewer
Dr. Gary & Sue Brown
Phil Burton
Craig E. Cammock
Carol Carnahan
Howard Christofersen
Dorris Cville
Eileen Coan & Ross Mc Conahey
Barbara Cooper
Allen Craney
Lee & Mary Sue Dallas
Eunice W. Darvill
Fred & Virginia Darvill
John & Ramona Douglass
Gene & Mayo Earnest
Ann Eissinger
Phyllis L. Ennes
John & Marie Erbstoesser
Jay & DeAnn Findlay
Harriet Follman
Barbara French
Mary Froderberg
Karen Gardiner & Philip Brown
Karla Garey
Ms. Dianne Gaughan

Barbara Geraghty
Dan Gould
Frank Graham
Louise Harris
Judith Hartford
Carol Havens & Vince Streano
Ron Haywood & Leanne Lunsford Haywood
Albert Heath
Ri & Sally Hill
Holley Hoag
Lillian Hoekstra
Bernetta Hoff
Ron Holmes
Loren Huggins & Marie Lord
Sarah Huntington
Elmer & Jean Johansen
Janette Johnson
Robert & Cecilia Johnson
Thomas V. & Lane Johnson
Vic & Marlene Jones
Matthias & Bonnie Kerschbaum
Bojan Kuure
Amy & Pierre LaBarge
Jeannie Lennon
Dianne Lindsay & Cordia Sammeth
Mr. & Mrs. William V. Lucic
Dr. Malcolm Madenwald & Wendy Gray
Clarice R. Martin
Jeff & Ann May
Janet McKinney
Dick & Bettie McNeely
Duane & Joan Melcher
Bob Mierendorf & Lisa Broxson
Grace Novicky
Melinda Olswang & Bruce Racine
Allane Onkst
Lorna & Dennis Parent
Howard & Carol Pellett
Loretta Penrod
Daniel Penttila
Hazel Pilkinton
Andrea & Lyle Poolman
Clarence & Virginia Rankin
Scott & Martha Rhodes
Jack & Cynthia Richardson
Teresa L. & Scott A. Rinkler
Jim Roberts
Shane & Susan Sanderson
Mike Sato
Mary Schacht
Donna Schram, PhD
Edward & Carol Schwabe
Dan Senour
Howard & Kathy Shapiro
Howard Shuman
Shirley Smith
Sharon Stapleton
Rosemary Stevens
Ken & Liz Stewart
Sherri Stites
Carol Strandberg
James & Mary Jo Stroh
Cecil & June Thomas
Mr. & Mrs. Richard Tjersland
Julia & William Toomey
Patty Wasson & Bob Shelly
Rowena Watson & Paul Troka
Ken Berg & Jan Weydemeyer
Jennifer & William Woyski
Patricia Youngman

Thank You For Your Support

Associates

Otto Allison
 Dan & Donna Brauer
 Ellen Bynum
 John & Merydee Carlson
 Barb & Terry Doran
 John Freeman
 Dee Gibson
 Ellen Gray
 Anthony G. Hamerski
 Kathryn Heron
 Marji Hoff
 Janene Kenaston
 Konrad Kurp
 Karen MacDonald
 Philip & Anne McCracken
 Jim Murphy
 David & Sydney Olausen
 Suzanne Perlmutter
 John & Elizabeth Perrin
 Ruth Elfstrom Riggles
 Alice Royer
 Linda Sanford
 Jay Smith & Susan Wood
 Laura Smith
 Chester Wood
 Rosann Wuebbels & George Reeves

Catherine & Tom Dostart
 El Gitano Restaurant
 Brad E. Furlong, P.S.
 Phil Green
 Josh Greenburg
 Larry & Ginny Groesbeck
 Gene Hall
 Peter Jepson
 Kenmore Camera
 Bob Knowles
 Trevor Kyle
 Patty Lavrette
 Lee Mann
 Patsy Martin
 John Milnor

Special Gifts

In Honor of Christine Bergner & Jeffrey Bergner

Richard Bergner

Eleanor Gandy Memorial

Mary Augusta Stapp

Karen MacDonald Memorial

Dr. Gary & Robbie Holz
 Robert & Norma Maris
 Mr. & Mrs. William Morningred
 Judi Munn
 Gene & Ginny Murphy
 Betty Rockwell

In Honor of Floydene Myers & Ester Zimmerman

Susan Richardson

In Kind

All American Master Locksmith
 Applebee's Restaurant
 Art by Thais
 Jim Bishop II
 Blue Heron Farm - Ann Schwartz
 Glenn Bordner
 Bob Butterfield
 Carpenter Creek Winery
 Catapult Heavy Construction
 Cheesecake Creations
 Chinook Expeditions
 Christianson Nursery
 Concrete Nor' West
 Brenda Cunningham
 Crown Pacific
 Pamela David
 Molly Doran & Andrew Cline

Marlene & Jim Moore
 Gene & Ginny Murphy
 Ed Newbold
 Nitty Gritty Garden Club
 NOLS
 John Osborn
 Lavone & Dick Reim
 S&H Nursery
 Sakuma Brothers Farm, Inc.
 Dave Shaw
 Skagit Conservation District
 Skagit Fisheries Enhancement Group
 Skagit River System Cooperative
 Skagit Watershed Council
 Sky Nursery
 Terry Stevens
 Richard Stewart
 Stratum Group
 Summersun Nursery
 Wells Nursery
 Brian Wetcher/Fidalgo Landscape
 Keith & Jan Wiggers
 Andrea Xaver



*Volunteer Jim Owens helps
remove ivy and holly
from a Little Mountain
conservation easement.*

PARTNERS - 2005

City of Anacortes
Ducks Unlimited
Farm Service Agency
**Friends of the Anacortes Community
Forest Lands**
**Natural Resources
Conservation Service**
The Nature Conservancy
Salmon Fisheries Enhancement Group
Salmon Recovery Funding Board
San Juan Preservation Trust
Skagit Conservation District
**Skagit County Farmland
Legacy Program**
Skagit River System Cooperative
Skagit Watershed Council
US Forest Service
Seattle City Light
Whatcom Land Trust



*Sometimes visiting
our protected
properties requires
rowing.*



"Saving land for future generations"