



Comprehensive Annual Financial Report

For Fiscal
Year Ending
December 31,
2002

Whatcom County, Washington

Recipient of GFOA Certificate of Achievement for Excellence in Financial Reporting

Comprehensive Annual Financial Report

Whatcom County Washington

Fiscal Year Ending December 31, 2002



This Report Prepared and Published by the Whatcom
County Administrative Services Department
Finance Office

June 2003

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**Photo on Cover:
Zuanich Park, Squaticum Harbor,
Bellingham, Washington
by Eva Browning**

Certificate of Achievement for Excellence in Financial Reporting

Presented to

Whatcom County,
Washington

For its Comprehensive Annual
Financial Report
for the Fiscal Year Ended
December 31, 2001

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



President

Executive Director

The Government Finance Officers Association of the United States and Canada (GFOA) awarded a Certificate of Achievement for Excellence in Financial Reporting to Whatcom County for its comprehensive annual financial report for the fiscal year ended December 31, 2001. In order to be awarded a Certificate of Achievement, a government must publish an easily readable and efficiently organized comprehensive annual financial 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 that our current comprehensive annual financial report continues to meet the Certificate of Achievement Program's requirements and we are submitting it to the GFOA to determine its eligibility for another certificate.



Table of Contents

Introductory Section

Letter of Transmittal	1
Elected Officials	6
Organization Chart	7

Financial Section

Independent Auditor’s Opinion	9
-------------------------------------	---

Management Discussion & Analysis	11
--	----

Basic Financial Statements	23
----------------------------------	----

Statement of Net Assets	23
Statement of Activities	24
Balance Sheet, Governmental Funds	25
Reconciliation of the Balance Sheet to the Statement of Net Assets of Governmental Activities	26
Statement of Revenues, Expenditures, and Changes in Fund Balance, Governmental Funds	27
Reconciliation of the Statement of Revenues, Expenditures, and Changes in Fund Balances of Governmental Activities	28
Statement of Net Assets, Proprietary Funds	29
Statement of Revenues, Expenses, and Changes in Fund Net Assets, Proprietary Funds	30
Statement of Cash Flows, Proprietary Funds	31
Statement of Fiduciary Net Assets, Fiduciary Funds	32

Notes to the Financial Statements	33
Note 1 - Summary of Significant Accounting Policies	34
Note 2 - Stewardship, Compliance, and Accountability	39
Note 3 - Deposits and Investments	40
Note 4 - Property Taxes	41
Note 5 - Capital Assets and Depreciation	43
Note 6 - Pension Plans	44
Note 7 - Risk Management	49
Note 8 - Long-Term Debt and Capital Leases	51
Note 9 - Contingencies	55
Note 10 - Commitments	55
Note 11 - Interfund Balances and Transfers	55
Note 12 - Joint Ventures	56
Note 13 - Postretirement Health Care Benefits	57
Note 14 - Postclosure Care Cost	57
Note 15 - Other Disclosures	57
Required Supplemental Information	59
General Fund	59
Road Fund	60
Flood Control Zone District	61
Supplemental Information (Non-Major Funds)	63
Non-Major Governmental Funds	67
Combining Balance Sheet	67
Combining Statement of Revenues, Expenditures and Changes in Fund Balance	68
Special Revenue Funds	70
Combining Balance Sheet	70
Combining Statement of Revenues, Expenditures and Changes in Fund Balance	74
Election Reserve	78
Veterans' Relief	79
Tax Refund	80
Treasurer's O & M	81
Water Resources	82
Low Income Housing	83
Park ORV	84
Solid Waste	85
Convention Center	86
Victim/Witness Assistance	87
CERB	88
Emergency Contingency Fair	89
Drug Task Force	90

Community Development	91
Imminent Threat Grant	92
Sewer Improvement District 1	93
Emergency Communications	94
Whatcom County Drug	95
Auditor's O & M	96
Emergency Management	97
Sumas Sub-Flood Control District	98
Point Roberts Fuel Tax	99
Conservation Futures	100
Lake Management District 1	101
Road Improvement Districts	102
Lynden/Everson Sub-Zone	103
Sumas/Nooksack/Everson Sub-Zone	104
Acme/Van Zandt Sub-Zone	105
Debt Service Funds	106
Combining Balance Sheet	106
Combining Statement of Revenues, Expenditures and Changes in Fund Balance	108
1977 Fair General Obligation Bond	110
1978 Ltd. Tax General Obligation Bond	111
1981 Ltd. Tax General Obligation Bond	112
1982 Ltd. Tax General Obligation Bond	113
1983 Ltd. Tax General Obligation Bond	114
C.R.I.D. No. 4 General Debt	115
C.R.I.D. No. 5 General Debt	116
C.R.I.D. No. 9 General Debt	117
L.R.I.D. No. 10 General Debt	118
1991 Ltd. Tax General Obligation Bond	119
1993 Ltd. Tax General Obligation Bond	120
1997 Ltd. Tax General Obligation Bond	121
1998 Ltd. Tax General Obligation Bond	122
Capital Project Funds	124
Combining Balance Sheet	124
Combining Statement of Revenues, Expenditures & Changes in Fund Balance	126
1983 Sewer Construction	128
Real Estate Excise Tax	129
Courthouse Construction	130
Road Improvement District No. 10 Construction	131
County Parks Improvement	132
Civic Center Building Improvement	133
Public Utilities Improvement	134
Internal Service Funds	135
Combining Balance Sheet	135
Combining Statement of Revenues, Expenses and Changes in Fund Equity	136
Combining Statement of Cash Flows	137

Agency Funds	138
Combining Balance Sheet	138
Combining Statement of Changes in Assets and Liabilities	
Cemetery Districts	141
Drainage Diking & Flood Control Districts	142
Park & Recreation Districts	143
Watershed Mgmt Project Joint Board	144
Rural Library	145
Northwest Regional Council	146
Council of Governments	147
Hospital Districts	148
Port	149
P.U.D. District	150
Whatcom Transit	151
School Districts	152
Fire Districts	153
Water Districts	154
Treasurer's Suspense	155
Inmate Trust Fund	156
Claims Fund	157
Salary Fund	158
Total Agency Funds	159

Statistical Section

161

Table 1 - General Government Expenditures by Function	162
Table 2 - General Government Revenues by Source	164
Table 3 - Property Tax Levies & Collections	165
Table 4 - Assessed Value of Taxable Property	166
Table 5 - Property Tax Rates - Direct & Overlapping Governments	168
Table 6 - Ten Largest Taxpayers	170
Table 7 - Special Assessment Billings & Collections	171
Table 8 - Computation of Legal Debt Margin	172
Table 9 - Ratio of Net General Obligation Bonded Debt to Assessed Value & Net General Obligation - Bonded Debt per Capita	173
Table 10 - Ratio of Annual Debt Service Expenditures for General Obligations Bonded Debt to Total General Governmental Expenditures	174
Table 11 - Computation of Direct & Overlapping Bonded Debt - General Obligation Bonds	175
Table 12 - Demographic Statistics	176
Table 13 - Property Value, Construction & Bank Deposits	177
Table 14 - Miscellaneous Statistics	178

**WHATCOM COUNTY
EXECUTIVE'S OFFICE**

County Courthouse

311 Grand Avenue, Suite #108
Bellingham, WA 98225-4082



Pete Kremen
County Executive

June 30, 2003

Citizens of Whatcom County:

We are pleased to submit the Comprehensive Annual Financial Report of Whatcom County for the year ended December 31, 2002, in accordance with the provision 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.

This annual report has been reformatted to comply with the new financial reporting model developed by the Government Accounting Standards Board (GASB) Statement 34. The new financial reporting model dramatically changes the format of the County's financial statements. It is intended to improve financial reporting with the inclusion of government-wide statements that are based on full accrual accounting and include capital assets and long-term debt. The format and purpose of these changes are explained in some detail within the Management's Discussion and Analysis, which immediately proceeds the basic financial statements in the financial section of this report.

The responsibility for both the accuracy of the data presented and the completeness and fairness of the presentation, including all disclosures, rests with the County. We believe the data as presented, is accurate in all material aspects; that it is presented in a manner designed to fairly set forth the financial position and results of operation of the County as measured by the financial activity of its various funds; and that all disclosures necessary to enable the reader to gain an understanding of the County's financial activity have been included.

This report is presented in three sections: introductory, financial, and statistical. The introductory section includes the letter of transmittal, our County's organizational chart, and a list of elected officials. The financial section includes Management's Discussion and Analysis, Government-wide Financial Statements, Fund Financial Statements, Notes to the Financial Statements, Required Supplemental Information and Other Supplemental Information. The statistical section includes selected financial and demographic information, generally presented on a multi-year basis.

GENERAL INFORMATION

Whatcom County was created by an act of the Legislative Assembly of the Territory of Washington on March 9, 1854. In the eighteenth century, the area was visited by Spanish and British explorers; Bellingham Bay was named by Captain George Vancouver. The legislature stipulated that the Whatcom County Courthouse shall remain permanently in the settlement of Whatcom (now a part of the City of Bellingham) as the county seat. For the first few years, all business and court were transacted at the home of R.V. Peabody on the west bank of Whatcom Creek.

Whatcom County is located in the northwest corner of Washington State. Its northern border is British Columbia, Canada. On the southern border is Skagit County, east is Okanogan County and to the west is Puget Sound. The County is 2,126 square miles in size and about two thirds of the county are part of either the Mt. Baker National Forest or the North Cascades National Park. The Cascade Range runs through the central and western part of the county and Mt. Baker, a 10,775 foot peak, is in the center. All of the incorporated areas are within the western corridor. The county seat, Bellingham, is the major city of Whatcom County with about 40% of the county's total population. Bellingham is located 90 miles north of Seattle, the major metropolitan city in the State of Washington and 50 miles south of Vancouver, British Columbia. The population of Whatcom County in 2002 is estimated at 172,200.

Whatcom County operates under a Home Rule Charter adopted by the voters of the county in 1978. The County Council, which consists of six members elected by districts and one member at large, is the policy determining and legislative body of the County. The Council levies taxes, makes appropriations and adopts the budget for the County. The elected County Executive presents to the County Council an annual statement of the financial and governmental affairs of the County, the budget, and capital improvement plans. The county charter was amended in November 1993 to allow the establishment of a finance department. Effective July 1994, financial accounting and reporting responsibilities were transferred to an administrative finance department under the authority of the County Executive. At the same time, an independent internal audit function was established in the County Auditor's office. Tax collection, receipting and investment responsibilities are those of the elected County Treasurer.

The County provides a wide range of services, some to all citizens and some only to unincorporated areas. Services include road construction and maintenance, law enforcement, flood control, parks and recreation services, public health services, court services, agriculture services, tax assessment and collection, planning and zoning services, mental health services, fire inspections, animal control, criminal detention, election administration, solid waste and recycling, ambulance, medical examiner, and probation services.

Most funds in this report pertain to the entity Whatcom County Government. Certain agency funds exist to fill the County's custodial role for these agencies. Under state statute, the County Treasurer is the ex officio treasurer of most special purpose districts (fire, cemetery, water, drainage, public utility district). Money received from or for the special purpose districts is deposited in a central bank account and the Treasurer invests or disburses this money according to the instructions of the respective special purpose district's governing body or administrative officer.

ECONOMIC CONDITION AND OUTLOOK

The County serves a rapidly expanding population, which has grown 22% since 1992. The County's greatest employment sector is "retail trade." Whatcom County's workforce of approximately 81,000 people is distributed as follows:

Agriculture, Forestry, Fishing	4.4%
Mining	.2%
Construction	6.8%
Manufacturing	14.5%
Transport, Commun., Utilities	4.0%
Wholesale trade	4.2%
Retail trade	4.3%
Finance, Ins., Real estate	3.6%
Services	23.5%
Government	14.5%

International Transportation

Whatcom County is home to the highest volume border crossing between the United State and Canada. With its port, highway, rail and air facilities, Whatcom County's strategic physical location provides for an important international transportation hub.

The Port of Bellingham significantly contributes to the growing trade between Asia and North America, as well as the area's local economy. The Port has more than 2,000 acres of waterfront commercial and industrial property and it administers three federally designated foreign trade zones that promote manufacturing, warehousing and trade in the region. Over 320 companies operate on Port property. Offering tenants a high bandwidth fiber optics connection option, the Port provides a means for top-level global communications.

Developers are planning a new deep-water, bulk-shipping terminal at Cherry Point, the last undeveloped deep draft port on the Pacific Coast, located 11 miles northwest of Bellingham. They have received all federal, state and local permits except for an aquatic land lease from the Department of Natural Resources. Plans call for construction of several major international processing, distribution and shipping operations on this 1,070 acres. The Trillium Corporation has developed plans for attracting light industrial operations to their 1,100 acres Cherry Point property. They are also planning commercial and residential developments on approximately 800 acres in the Birch Point area.

Higher Education

Western Washington University (WWU) is one of six state-funded, four-year institutions of higher education in Washington State. WWU maintains 73 permanent buildings on its 215 acre main campus, a 95 acre off-campus facility in Anacortes and an 15 acre facility at nearby Lake Whatcom. The university's current enrollment is

approximately 12,500. On-campus student enrollment is estimated to increase by 15 percent over the next decade. As one of the county's largest employers, WWU employed 1,842 full-time faculty and staff in the fall of 2002.

Retail Trade

Between 1993 and 2002, annual taxable retail sales in Whatcom County grew by \$446 million, a 25% increase. This was despite a significant decrease in Canadian border crossings, which fell by more than half from 21.5 million in 1993, to 9.8 million in 2002.

Supermarket chains provide a major source of employment for Whatcom County. Haggen, Inc., the largest independent grocer and one of the largest private companies in Washington, with 13 stores in Washington and Oregon (four in Whatcom County), is headquartered in Bellingham and employs over 800 workers locally. With 37 stores, Brown & Cole, Inc., also headquartered in Bellingham, employs 620 locally.

Since 1988, Whatcom County has been home to Bellis Fair Mall, an 800,000 square-foot regional mall with approximately 145 stores and a multi-screen cinema. Approximately 1,500 people are employed at Bellis Fair. Of the daily 45,000 mall shoppers, about 35% are Canadian.

MAJOR INITIATIVES

Develop a Plan for the Future

A major initiative for Whatcom County in 2003 is to develop a long-term plan for providing services in the future. Given the growing demands on limited resources, we must look for efficiencies in our operations. We will look for cost reductions through the use of technology and operation consolidations. We will continue to evaluate programs and determine if we can afford to provide them.

Contain Health Care Costs

We will work in partnership with our employees and key union groups to reduce our medical plan costs.

Address Critical Water Issues

Whatcom County government is leading a cooperative effort with other governments, tribes and citizen groups to address critical water issues facing our communities. The 2003 budget will implement plans and programs to:

- Improve water quality in Lake Whatcom.
- Improve salmon habitat.
- Assist in shellfish recovery and water quality in our bays and estuaries.

Maintain Infrastructure

Annually Whatcom County prepares a six-year capital improvement program as a component of our comprehensive plan. The 2003 budget for road improvements is \$8,510,000. There are no major facilities additions budgeted in 2003. Whatcom County is currently conducting a capital facilities study. This study will result in an updated capital facilities plan in late 2003.

Purchase Development Rights

The Whatcom County 2003 budget includes funding to implement a program to purchase development rights of agricultural land to help preserve the excellent quality of life and rural character our county enjoys.

Expand the Geographic Information System

In 2003, Whatcom County will begin a coordinated expansion of the county's Geographic Information System. This will improve the tools and geographic information available to all County departments.

OTHER INFORMATION

Independent Audit

In accordance with state statutes, Whatcom County is subject to an annual comprehensive examination by the State Auditor's office. Their examination is conducted in accordance with generally accepted auditing standards, Standards for Audit of Governmental Organizations, Programs, Activities, and Functions; the Single Audit Act of 1984 (P.L.98-502) and Circular A133, Audits of State and Local Governments, issued by the U. S. Office of Management and Budget.

Certificate of Achievement for Excellence in Financial Reporting

The Government Finance Officers Association of the United States and Canada (GFOA) awarded a Certificate of Achievement for Excellence in Financial Reporting to Whatcom County for its comprehensive annual financial report for the fiscal year ended December 31, 2001. In order to be awarded a Certificate of Achievement, a government must publish an easily readable and efficiently organized comprehensive annual financial 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 that our current comprehensive annual financial report continues to meet the Certificate of Achievement Program's requirements and we are submitting it to the GFOA to determine its eligibility for another certificate.

Distinguished Budget Presentation Award

Whatcom County was awarded GFOA's "Distinguished Budget Presentation Award" for its 2003 Budget.

Acknowledgments

Preparation of this report could not have been accomplished without the professional, efficient and dedicated service of the entire staff of our Administrative Services Finance office, the Treasurer’s office, Public Works accounting office and the various department heads and employees who contributed to its preparation. We also recognize the professional efforts of the State Auditor’s Office in their audit, and in the direction and advice they provide to us throughout the year.

Respectfully Submitted,



Pete Kremen
County Executive

Elected Officials

as of December 31, 2002

Executive	Term Ends January 11, 2004	Pete Kremen
Assessor	Term Ends January 11, 2004	Keith Willnauer
Auditor	Term Ends January 11, 2004	Shirley Forslof
Prosecuting Attorney	Term Ends January 13, 2003	David S. McEachran
Sheriff	Term Ends January 11, 2004	Dale Brandland
Treasurer	Term Ends January 11, 2004	Barbara Cory

COUNTY COUNCIL

District No. 1, Position A	Term Ends January 9, 2006	Ward Nelson
District No. 1, Position B.	Term Ends January 11, 2004	Daniel McShane
District No. 2, Position A	Term Ends January 9, 2006	Laurie Caskey-Schreiber
District No. 2, Position B.	Term Ends January 11, 2004	Sam Crawford
District No. 3, Position A	Term Ends January 9, 2006	Sharon Roy
District No. 3, Position B.	Term Ends January 11, 2004	Barbara Brenner
Councilperson At Large	Term Ends January 9, 2006	Seth Fleetwood

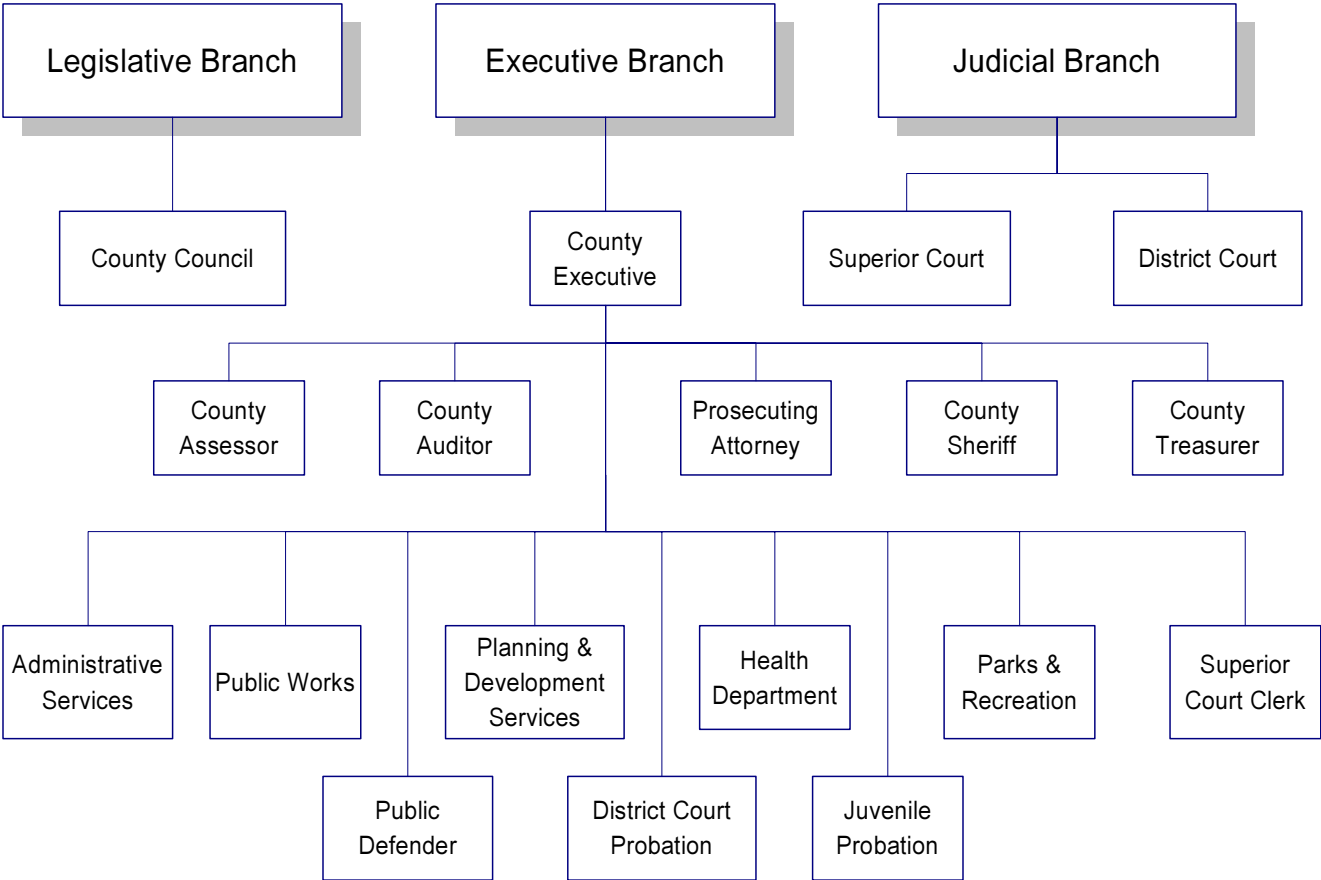
SUPERIOR COURT JUDGES

Department No. 1	Term Ends January 9, 2005	Michael Moynihan
Department No. 2	Term Ends January 9, 2005	Steven J Mura
Department No. 3	Term Ends January 9, 2005	David A. Nichols

DISTRICT COURT JUDGES

Position No. 1	Term Ends January 13, 2003	Ira Uhrig
Position No. 2	Term Ends January 13, 2003	Edward B. Ross

Whatcom County Organizational Chart



Independent Auditor's Report

Legislative Building
PO Box 40021
Olympia, Washington 98504-0021

Washington State Auditor Brian Sonntag

(360) 902-0370
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INDEPENDENT AUDITOR'S REPORT

June 12, 2003

County Council

We have audited the accompanying basic financial statements of Whatcom County, Washington, as of and for the year ended December 31, 2002, as listed in the table of contents. These financial statements are the responsibility of the County's management. Our responsibility is to express an opinion on these financial statements based on our audit.

We conducted our financial audit in accordance with governmental auditing standards generally accepted in the United States of America, issued by the Comptroller General of the United States of America. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

Our audit was performed pursuant to the *Revised Code of Washington* 43.09.260, under which a full report on the results of this audit will be issued. This report may include findings and recommendations on compliance matters, internal control procedures, and questionable costs or contingencies that would not be material in relation to the basic financial statements taken as a whole.

In our opinion, the basic financial statements referred to above present fairly, in all material respects, the financial position of Whatcom County, Washington, as of December 31, 2002, and the changes in financial position and cash flows, where applicable, thereof, for the year then ended in conformity with accounting principles generally accepted in the United States of America.

As described in Note 1, during the year ended December 31, 2002, the County has implemented Governmental Accounting Standard's Board Statement 34, *Basic Financial Statements – and Management's Discussion and Analysis for State and Local Governments*, Statement 37, *Basic Financial Statements – and Management's Discussion and Analysis for State and Local Governments, Omnibus*; and Statement 38, *Certain Financial Statement Note Disclosures*.

In accordance with *Government Auditing Standards* in the United States of America, we will also issue our report on our consideration of the County's internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts and grants. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* and should be read in conjunction with this report in considering the results of our audit.

The management's discussion and analysis information on pages 11 through 21, budgetary comparison information on pages 58 through 60, and pension trust fund information on pages 44 through 49, are not a required part of the basic financial statements but are supplementary information required by the Governmental Accounting Standards Board. We have applied certain limited procedures, which consisted principally of inquiries of management regarding the methods of measurement and presentation of the required supplementary information. However, we did not audit the information and express no opinion on it.

Independent Auditor's Report continued

Our audit was conducted for the purpose of forming an opinion on the basic financial statements taken as a whole. The accompanying introductory section, pages 1 - 8; combining and individual nonmajor fund financial statements, pages 61 - 157; and statistical tables pages 160 - 176; are presented for purposes of additional analysis and are not a required part of the basic financial statements. The combining and individual nonmajor fund financial statements have been subjected to the auditing procedures applied in the audit of the basic financial statements taken as a whole. The introductory section and the statistical tables have not been subjected to the auditing procedures applied in the audit of the basic financial statements and, accordingly, we express no opinion on them.

Sincerely,

A handwritten signature in black ink, appearing to read "Brian Sonntag". The signature is written in a cursive, flowing style with a large initial "B" and "S".

BRIAN SONNTAG, CGFM
STATE AUDITOR

MANAGEMENT'S DISCUSSION AND ANALYSIS

Year Ended December 31, 2002

This discussion and analysis of Whatcom County's financial performance provides an overview of the County's financial activities for the fiscal year ended December 31, 2002. Please read it in conjunction with the accompanying transmittal letter, the basic financial statements and the accompanying notes to the financial statements.

Financial Highlights

At the end of 2002 on a government-wide financial statement basis, Whatcom County's net assets totaled \$184,513,437. Net assets are calculated by subtracting the liabilities of the County from its total assets. \$41,523,731 of the County's net assets are unrestricted as defined by the Government Accounting Standards Board and may be used to meet the government's ongoing obligations to citizens and creditors.

The County's total debt decreased by \$1,660,161 during 2002. No new debt was issued during the year. Under Washington State law, the County is authorized to issue approximately \$189 million in non-voted debt. At the end of 2002, the County's outstanding general obligation debt totalled \$16 million.

Whatcom County's total net assets increased by \$9,131,244, resulting primarily from the construction or purchase of capital assets. The County invested 6.7 million dollars in infrastructure, which includes roads, bridges and road related improvements. Whatcom County purchased \$841,000 of land, including approximately 370 acres in the Lake Whatcom watershed, to protect the lake's water quality and 9 acres to mitigate flood hazards. The County's investment in new equipment, including vehicles and road maintenance equipment, increased net assets by one million dollars. The balance of the net increase was primarily cash and receivables.

Overview of the Financial Statements

The County's basic financial statements comprise three components: 1) government-wide financial statements, 2) fund financial statements, and 3) notes to the financial statements.

Government-wide financial statements. The government-wide financial statements are designed to provide readers with a broad overview of the County's finances. The statements report information about the County as a whole using the accrual basis of accounting, which is similar to the accounting used by most private-sector businesses.

The Statement of Net Assets presents information on all the County's assets and liabilities, with the difference between the two reported as net assets. Over time, increases or decreases in net assets may serve as a useful indicator of whether the financial position of the County is improving or deteriorating.

However, this is just one indicator of financial health of the County. Other indicators include the condition of the County's capital assets (roads, building, bridges, etc.), changes in the property tax base, and general economic conditions within the County.

The Statement of Activities presents information showing how the government's net assets changed during the most recent fiscal year. All changes in net assets are reported as soon as the underlying event giving rise to the change occurs, regardless of the timing of related cash flows. Thus, revenues and expenses are reported in this statement for some items that will only result in cash flows in future fiscal periods (e.g., earned but unused vacation leave).

In the Statement of Net Assets and the Statement of Activities, we separate the County as follows:

- **Governmental activities:** Most of the County's basic services are reported in this category, including general government, security of persons and property, physical environment, transportation, economic environment, mental and physical health, and culture and recreation. Property and sales taxes, user fees, interest income, and state and federal grants finance most of these activities.
- **Business-type activities:** The County charges a fee to customers to cover all or most of the cost of certain services it provides. The Whatcom County Investment Pool is reported in this category.

Fund Financial Statements. The fund financial statements provide detailed information about the most significant funds-not the County as a whole. Some funds are required to be established by State law. However, management establishes many other funds to help it control and manage money for particular purposes or to show that it is meeting legal responsibilities for using certain taxes, grants and other money. All the funds of the County can be divided into three categories: governmental funds, proprietary funds, and fiduciary funds.

- **Governmental funds:** Most of the County's basic services are reported in governmental funds, which focus on how money flows into and out of those funds and the balances left at year-end that are available for spending. These funds are reported using an accounting method called modified accrual accounting, which measures cash and all other financial assets that can readily be converted to cash. The governmental fund statements provide a detailed short-term view of the County's general government operations and the basic services it provides. Governmental fund information helps one determine whether there are more or fewer financial resources that can be spent in the near future to finance the County's programs. We describe the relationship (or differences) between governmental activities (reported in the Statement of Net Assets and the Statement of Activities) and governmental funds in a reconciliation beside the fund financial statements.
- **Proprietary funds:** When the County charges customers for the full cost of the services it provides whether to outside customers or to other units of the County, these services are reported in proprietary funds. Proprietary funds are reported in the same way that all activities are reported in the Statement of Net Assets and the Statement of Activities. In fact, the County's enterprise fund (one type of proprietary

fund) is the same as the business-type activities we report in the government-wide statements but provide more detail and additional information, such as cash flows, for proprietary funds. We use internal service funds (the other type of proprietary fund), such as the County's Administrative Services Fund, to report activities that provide supplies and services to the County's other programs and activities.

- **Fiduciary funds:** The County uses these funds to account for resources held for the benefit of parties outside the government. Fiduciary funds are not reflected in the government-wide financial statements because the resources of those funds are not available to support the County's own programs. The accounting used for fiduciary funds is similar to that used for proprietary funds.

Government-Wide Financial Analysis

Since this year is the initial implementation of GASB No. 34, prior year comparative information is not available. However, in future years when prior year information is available, a comparative analysis of government-wide information will be presented. The following table reflects a condensed Statement of Net Assets.

Table MDA1 Net Assets

	Net Assets		
	Governmental Activities	Business-Type Activities	Total Primary Government
Current and other assets	\$ 76,596,541	\$ 14,024	\$ 76,610,565
Capital assets	136,288,158	-	136,288,158
Total assets	<u>212,884,699</u>	<u>14,024</u>	<u>212,898,723</u>
Long-term debt	17,015,346	-	17,015,346
Other liabilities	11,358,004	11,936	11,369,940
Total liabilities	<u>28,373,350</u>	<u>11,936</u>	<u>28,385,286</u>
Net assets:			
Invested in capital, net of debt	120,458,158	-	120,458,158
Restricted/ Unrestricted	64,053,191	2,088	64,055,279
Total net assets	<u>\$ 184,511,349</u>	<u>\$ 2,088</u>	<u>\$ 184,513,437</u>

For more detailed information see page 23 of the Statement of Net Assets.

The following table reflects a condensed Statement of Changes in Net Assets.

Table MDA2 Changes in Assets

	Changes in Net Assets		
	Governmental Activities	Business-Type Activities	Total Primary Government
Revenues			
Program revenue:			
Charges for services	\$ 12,454,797	\$ -	\$ 12,454,797
Operating grants and contributions	14,394,509	-	14,394,509
Capital grants and contributions	6,600,775	-	6,600,775
General revenue:			
Property taxes	32,594,343	-	32,594,343
Timber taxes	263,688	-	263,688
Retail taxes	10,158,252	-	10,158,252
Excise taxes	5,752,026	-	5,752,026
Penalties and interest	1,665,074	-	1,665,074
Other	5,731,672	188,851	5,920,523
Total revenues	<u>89,615,136</u>	<u>188,851</u>	<u>89,803,987</u>
Expenses			
General government	17,983,238	-	17,983,238
Security of persons and property	22,976,236	-	22,976,236
Physical environment	6,538,602	-	6,538,602
Transportation	18,049,900	-	18,049,900
Economic environment	1,320,929	-	1,320,929
Mental and physical health	9,217,719	-	9,217,719
Culture and recreation	3,490,177	-	3,490,177
Interest on long-term debt	909,179	-	909,179
Whatcom County Investment Pool	-	186,763	186,763
Total Expenses	<u>80,485,980</u>	<u>186,763</u>	<u>80,672,743</u>
Change in net assets	<u>9,129,156</u>	<u>2,088</u>	<u>9,131,244</u>
Net assets-beginning	<u>175,382,193</u>	<u>-</u>	<u>175,382,193</u>
Net assets-ending	<u>\$ 184,511,349</u>	<u>\$ 2,088</u>	<u>\$ 184,513,437</u>

For more detailed information see page 24 of the Statement of Activities.

Financial Analysis of the County's Funds

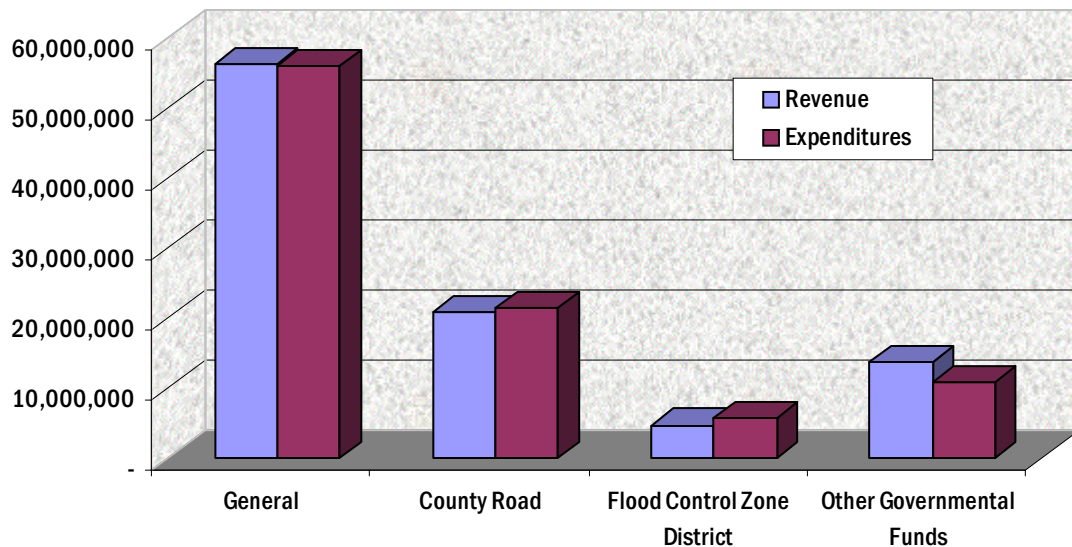
Governmental Funds Balance Sheet Analysis. The General Fund, County Road Fund, and Flood Control Zone District Fund are the County's major funds. Together these three funds account for 73% of total governmental fund assets and 70% of total governmental fund balance.

As of December 31, 2002, the County's governmental funds reported combined fund balances of \$52 million. Of the total amount, nearly \$47 million or 90% is unreserved and available for spending within designated funds. Reserved fund balance of \$5 million is not available for new spending because it has already been committed to encumbrances, petty cash, and debt service.

Governmental Funds Revenue/Expenditure Analysis. The chart below compares revenues and expenditures for the major governmental funds and all other governmental funds combined for 2002.

Table MDA3 Governmental Fund Revenues & Expenditures

Governmental Fund Revenues & Expenditures



For the fiscal year ended December 31, 2002, governmental funds revenues totaled \$95.4 million and expenditures totaled \$94.1 million. The General Fund, County Road Fund and Flood Control Zone District Fund account for 86% of all governmental fund revenue and 88% of expenditures.

The net change in fund balance for all governmental funds for 2002 was an increase of \$1.3 million.

General Fund Budgetary Highlights

The following table shows a condensed Schedule of Revenues, Expenditures, and Changes in Fund Balance-Budget and Actual for the General Fund for the year ended December 31, 2002.

Table MDA4 Condensed General Fund Schedule of Revenues, Expenditures, and Changes in Fund Balance

General Fund

	<u>Original Budget</u>	<u>Amended Budget</u>	<u>Actual</u>
Revenues:			
Taxes	\$ 27,996,630	\$ 27,996,630	\$ 28,171,111
Intergovernmental	12,815,908	13,661,221	13,214,714
Other	<u>11,710,614</u>	<u>12,209,278</u>	<u>12,766,553</u>
Total revenues	52,523,152	53,867,129	54,152,378
Expenditures:			
Expenditures	53,589,327	55,275,219	52,505,900
Other financing sources (uses)	<u>(1,525,160)</u>	<u>(1,745,590)</u>	<u>(1,293,530)</u>
Total expenditures	55,114,487	57,020,809	53,799,430
Change to fund balance	<u>\$ (2,591,335)</u>	<u>\$ (3,153,680)</u>	<u>\$ 352,948</u>

For more detailed information see page 59 of the Schedule of Revenues, Expenditures and Changes in Fund Balance-Budget and Actual.

Tax Revenues. Tax revenues exceeded budgeted amounts by \$174,481, or less than 1%. Property tax collections in 2002 totaled \$17,869,587 and were \$603,000 greater than 2001 collections. The increase in property taxes was the result of new construction added to the tax rolls, rather than tax rate increases. Retail sales tax collections totaled \$8,129,820 for 2002, which is \$327,000 greater than 2001 collections.

Intergovernmental Revenues. The budget for intergovernmental revenues was increased \$845,313 for grant awards that were received during the year. Total intergovernmental revenue was basically the same in 2001 and 2002. Actual revenue fell short of budgeted revenue due to grant-related programs that did not progress as fast as planned.

Other. Building related revenues, including building permits and plan check fees, were up \$446,000, or 29.3%, over 2001. This is the result of strong new residential construction in Whatcom County. Fines and Forfeits were up \$338,000 from 2001. This is the result of a fully staffed Highway Patrol office, a new campaign to enforce seat belt laws ("Click-it or Ticket"), and new Sheriff's deputies writing more traffic infractions.

Expenditures. The General Fund budget was increased \$1,685,892 in 2002. Continuing appropriations for projects and contracts carried over from 2001 accounted for \$387,000 of this increase. There was a \$300,000 increase for Sheriff's Department overtime to provide security at the Bellingham International Airport. This was reimbursed by the Port of Bellingham. A supplemental budget amendment totalling \$595,249 for employee wage settlements was approved. The budget was increased for costs related to grants received during 2002. These costs totaled \$762,251.

95% of the General Fund's approved budget was expended at year-end. \$622,000 of the \$2.8 million in unexpended appropriation will be continued and added to the 2003 budget.

Whatcom County ended 2002 in a financial position better than what was anticipated in the 2002 budget. This is the result of better than projected sales tax revenue, interest earnings, and midyear adjustments that increased some fees and decreased some costs. The amended budget anticipated a decrease in fund balance of \$3,153,680. The actual result was an increase in fund balance of \$352,948. Whatcom County's General Fund fund balance is \$16,495,343 at year end. This is 31% of annual General Fund expenditures.

County Road Fund Budgetary Highlights

The following table shows a condensed Schedule of Revenues, Expenditures, and Changes in Fund Balance-Budget and Actual for the Road Fund for the year ended December 31, 2002.

Table MDA5 Condensed County Road Fund Schedule of Revenues, Expenditures, and Changes in Fund Balance

Road Fund

	<u>Original Budget</u>	<u>Amended Budget</u>	<u>Actual</u>
Revenues:			
Taxes	\$ 12,292,000	\$ 12,292,000	\$ 12,108,773
Intergovernmental	7,621,792	7,621,792	6,600,775
Other	1,299,909	1,299,909	1,319,114
Total revenues	<u>21,213,701</u>	<u>21,213,701</u>	<u>20,028,662</u>
Expenditures:			
Expenditures	24,550,484	25,308,094	21,030,309
Other financing sources (uses)	564,952	564,952	339,669
Total expenditures	<u>23,985,532</u>	<u>24,743,142</u>	<u>20,690,640</u>
Change to fund balance	<u>\$ (2,771,831)</u>	<u>\$ (3,529,441)</u>	<u>\$ (661,978)</u>

The Road Fund's budget was increased \$757,610 during the year, principally for continuing appropriations carried forward from 2001. Actual revenues were \$1,185,039 less than budgeted. This is largely due to delays on grant funded construction projects. Expenditures fell short of budget by \$4,277,785. This is also largely due to construction delays. The Road Fund ended the year with a fund balance of \$10,613,793. This is 50% of annual expenditures.

Flood Control Zone District Budgetary Highlights

The following table shows a condensed Schedule of Revenues, Expenditures, and Changes in Fund Balance-Budget and Actual for the Flood Control Zone District Fund for the year ended December 31, 2002.

Table MDA6 Condensed Flood Control Zone District Schedule of Revenues, Expenditures, and Changes in Fund Balance

Flood Control Zone District Fund

	Original Budget	Amended Budget	Actual
Revenues:			
Taxes	\$ 3,676,375	\$ 3,676,375	\$ 3,985,394
Intergovernmental	1,328,350	1,328,350	350,657
Other	597,500	597,500	364,036
Total revenues	<u>5,602,225</u>	<u>5,602,225</u>	<u>4,700,087</u>
Expenditures:			
Expenditures	4,445,810	5,087,927	2,478,163
Other financing sources (uses)	(1,873,333)	(2,854,333)	(3,329,338)
Total expenditures	<u>6,319,143</u>	<u>7,942,260</u>	<u>5,807,501</u>
Change to fund balance	<u>\$ (716,918)</u>	<u>\$ (2,340,035)</u>	<u>\$ (1,107,414)</u>

The Flood Control Zone District budget was increased \$642,117 to carry forward appropriation for projects & studies begun in 2001. During the year a supplemental budget amendment for \$981,000 was approved to increase operating transfers out. The supplemental budget amendment funded several studies surrounding water quality and water availability. Revenues fell short of budget by \$902,138. This is largely due to delays in grant funded projects. Expenditures fell \$2,609,764 short of budget. This is the result of delays in projects and planned property purchases. The Flood Control District ended the year with a fund balance of \$9,146,887. This is 369% of annual expenditures.

Capital Assets

The County's investment in capital assets for its governmental activities as of December 31, 2002, amounted to \$136.3 million (net of accumulated depreciation). This investment in capital assets includes land, buildings, improvements, machinery and equipment, and infrastructure.

Table MDA7 Capital Assets

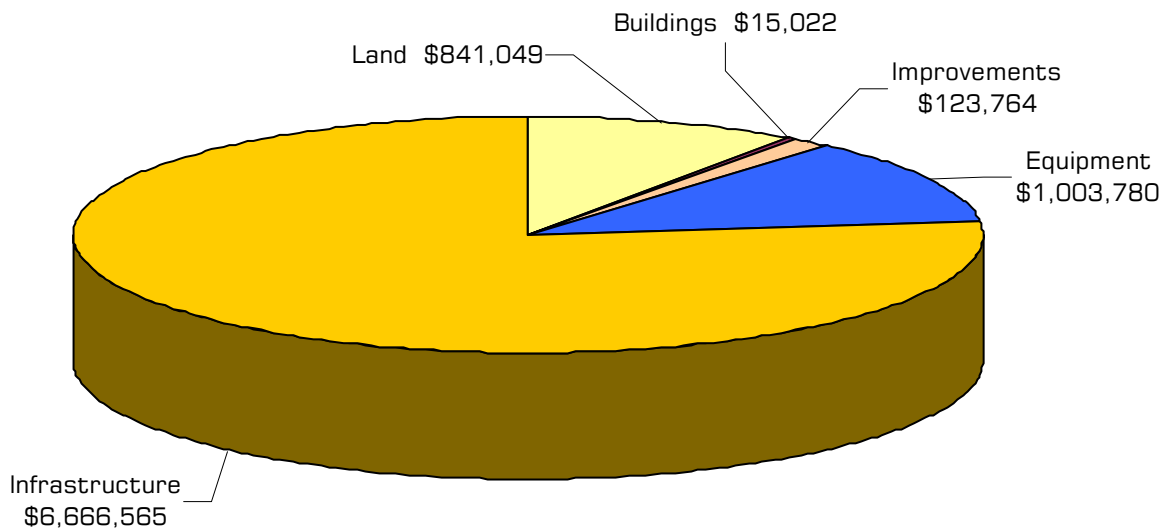
Capital Assets (net of depreciation)

	Governmental Activities
Land	\$21,248,857
Buildings	40,018,574
Improvements	929,244
Equipment	7,628,961
Infrastructure	66,462,522
TOTALS	\$136,288,158

The total increase in the County's investment in capital assets for 2002 was \$8.7 million, or 4.6 % over 2001.

Table MDA8 Change in Capital Assets

Change in Capital Assets



The County invested 6.7 million dollars in infrastructure, which includes roads, bridges and road-related improvements. Whatcom County purchased \$841,000 of land, including approximately 370 acres in the Lake Whatcom watershed, to protect the lake's water quality and nine acres to mitigate flood hazards. The County's investment in new equipment, including vehicles and road maintenance equipment increased capital assets by one million dollars.

Debt Administration

At year-end, the County had \$23.6 million in outstanding debt compared to \$25.3 million last year. That is a decrease of \$1.7 million, or 6.6%.

Table MDA9 Outstanding Debt

	Outstanding Debt	
	Governmental Activities	
	2002	2001
General Obligation Bonds	\$16,008,261	\$17,181,031
Special Assessment	422,150	802,600
Capital Leases	334,935	302,178
Estimated Self-Insurance Claims	2,655,310	2,921,855
Compensated Absences	3,944,731	3,817,884
Other Long-term Liabilities	250,000	250,000
	\$23,615,387	\$25,275,548

Economic Factors and Next Year’s Budgets and Rates

The local economy of Whatcom County remains strong. The population of Whatcom County has grown at an average rate of 2.3 percent during the past five years. Per capita income of Whatcom County is growing at approximately three percent. Unemployment has remained consistent, averaging 5.7 percent over the past five years. The two largest employers in the community, Western Washington University and St. Joseph Hospital, are growing steadily and have both recently made significant investments to expand their facilities. Retail sales have consistently grown over the past five years, averaging approximately three percent annual growth. Whatcom County is a very desirable place to live. This is reflected in the assessed valuations of property, which are growing at an average rate of approximately four percent.

Contacting the County’s Financial Management

This financial report is designed to provide our citizens, taxpayers, customers, and investors and creditors with a general overview of the County’s finances and to show the County’s accountability for the money it receives. If you have questions about this report or need any additional financial information, contact the Whatcom County Administrative Services Finance Office at 311 Grand Avenue, Bellingham, Washington, 98225.



	Primary Government		
	Governmental Activities	Business-type Activities	Total
Assets			
Cash and cash equivalents	\$ 67,345,113	\$ 11,936	\$ 67,357,049
Investments	1,438,620	-	1,438,620
Receivables	2,974,737	-	2,974,737
Due from other governments	3,559,680	-	3,559,680
Internal balances	(2,088)	2,088	-
Inventories	1,239,710	-	1,239,710
Investment in joint ventures	40,769	-	40,769
Capital assets:			
Non-depreciable	21,248,857	-	21,248,857
Depreciable, net	115,039,301	-	115,039,301
Total Assets	212,884,699	14,024	212,898,723
Liabilities			
Accounts Payable and accrued expenses	3,709,125	55	3,709,180
Due to other governments	444,702	85	444,787
Deferred revenue	604,136	-	604,136
Compensated absences	3,944,731	11,796	3,956,527
Estimated claims	2,655,310	-	2,655,310
Long-term liabilities (Note 8):			
Due within one year	1,430,614	-	1,430,614
Due in more than one year	15,584,732	-	15,584,732
Total Liabilities	28,373,350	11,936	28,385,286
Net Assets			
Invested in capital assets, net of related debt	120,458,158	-	120,458,158
Restricted for:			
Special Revenue	14,358,532	-	14,358,532
Debt Service	176,505	-	176,505
Capital Projects	7,996,511	-	7,996,511
Unrestricted (deficit)	41,521,643	2,088	41,523,731
Total net assets	\$ 184,511,349	\$ 2,088	\$ 184,513,437

Notes to the financial statements are an integral part of this statement.

Functions/ Programs	Program Revenues				Net (Expense) Revenue and Changes in Net Assets Primary Government		
	Expenses	Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Governmental Activities	Business-type Activities	Total
Primary government:							
Governmental activities:							
General government	\$ 17,983,238	\$ 3,245,552	\$ 4,759,756	\$ -	\$ (9,977,930)		\$ (9,977,930)
Security of persons and property	22,976,236	4,205,406	3,027,824	-	(15,743,006)		(15,743,006)
Physical environment	6,538,602	813,201	857,987	-	(4,867,414)		(4,867,414)
Transportation	18,049,900	1,972,705	-	6,600,775	(9,476,420)		(9,476,420)
Economic environment	1,320,929	199,754	143,804	-	(977,371)		(977,371)
Mental and physical health	9,217,719	1,700,738	5,600,104	-	(1,916,877)		(1,916,877)
Culture and recreation	3,490,177	317,441	5,034	-	(3,167,702)		(3,167,702)
Interest on long-term debt	909,179	-	-	-	(909,179)		(909,179)
Total governmental activities	80,485,980	12,454,797	14,394,509	6,600,775	(47,035,899)		(47,035,899)
Business-type activities:							
Whatcom County Investment Pool	186,763	188,851	-	-		\$ 2,088	2,088
Total business-type activities	186,763	188,851	-	-		2,088	2,088
Total primary government	\$80,672,743	\$12,643,648	\$14,394,509	\$ 6,600,775	(47,035,899)	2,088	(47,033,811)
General Revenues:							
Taxes:							
Property taxes					32,594,343	-	32,594,343
Timber taxes					263,688	-	263,688
Retail taxes					10,158,252	-	10,158,252
Excise taxes					5,752,026	-	5,752,026
Penalties and interest					1,665,074	-	1,665,074
Unrestricted investment earnings					3,114,455	-	3,114,455
Gain/loss on sale of capital assets					1,349,487	-	1,349,487
Miscellaneous					1,267,730	-	1,267,730
Transfers					-	-	-
Total general revenues, special items & transfers					56,165,055	-	56,165,055
Change in net assets					9,129,156	2,088	9,131,244
Net assets-beginning					175,382,193	-	175,382,193
Net assets-ending					\$184,511,349	\$ 2,088	\$ 184,513,437

Notes to the financial statements are an integral part of this statement.

	General	County Road	Flood Control Zone District	Other Gov't Funds	Total Gov't Funds
Assets					
Cash and cash equivalents	\$ 16,732,850	\$ 10,928,010	\$ 9,124,789	\$ 15,276,720	\$ 52,062,369
Deposits with fiscal agent	442	-	-	-	442
Investments at cost	-	-	-	31,860	31,860
Taxes receivable	1,014,448	750,298	-	86,377	1,851,123
Accounts receivable	234,360	71,667	17,590	193,607	517,224
Special assessments	-	-	-	4,682	4,682
Interest receivable	243,330	-	(3)	98	243,425
Notes receivable	-	-	-	111,407	111,407
Due from other funds	-	22,380	11,542	-	33,922
Due from other governments	2,608,406	53,708	117,744	278,576	3,058,434
Employee advances	15,594	5,806	-	1,055	22,455
Prepayments	3,306	-	-	12	3,318
Long-term assets					
Due from other governments	500,000	-	-	-	500,000
Notes receivable	127,388	-	-	-	127,388
Investment in joint ventures	-	-	-	40,769	40,769
Total Assets	\$ 21,480,124	\$ 11,831,869	\$ 9,271,662	\$ 16,025,163	\$ 58,608,818
Liabilities and fund balance					
Liabilities					
Accounts payable	\$ 1,905,726	\$ 205,308	\$ 121,535	\$ 248,549	\$ 2,481,118
Due to other funds	45,420	22,910	3,240	12,817	84,387
Revenue collected in advance	-	3,410	-	51	3,461
Due to other governments	425,239	11,416	-	1,880	438,535
Other accrued liabilities	86,495	102,401	-	362	189,258
Other current liabilities	-	3,765	-	-	3,765
Deferred revenue	2,507,180	821,935	-	202,466	3,531,581
Deferred credits	14,628	46,931	-	-	61,559
Total liabilities	4,984,688	1,218,076	124,775	466,125	6,793,664
Fund balances					
Reserved for:					
Encumbrances	621,715	1,752,885	544,323	855,254	3,774,177
Petty cash	42,730	1,200	-	70,200	114,130
Federal Forest Title III	358,347	-	-	-	358,347
Debt service	-	-	-	245,226	245,226
Unreserved	15,472,644	8,859,708	8,602,564	-	32,934,916
Unreserved, reported in nonmajor:					
Special revenue funds	-	-	-	6,831,800	6,831,800
Capital projects funds	-	-	-	7,556,558	7,556,558
Total fund balance	16,495,436	10,613,793	9,146,887	15,559,038	51,815,154
Total liabilities and fund balance	\$ 21,480,124	\$ 11,831,869	\$ 9,271,662	\$ 16,025,163	\$ 58,608,818

Notes to the financial statements are an integral part of this statement.

Reconciliation of the Balance Sheet
to the Statement of Net Assets
of Governmental Activities
December 31, 2002



Fund balance - total governmental funds	\$ 51,815,154
Capital assets used in governmental activities are not financial resources and therefore are not reported in the funds.	128,033,025
Internal service funds are used by management to charge the costs of certain activities to individual funds. The assets and liabilities of internal service funds are included in governmental activities in the statement of net assets.	21,984,160
Other long-term assets are not available to pay for current-period expenditures and therefore are deferred in the funds.	2,927,445
Some liabilities, including bonds payable, are not due and payable in the current period and therefore are not reported in the funds.	<u>(20,248,435)</u>
Net assets of governmental activities.	<u>\$ 184,511,349</u>

Notes to the financial statements are an integral part of this statement.

Statement of Revenues, Expenditures,
and Changes in Fund Balance
Governmental Funds
Year Ended December 31, 2002



	General	County Road	Flood Control Zone District	Other Governmental Funds	Total Governmental Funds
Revenues					
Taxes	\$ 28,171,111	\$ 12,108,773	\$ 3,985,394	\$ 4,992,666	\$ 49,257,944
Licenses and permits	1,709,737	50,271	-	-	1,760,008
Intergovernmental	13,214,714	6,600,775	350,657	802,526	20,968,672
Charges for service	5,870,902	1,256,299	58,835	1,510,917	8,696,953
Fines and forfeits	1,524,102	-	-	422,862	1,946,964
Miscellaneous	3,661,812	12,544	305,201	316,676	4,296,233
Total revenues	54,152,378	20,028,662	4,700,087	8,045,647	86,926,774
Expenditures					
Current:					
General government	15,907,574	134,911	-	821,392	16,863,877
Security of persons and property	22,437,189	-	-	442,555	22,879,744
Physical environment	325,398	-	2,176,592	4,042,055	6,544,045
Transportation	-	14,101,414	-	24,628	14,126,042
Economic environment	1,182,986	-	-	139,632	1,322,618
Mental and physical health	9,194,004	-	-	-	9,194,004
Culture and recreation	3,230,110	-	-	132,972	3,363,082
Capital outlay	228,639	6,793,984	301,571	476,401	7,800,595
Debt service:					
Principal	-	-	-	1,873,976	1,873,976
Interest	-	-	-	925,316	925,316
Total expenditures	52,505,900	21,030,309	2,478,163	8,878,927	84,893,299
Excess (deficiency) of revenues over expenditures	1,646,478	(1,001,647)	2,221,924	(833,280)	2,033,475
Other financing sources (uses)					
Sales of capital assets	565,134	737,019	-	47,334	1,349,487
Transfers in	1,558,222	60,051	-	5,499,502	7,117,775
Transfers out	(3,416,886)	(457,401)	(3,329,338)	(2,030,595)	(9,234,220)
Total other financing sources (uses)	(1,293,530)	339,669	(3,329,338)	3,516,241	(766,958)
Excess (deficiency) of revenues & other financing sources over expenditures & other uses	352,948	(661,978)	(1,107,414)	2,682,961	1,266,517
Fund balance as of January 1	16,142,488	11,275,771	10,254,301	12,876,077	50,548,637
Fund balance as of December 31	\$ 16,495,436	\$ 10,613,793	\$ 9,146,887	\$ 15,559,038	\$ 51,815,154

Notes to the financial statements are an integral part of this statement.

Reconciliation of the Statement of Revenues,
Expenditures, and Changes in Fund Balances
of Governmental Activities
Year Ended December 31, 2002



Net change in fund balances-total governmental funds	\$ 1,266,517
Governmental funds report capital outlays as expenditures. However, in the statement of activities the cost of those assets is allocated over their estimated useful lives and reported as depreciation expense. This is the amount by which capital outlays \$(7,800,595) exceeded depreciation \$(6,112,914) in the current period.	1,687,681
Internal service funds are used by management to charge the costs of certain activities to individual funds. The net revenue (expense) of internal service funds is reported with governmental activities.	3,165,847
Revenues in the statement of activities that do not provide current financial resources are not reported as revenues in the funds.	1,203,388
Some expenses reported in the statement of activities do not require the use of current financial resources and therefore are not reported as expenditures in governmental funds.	(68,253)
Repayment of bond principal is an expenditure in governmental funds, but the repayment reduces long-term liabilities in the statement of net assets.	<u>1,873,976</u>
Change in net assets of governmental activities	<u><u>\$ 9,129,156</u></u>

Notes to the financial statements are an integral part of this statement.

	Enterprise Funds Whatcom County Investment Pool	Internal Service Funds
Assets		
Current Assets		
Cash & Equivalents	\$ 11,936	\$ 15,282,744
Investments At Cost	-	1,406,760
Accounts Receivable	-	83,711
Interest Receivable	-	4,241
Due From Other Funds	-	71,794
Employee Advances	-	3,226
Due From Other Governments	-	1,246
Inventory	-	1,239,710
Prepayments	-	7
Total Current Assets	11,936	18,093,439
Noncurrent Assets		
Land	-	755,331
Building & Structures (Net)	-	1,371,318
Capital Leases (Net)	-	318,362
Other Improvements (Net)	-	318,383
Machinery & Equipment (Net)	-	5,491,739
Total Noncurrent Assets	-	8,255,133
Total Assets	11,936	26,348,572
Liabilities		
Current Liabilities		
Accounts Payable	55	969,963
Claims Cost Payable	-	2,655,311
Due to Other Funds	-	21,329
Due to Other Governments	85	6,167
Total Current Liabilities	140	3,652,770
Noncurrent Liabilities		
Employee Leave Benefits	11,796	393,616
Other Long-Term Liabilities	-	318,026
Total Noncurrent Liabilities	11,796	711,642
Total Liabilities	11,936	4,364,412
Net Assets		
Invested in capital assets, net of related debt	-	8,255,133
Unrestricted	-	13,729,027
Total Net Assets	-	\$ 21,984,160
Some amounts reported for business-type activities in the statement of net assets are different because certain internal service fund assets and liabilities are included with business-type activities.	2,088	
Net assets of business-type activities	\$ 2,088	

Notes to the financial statements are an integral part of this statement.

Statement of Revenues, Expenses,
and Changes in Fund Net Assets
Proprietary Funds

Year Ended December 31, 2002



	Enterprise Funds Whatcom County Investment Pool	Internal Service Funds
Operating Revenue		
Charges for Service	\$ -	\$ 8,784,071
Rents and Parking	-	4,619,885
Interest Income	188,851	-
Insurance Premiums	-	5,180,403
Other Miscellaneous Revenues	-	84,000
Total Operating Revenues	188,851	18,668,359
General Operations	188,851	15,632,646
General Administration	-	485,279
Depreciation	-	1,557,745
Total Operating Expenses	188,851	17,675,670
Operating Income (Loss)	-	992,689
Non-Operating Revenues (Expenses)		
Gain (Loss) on Sale of Capital Assets	-	15,107
Interest Revenue	-	52,076
Interest Expense	-	(11,633)
Total Non-Operating Revenues (Expenses)	-	55,550
Income (loss) Before Contributions and Transfers	-	1,048,239
Capital Contributions	-	3,251
Transfers In	-	2,528,478
Transfers Out	-	(412,033)
Changes in net assets	-	3,167,935
Total net assets-beginning	-	18,816,225
Total net assets-ending	-	\$ 21,984,160
statement of activities are different because the net revenue (expense) of certain internal service funds are reported with business-type activities.	2,088	
Change in net assets of business-type activities	\$ 2,088	

Notes to the financial statements are an integral part of this statement.

	Enterprise Funds	
	Whatcom County Investment Pool	Funds
Cash Flows From Operating Activities:		
Cash Received From Customers	\$ 189,103	\$ 20,442,517
Cash Payments For Goods And Services	(71,218)	(13,055,380)
Cash Payments To Employees	(117,102)	(4,004,009)
Net Cash Provided by Operating Activities	783	3,383,128
Cash Flows From Non-Capital Financing Activities:		
Transfers In	-	2,464,829
Transfers Out	-	(412,033)
Interest Received on Rentals	-	1,003
Net Cash Provided by Non-Capital Financing Activities:	-	2,053,799
Cash Flows From Capital Financing Activities:		
Interest Paid on Lease Purchase	-	(11,633)
Contributions From Other Funds	-	3,251
Proceeds From Sale of Assets	-	146,521
Transfer In (Out)	-	63,648
Payments For Capital Assets	-	(1,856,547)
Net Cash Used by Capital Financing Activities:	-	(1,654,760)
Cash Flows From Investing Activities:		
Purchase of Investment Securities	-	(50,979)
Interest on Investments	-	50,979
Total Cash Flows From Investing Activities	-	-
Net Increase (Decrease) in Cash and Cash Equivalents	783	3,782,167
Balances - Beginning of the Year	11,153	11,500,577
Balances - End of the Year	\$ 11,936	\$ 15,282,744
Reconciliation Of Operating Income (Loss) To Net Cash Provided (Used) By Operating Activities:		
Operating Income (Loss)	\$ -	\$ 992,689
Adjustments To Reconcile Operating Income to Net Cash Provided by Operating Activities:		
Depreciation Expense	-	1,557,745
Change in Assets and Liabilities:		
Receivables, net	252	1,774,158
Inventories	-	(562,989)
Accounts and Other Payables	(1,378)	(409,299)
Accrued Expenses	1,909	30,824
Net Cash Provided By Operating Activities	\$ 783	\$ 3,383,128
Noncash Investing & Capital Financing Activities:		
Lease Purchases	-	(122,584)
Total Noncash Investing & Capital Financing Activities:	\$ -	\$ (122,584)

Notes to the financial statements are an integral part of this statement.

Agency Funds

Assets

Current Assets

Cash & Equivalents	\$ 18,225,239
Deposits With Fiscal Agent	14,437,519
Investments At Cost	87,539,463
Accounts Receivable (Net)	1,905

Total Assets	\$ 120,204,126
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Liabilities

Current Liabilities

Warrants Payable	\$ 8,577,356
Accounts Payable	1,729,103
Matured Long-Term Debt	10,121,180
Matured Interest Payable	4,316,339
Other Accrued Liabilities	64,373
Revenue Collected in Advance	257,264
Custodial Accounts	95,138,511

Total Liabilities	\$ 120,204,126
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Notes to the financial statements are an integral part of this statement.

NOTES TO THE FINANCIAL STATEMENTS

Note 1	Summary of Significant Accounting Policies	34
Note 2	Stewardship, Compliance, and Accountability	39
Note 3	Deposits and Investments	40
Note 4	Property Taxes	41
Note 5	Capital Assets and Depreciation	43
Note 6	Pension Plans	44
Note 7	Risk Management	49
Note 8	Long-Term Debt and Capital Leases	51
Note 9	Contingencies	55
Note 10	Commitments	55
Note 11	Interfund Balances and Transfers	55
Note 12	Joint Ventures	56
Note 13	Postretirement Health Care Benefits	57
Note 14	Postclosure Care Cost	57
Note 15	Other Disclosures	57
Table FN1	Capital Assets & Depreciation	38
Table FN2	Deposits & Investments	41
Table FN3	Tax Collection Record	42
Table FN4	Capital Assets Activity	43
Table FN5	Depreciation Expense	43
Table FN6	PERS Membership	45
Table FN7	PERS Contribution Rates	46
Table FN8	County Contribution to PERS	46
Table FN9	LEOFF Plan 1 Benefit Calculation	47
Table FN10	LEOFF Membership	48
Table FN11	LEOFF Contribution Rates	48
Table FN12	County Contribution to LEOFF	49
Table FN13	Claims Liability Balance Changes	49
Table FN14	Washington Counties Risk Pool	50
Table FN15	GO Bonds and Special Assessment Debt	52
Table FN16	Changes in Long-Term Debt	53
Table FN17	Future Minimum Lease Obligations	54
Table FN18	Long-Term Debt Capacity	54
Table FN19	Interfund Balances	55
Table FN20	Interfund Transfers	56

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The financial statements of Whatcom County have been prepared in conformity with generally accepted accounting principles (GAAP) as applied to governmental units. The Governmental Accounting Standards Board (GASB) is the accepted standard setting body for establishing governmental accounting and financial reporting principles. The significant accounting policies are described below.

A. Reporting Entity

Whatcom County was incorporated on March 3, 1854 and operates under the laws of the State of Washington applicable to a home-rule charter county with a full-time, nonpartisan, elected County Executive and a seven member, part-time, County Council.

Whatcom County is a general purpose government providing public safety, fire inspection, road improvement, parks and recreation, judicial administration, health, social, and general administrative services. In addition, the county owns and operates a ferry as an extension of the county road system.

As required by the generally accepted accounting principles the financial statements present Whatcom County – the primary government. There are no component units included in these statements.

B. Financial Statement Presentation, Measurement Focus, Basis of Accounting

In June 1999, Government Accounting Standards Board (GASB) issued Statement No. 34, Basic Financial Statements – and Management’s Discussion and Analysis for state and local governments and in June 2001, GASB issued Statement No. 37, Basic Financial Statements – and Management’s Discussion and Analysis – for State and Local Governments: Omnibus and Statement No. 38, Certain Financial Statement Note Disclosures. These statements establish new requirements for annual financial reports for state and local governments. The County has implemented these statements for the year ended December 31, 2002.

GOVERNMENT-WIDE FINANCIAL STATEMENTS

The County Government-Wide Financial Statements include a Statement of Net Assets and a Statement of Activities and Changes in Net Assets. These statements present summaries of Governmental and Business-Type activities for the County. 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. Fiduciary activities of the County are not included in these statements.

These statements are reported using the economic resources measurement focus and the accrual basis of accounting. Accordingly, all of the County’s assets and liabilities, including capital assets as well as infrastructure assets and long-term liabilities, are included in the accompanying Statement of Net Assets. The statement of activities presents changes in net assets and demonstrates the degree to which the direct expenses of a given function are offset by program revenues. Direct expenses are those that are clearly

identifiable with a specific function. Program revenues include charges for services, operating grants and contributions, and capital grants and contributions. Under the accrual basis of accounting, revenues are recognized in the period which they are earned while expenses are recognized in the period in which the liability is incurred.

Eliminations have been made in regards to interfund activities, payables and receivables. All internal balances in the Statement of Net Assets have been eliminated except those representing balances between the governmental activities and the business-type activities, which are presented as internal balances and eliminated in the total primary government column. In the Statement of Activities, internal service fund transactions have been eliminated, however, those transactions between governmental and business-type activities have not been eliminated.

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

GOVERNMENTAL FUND FINANCIAL STATEMENTS

Governmental Fund Financial Statements include a Balance Sheet and a Statement of Revenues, Expenditures and Changes in Fund Balances for all major governmental funds and non-major funds aggregated. An accompanying schedule is presented to reconcile and explain the differences in fund balances and changes in fund balances as presented in these statements to the net assets and changes in net assets presented in the Government-Wide financial statements.

The County reports the following major governmental funds:

General Fund: This fund is the general operating fund of the county. It accounts for all financial resources of the general government, except those required to be accounted for in another fund.

County Road Fund: This fund finances the design, construction and maintenance of county roads.

Flood Control Zone District Fund: This fund finances the maintenance and operations of flood control projects.

Governmental fund financial statements are reported using the current resources measurement focus and the modified accrual basis of accounting. Accordingly, only current assets and current liabilities are included on the Balance Sheets. The Statement of Revenues, Expenditures and Changes in Fund Balances present increases (revenues and other financing sources) and decreases (expenditures and other financing uses) in net current assets. Under the modified accrual basis of accounting, revenues are recognized in the accounting period in which they become both measurable and available to finance expenditures of the current period. The County considers revenues to be available if they are collected within ninety days of the end of the current fiscal period. Expenditures generally are recorded when a liability is incurred, as under accrual accounting. However, capital assets are reported as expenditures when purchased and debt service and compensated absences are recorded as expenditures when paid.

PROPRIETARY FUND FINANCIAL STATEMENTS

Proprietary Fund Financial Statements include a Statement of Net Assets, a Statement of Revenues, Expenses and Changes in Fund Net Assets, and a Statement of Cash Flows for each major proprietary fund and non-major funds aggregated. A column representing internal service funds is also presented in these statements. However, internal service balances and activities have been combined with the governmental activities in the Government-Wide financial statements.

The County reports the following non-major proprietary funds:

Enterprise Funds: These funds are used to report any activity for which a fee is charged to external users for goods or services. The Whatcom County Investment Pool is the County's only enterprise fund.

Internal Service Funds: These funds account for operations that provide goods or services to other departments or funds of the County on a cost reimbursement basis.

Proprietary funds are accounted for using the economic resources measurement focus and the accrual basis of accounting. Accordingly, all assets and liabilities (whether current or noncurrent) are included on the Statement of Net Assets. The Statement of Revenues, Expenses and Changes in Fund Net Assets presents increases (revenues) and decreases (expenses) in total net assets. Under the accrual basis of accounting, revenues are recognized in the period in which they are earned while expenses are recognized in the period in which the liability is incurred.

Operating revenues in the proprietary funds are those revenues that are generated from the primary operations of the fund. All other revenues are reported as non-operating revenues. Operating expenses are those expenses that are essential to the primary operations of the fund. All other expenses are reported as non-operating expenses.

The County has elected not to apply to its proprietary activities FASB Statements and interpretations, Accounting Principles Board opinions, and Accounting Research Bulletins of the Committee of Accounting Procedure issued after November 30, 1989.

FIDUCIARY FUND FINANCIAL STATEMENTS

Fiduciary Fund Financial Statements include a Statement of Net Assets. The County's Fiduciary funds represent Agency Funds, which are custodial in nature (assets equal liabilities) and do not involve measurement of results of operations. The Agency funds are accounted for on a spending or economic resources measurement focus and the accrual basis of accounting as are the proprietary funds explained above.

C. Budgetary Information

Scope of Budget: Annual appropriated budgets are adopted for the general, special revenue, debt service, capital projects, and all proprietary funds on the modified accrual basis of accounting. For governmental funds, there are no differences between the budgetary basis and generally accepted accounting principles.

Annual appropriated budgets are adopted at the level of the fund, except in the general fund, where expenditures may not exceed appropriations at the department level and the budgets constitute the legal authority for expenditures at that level. Subsidiary revenue and expenditure ledgers are used to compare the budgeted amounts with actual revenues and expenditures. As a management control device, the subsidiary ledgers monitor expenditures for individual functions and activities by object class.

Appropriations for all funds lapse at year-end. Expenditure authority for projects extending beyond one year is granted through a continuing appropriation procedure.

Amending the Budget: The County Executive is authorized to approve transfers between accounts. However, any revisions that alter the total expenditures of a fund or that affect the number of authorized employee positions must be approved by the County Council.

When the County Council determines that it is in the best interest of the county to increase or decrease the appropriations for a particular fund or department, it may do so by ordinance approved by a simple majority.

The budget amounts shown in the financial statements are the final authorized amounts as revised during the year.

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 legally authorized supplemental appropriations.

D. Assets, Liabilities and Equities

Cash and Equivalents: The County follows the practice of pooling cash and investments of all funds held by the County Treasurer, except when otherwise requested, in order to facilitate the management of cash. Cash applicable to a particular fund is readily identifiable. Balances in cash and pooled investments are available on a demand basis to each fund. Earnings on cash and cash equivalents accrue to the county's general fund. The total cash, cash equivalent and investment pool at December 31 was \$175 million with \$76 million invested in instruments maturing one year or less.

Temporary Investments: See Note 3.

Receivables: Taxes receivable consist of property taxes due as of December 31 (See Note 4). Accrued interest receivable consists of amounts earned on investments, notes and contracts at the end of the year.

Special assessments are recorded when levied. Special assessments receivable consist of current and delinquent assessments. (See Note 8).

Accounts receivable consist of amounts owed from private individuals or organizations for goods and services including amounts owed for which billings have not been prepared.

Notes receivables primarily consist of amounts due from private individuals for home improvement loans granted through the Federal Community Development Block Grant Program. Repayment of these loans is due upon sale or exchange of the improved property. These loans are secured by a lien on the benefited properties and all are considered ultimately collectible.

Amounts Due to and from Other Governmental Units: These accounts include amounts due to or from other governments for grants, entitlements, temporary loans, taxes and charges for services, which are expected to be received within 90 days. Amounts due to other governmental units also reflect the liability for net monetary assets being held by the county in its trustee or agency capacity.

Amounts Due to and from Other Funds; Interfund Loans: Activity between funds that are representative of lending/ borrowing arrangements outstanding at the end of the fiscal year are referred to as “interfund loans receivable/ payable.” All other outstanding balances between funds are reported as “due to/ from other funds.” Any residual balances outstanding between the governmental activities and business-type activities are reported in the government-wide financial statements as “internal balances.”

Inventories: Inventories are stated at cost. Inventories in proprietary funds are valued at First In First Out inventory basis.

Capital Assets and Depreciation - See Note 5. Capital assets, which include property, plant, equipment, and infrastructure assets (e.g., roads, bridges, sidewalks, and similar items), are reported in the applicable governmental or business-type columns in the government-wide financial statements. Capital assets purchased or acquired are valued at historical cost or estimated historical cost. Contributed assets are recorded at fair market value as of the date donated. Additions, improvements and other capital outlays that significantly extend the useful life of an asset are capitalized. Other costs incurred for repairs and maintenance are expensed as incurred. Depreciation on capital assets is calculated on the straight-line basis over the following estimated useful lives:

Table FN1 Capital Assets & Depreciation

<u>Capital Asset</u>	<u>Useful Life</u>	<u>Capitalization Threshold</u>
Buildings	50 years	\$1,000
Capital Leases	3-30 years	\$1,000
Improvements	5-30 years	\$1,000
Machinery & Equipment	3-10 years	\$1,000
Infrastructure	20-50 years	\$50,000

Custodial Accounts: This account reflects the liability for net monetary assets being held by the county in its trustee or agency capacity.

Compensated Absences: The county records all accumulated unused vacation and sick leave. Vacation pay, which may be accumulated up to 30 days, is payable upon resignation, retirement or death. Sick leave may accumulate up to 120 days. Employees hired before May 15, 1984 with three years of service can receive a cash payout of 50% of their accrued sick leave balance. An employee hired after that date with three years of service can receive 25% of their accrued sick leave. The amount reported for the employee leave benefit accrual includes 100% of the vacation leave accrual as of December 31, 2002 and 2001. Sick leave accruals are recorded at 50% if hired prior to May 15, 1984 or 25% sick leave accrual if hired after.

All vacation and sick pay is accrued when incurred in the governmental-wide and proprietary fund financial statements.

Deferred Revenues: This account includes amounts recognized as receivables but not revenues in governmental funds because the revenue recognition criteria have not been met. (See Note 1B).

Long-Term Debt - See Note 8.

Fund Reserves: In the fund financial statements, governmental funds report reservations of fund balance for amounts that are legally committed for specific future uses such as continuing appropriations and where assets are not available for appropriation because they have been advanced to another fund, used to establish revolving funds, or because they are non-current receivables.

NOTE 2 - STEWARDSHIP, COMPLIANCE, AND ACCOUNTABILITY

There have been no material violations of finance-related legal or contractual provisions in any of the funds of the county. Expenditures exceeded legal appropriations in the Tax Refund Fund by \$358,982. However, per RCW 84.68.030, the county is required to pay the amount of any final judgment where it was determined that tax was unlawfully collected.

NOTE 3 – DEPOSITS AND INVESTMENTS

Deposits and investments are governed by state statute. Authorized investments include U.S. Treasury and Agency Securities, Repurchase Agreements and Reverse Repurchase Agreements for securities otherwise authorized as an investment, Municipal Bonds of Washington State and qualifying local bonds of Washington State, qualifying general obligation bonds of a state or local government outside the state of Washington, non-negotiable certificates of deposit of financial institutions which are qualified public depositories per RCW 39.58.010, bankers' acceptances, commercial paper, the State Local Government Investment Pool (LGIP), and deposits with qualified public depositories in the State of Washington.

Investments are categorized according to the level of risk associated with the investment, with Category 1 being the least risky and category 3 being the most risky. Category 1 investments are insured, registered or held by the County or its agent in the County's name. All investments held by the County's Treasurer are classified as Category 1 (See Table FN2).

The County's deposits are entirely covered by federal depository insurance (FDIC) or by collateral held in a multiple financial institution collateral pool administered by the Washington Public Deposit Protection Commission (PDPC). All deposits held at December 31, 2002 and throughout the year were classified as Category 1, insured or collateralized with securities held by the County or by its agent in the County's name.

The state LGIP is overseen by the Office of the State Treasurer. The fair value of the County's investments in the LGIP is the same as the value of the County's share in the pool.

GASB statement 31 requires adjustments be made to the financial statements to reflect the difference between amortized cost and fair value of investments. Fair value of investments has been determined using quoted market prices and is equivalent to market value. In 2002, the difference between amortized cost and fair value was not material. Therefore, no adjustments have been made. Investments are shown on the balance sheet at cost, net of amortized premium or discount. Gains or losses on investments sold or exchanged are recognized at the time the transactions are completed.

Table FN2 Deposits & Investments

	Category 1	Carrying Amount	Fair Value
Deposits:	\$28,583,257	\$28,583,257	\$28,583,257
Investments:			
U.S. Government Securities	6,000,000	5,996,463	6,141,900
U.S. Agency Securities	117,787,064	118,457,083	120,146,502
General Obligation Bonds	5,000,000	5,029,673	5,081,760
Total Investments	<u>\$128,787,064</u>	<u>\$129,483,219</u>	<u>\$131,370,162</u>
Investment in State LGIP	-	15,681,641	15,681,641
Accrued Interest Receivable	-	935,531	935,531
Total Deposits and Investments	<u>\$157,370,321</u>	<u>\$174,683,648</u>	<u>\$176,570,591</u>
Treasurer's Pooled Cash		<u>(85,705,564)</u>	<u>(85,705,564)</u>
Treasurer's Pooled Investments		<u>\$88,978,084</u>	<u>\$90,865,027</u>

NOTE 4 - PROPERTY TAXES

The County Treasurer acts as an agent to collect property taxes levied in the county for all taxing authorities. Collections are distributed after the end of each month.

Property Tax Calendar

- January 1 Taxes are levied and become an enforceable lien against properties.
- February 14 Tax bills are mailed.
- April 30 First of two equal installment payments is due.
- May 31 Assessed value of property established for next year's levy at 100 percent of market value.
- October 31 Second installment is due.

Property taxes are recorded as a receivable when levied, offset by a deferred revenue. During the year, property tax revenues are recognized when cash is collected. No allowance for uncollectible taxes is established because delinquent taxes are considered fully collectible.

The tax collection record for Whatcom County was as follows:

Table FN3 Tax Collection Record

<u>Collection Year</u>	<u>Regular Assessed Valuation (1)</u>	<u>Ad Valorem Tax Levy (2)</u>	<u>Year of Levy Tax Collection (3)</u>
2003	\$12,616,676,560	\$18,328,750	(3)
2002	12,153,907,948	17,871,228	96.4%
2001	11,546,689,565	17,293,477	96.9
2000	10,954,893,516	16,707,418	97.5
1999	10,702,880,124	16,245,902	96.8
1998	10,444,100,325	15,834,091	97.2
1997	10,034,008,900	15,433,811	97.4

(1) Assessed valuation is based upon 100 percent of estimated actual valuation.

(2) Does not include conservation futures and county road district levies.

(3) In process of collection.

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

1. Washington State law in RCW 84.55.010 limits the growth of regular property taxes to 106% of the previous year's levy, after adjustments for new construction.
2. Chapter 84.52 RCW establishes a limitation on the levies for ports, public utilities, state school, emergency medical services, counties, roads, and cities and towns. All other regular levies are reduced by a priority schedule if a composite rate of \$5.55 per thousand is exceeded.
3. The Washington State Constitution limits the total regular property taxes to 1 percent of assessed valuation or \$10 per \$1000 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, with the exception of port districts, public utility districts, and new state school construction.

The County's regular levy for 2002 was \$1.47041 per \$1,000 on an assessed valuation of \$12.2 billion for a regular levy of \$17,871,228. This levy was used for general governmental purposes.

The road fund levied \$2.13885 per \$1,000 on an assessed value of \$6.0 billion in 2002. This resulted in a total levy of \$12,773,785 to be used for county road maintenance and construction.

NOTE 5 – CAPITAL ASSETS AND DEPRECIATION

Capital assets activity for the year ended December 31, 2002 was as follows:

Table FN4 Capital Assets Activity

Governmental activities	January 1	Increases	Decreases	December 31
Not being depreciated:				
Land	\$20,407,808	\$841,049	\$ -	\$21,248,857
Subtotal	20,407,808	841,049	-	21,248,857
Other capital assets:				
Buildings	53,547,997	15,022	-	53,563,019
Improvements	4,201,259	123,764	-	4,325,023
Equipment	23,184,474	2,109,592	1,105,812	24,188,254
Infrastructure	86,507,104	6,666,565	-	93,173,669
Subtotal	167,440,834	8,914,943	1,105,812	175,249,965
Accumulated depreciation				
Buildings	12,502,577	1,041,868	-	13,544,445
Improvements	3,240,567	155,212	-	3,395,779
Equipment	15,320,469	2,209,972	971,148	16,559,293
Infrastructure	22,447,540	4,263,607	-	26,711,147
Subtotal	53,511,153	7,670,659	971,148	60,210,664
Net other capital assets	113,929,681	1,244,284	134,664	115,039,301
Net capital assets	\$134,337,489	\$2,085,333	134,664	\$136,288,158

Depreciation expense was charged to functions/programs of the primary government as follows:

Table FN5 Depreciation Expense

Governmental activities:

General governments	\$1,602,772
Security of persons & property	298,134
Physical environment	39,859
Transportation	5,531,882
Economic environment	2,201
Mental & physical health	50,840
Culture & recreation	144,971
Total depreciation expense	<u>\$7,670,659</u>

NOTE 6 - PENSION PLANS

Substantially all county full-time and qualifying part-time employees participate in one of the following statewide retirement systems 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, Communications Unit, P.O. Box 48380, Olympia, WA 98504-8380. The following disclosures are made pursuant to GASB Statement No. 27, *Accounting for Pensions by State and Local Government Employers*.

Public Employees' Retirement System (PERS) Plans 1 and 2

Plan Description

PERS is a cost-sharing multiple-employer retirement system comprised of three separate plans for membership purposes: Plans 1 and 2 are defined benefit plans and Plan 3 is a combination defined benefit/defined contribution plan. Membership in the system includes: elected officials, state employees, employees of the Supreme, Appeals, and Superior courts (other than judges in a judicial retirement system); employees of legislative committees; community and technical colleges, college and university employees (not in national higher education retirement programs); judges of district and municipal courts; and employees of local governments. PERS participants who joined the system by September 30, 1977, are Plan 1 members. Those who joined on or after October 1, 1977 and by either, February 28, 2002 for state and higher education employees, or August 31, 2002 for local government employees, are Plan 2 members unless they exercise an option to transfer their membership to Plan 3. PERS participants joining the system on or after March 1, 2002 for state and higher education employees, or September 1, 2002 for local government employees have the option of choosing membership in either PERS Plan 2 or PERS Plan 3. The option must be exercised within 90 days of employment. An employee is reported in Plan 2 until a choice is made. Employees who fail to choose within 90 days default to PERS Plan 3. PERS defined benefit retirement benefits are financed from a combination of investment earnings and employer and employee contributions. PERS retirement benefit provisions are established in state statute and may be amended only by the State Legislature.

Plan 1 retirement benefits are vested after an employee completes five years of eligible service. Plan 1 members are eligible for retirement at any age after 30 years of service, or at age 60 with five years of service, or at age 55 with 25 years of service. The annual pension is 2 percent of the average final compensation per year of service, capped at 60 percent. The average final compensation is based on the greatest compensation during any 24 eligible consecutive compensation months. If qualified, after reaching age 66, a cost-of-living allowance is granted based on years of service credit and is capped at 3 percent annually.

Plan 2 retirement benefits are vested after an employee completes five years of eligible service. Plan 2 members may retire at age 65 with five years of service, or at age 55 with 20 years of service, with an allowance of 2 percent of the average final compensation per year of service. The average final compensation is based on the greatest compensation during any eligible consecutive 60-month period. Plan 2 retirements prior to the age of 65 receive reduced benefits. If retirement is at age 55 or older with at least 30 years of service, a 3 percent per year reduction applies, otherwise an actuarial reduction will apply. There is no cap on years of service credit; and a cost-of-living allowance is granted (indexed to the Seattle Consumer Price Index), capped at 3 percent annually.

Plan 3 has a dual benefit structure. Employer contributions finance a defined benefit component, and member 2 contributions finance a defined contribution component. The defined benefit portion provides a benefit calculated at one percent of the average final compensation per year of service. The average final compensation is based on the greatest compensation during any eligible consecutive 60-month period. Plan 3 members become eligible for retirement if they have: at least ten years of service; or five years including twelve months that were earned after age 54; or five service credit years earned in PERS Plan 2 prior to June 1, 2003. Plan 3 retirements prior to the age of 65 receive reduced benefits. If retirement is at age 55 or older with at least 30 years of service, a 3 percent per year reduction applies; otherwise an actuarial reduction will apply. There is no cap on years of service credit; and Plan 3 provides the same cost-of-living allowance as Plan 2. The defined contribution portion can be distributed in accordance with an option selected by the member, either as a lump sum or pursuant to other options authorized by the Employee Retirement Benefits Board.

There are 1,155 participating employers in PERS. Membership in PERS consisted of the following as of the latest actuarial valuation date for the plans of September 30, 2001:

Retirees and Beneficiaries Receiving Benefits	62,189
Terminated Plan Members Entitled To But Not Yet Receiving Benefits	18,412
Active Plan Members Vested	97,777
Active Plan Members Nonvested	55,159
TOTAL	233,537

The County covered payroll for the year ended December 31, 2002 was \$30,311,326. The County's total current year payroll for all employees was \$34,726,550.

Funding Policy

Each biennium, the state Pension Funding Council adopts Plan 1 employer contribution rates and 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 and do not vary from year to year. The employer and employee contribution rates for Plan 2 and the employer contribution rate for Plan 3 are developed by the Office of the State Actuary to fully fund Plan 2 and the defined benefit portion of Plan 3. All employers are required to contribute at the level established by the Legislature. PERS Plan 3 defined contribution is a non-contributing plan for employers. Employers who participate in the defined contribution portion of PERS Plan 3 do not contribute to the defined benefit portion of PERS Plan 3. The Employee Retirement Benefits Board sets Plan 3 employee contribution rates. Six rate options are available ranging from 5 to 15 percent; two of the options are graduated rates dependent on the employee's age. The methods used to determine the contribution requirements are established under state statute in accordance with Chapters 41.40 and 41.45 RCW.

The required contribution rates expressed as a percentage of current-year covered payroll, as of December 31, 2002, were as follows:

Table FN7 PERS Contribution Rates

	PERS Plan 1	PERS Plan 2	PERS Plan 3
Employer*	1.32%	1.32%	1.32%**
Employee	6.00%	0.65%	***

*The employer rates include the employer administrative expense fee currently set at 0.22%.

**Plan 3 defined benefit portion only.

***Variable from 5.0% minimum to 15.0% maximum based on rate selected by the PERS 3 member.

Both Whatcom County and the employees made the required contributions. The County's required contributions for the years ending December 31 were as follows:

Table FN8 County Contribution to PERS

	PERS Plan 1	PERS Plan 2	PERS Plan 3
2002	\$ 64,382	\$ 367,845	\$ 1,983
2001	\$ 71,160	\$ 378,271	N/A
2000	\$ 229,194	\$ 972,930	N/A

Law Enforcement Officers’ and Fire Fighters’ Retirement System (LEOFF) Plans 1 and 2

Plan Description

LEOFF is a cost-sharing multiple-employer retirement system comprised of two separate benefit plans. Membership in the system includes all full-time, fully compensated, local law enforcement officers and fire fighters. LEOFF is comprised primarily of non-state employees. LEOFF participants who joined the system by September 30, 1977 are Plan 1 members. Those who joined on or after October 1, 1977 are Plan 2 members. LEOFF retirement benefits are financed from a combination of investment earnings, employer and employee contributions, and a special funding situation in which the state pays the remainder through state legislative appropriations. LEOFF retirement benefit provisions are established in state statute and may be amended only by the State Legislature.

Plan 1 retirement benefits are vested after an employee completes five years of eligible service. Plan 1 members are eligible for retirement with five years of service at the age of 50. The benefit per year of service calculated as a percent of final average salary is as follows:

Table FN9 LEOFF Plan 1 Benefit Calculation

Term of Service	Percent of Final Average
20 or more years	2.0%
10 but less than 20 years	1.5%
5 but less than 10 years	1.0%

The final average salary is the basic monthly salary received at the time of retirement, provided a member has held the same position or rank for 12 months preceding the date of retirement. Otherwise, it is the average of the highest consecutive 24 months’ salary within the last 10 years of service. If membership was established in LEOFF after February 18, 1974, the service retirement benefit is capped at 60 percent of final average salary. A cost-of-living allowance is granted (indexed to the Seattle Consumer Price Index).

Plan 2 retirement benefits are vested after an employee completes five years of eligible service. Plan 2 members may retire at the age of 50 with 20 years of service, or at the age of 53 with five years of service, with an allowance of 2 percent of the final average salary per year of service. The final average salary is based on the highest consecutive 60 months. Plan 2 retirements prior to the age of 53 are reduced 3 percent for each year the benefit commences prior to age 53. There is no cap on years of service credit; and a cost-of-living allowance is granted (indexed to the Seattle Consumer Price Index), capped at 3 percent annually.

There are 359 participating employers in LEOFF. Membership in LEOFF consisted of the following as of the latest actuarial valuation date for the plans of September 30, 2001:

Table FN10 LEOFF Membership

Retirees and Beneficiaries Receiving Benefits	8,078
Terminated Plan Members Entitled To But Not Yet Receiving Benefits	332
Active Plan Members Vested	10,894
Active Plan Members Nonvested	4,006
TOTAL	23,310

Funding Policy

Starting on July 1, 2000, Plan 1 employers and employees will contribute zero percent as long as the plan remains fully funded. Employer and employee rates are developed by the Office of the State Actuary to fully fund the plan. Plan 2 employers and employees are required to pay at the level adopted by the Department of Retirement Systems in accordance with 41.45 RCW. All employers are required to contribute at the level required by state law. The Legislature, by means of a special funding arrangement, appropriated money from the state General Fund to supplement the current service liability and fund the prior service costs of Plan 1 in accordance with the requirements of the Pension Funding Council. However, this special funding situation is not mandated by the state constitution and this funding requirement could be returned to the employers by a change of statute. The methods used to determine the contribution rates are established under state statute in accordance with chapters 41.26 and 41.45 RCW.

The County's covered payroll for the year ended December 31, 2002 was \$4,415,224. The County's total current year payroll for all employees was \$34,726,550.

The required contribution rates expressed as a percentage of current year covered payroll, as of December 31, 2002, were:

Table FN11 LEOFF Contribution Rates

	LEOFF Plan 1	LEOFF Plan 2
Employer*	0.22%	2.86%
Employee	0.00%	4.39%
State	N/A	1.75%

*The employer rates include the employer administrative expense fee currently set at 0.22%.

Both Whatcom County and the employees made the required contributions. The County's required contributions for the years ending December 31 were as follows:

Table FN12 County Contribution to LEOFF

	LEOFF Plan 1	LEOFF Plan 2
2002	\$ 685	\$118,225
2001	\$ 857	\$108,979
2000	\$16,227	\$116,546

NOTE 7 - RISK MANAGEMENT

The County maintains insurance against most normal hazards except for unemployment insurance, workers' compensation, medical insurance, and dental insurance where it has elected to become self-insured. Claims for these risks are processed by independent claims managers. Interfund premiums are assessed on the basis of claims experience and are reported as revenues in the Administrative Services Fund (an internal service fund) and expenses or expenditures in the paying fund. Claim expenditures and liabilities are reported when it is probable that a loss has occurred and the amount of that loss can be reasonably estimated. These losses include an estimate of claims that have been incurred but not reported.

At December 31, 2002, the amount of these liabilities was \$2,655,310. Changes in the balances of claims liabilities during 2001 and 2002 were as follows:

Table FN13 Claims Liability Balance Changes

	Beginning of Year Claims Liability	Claims Paid During the Year	Estimated Additional Liability Incurred	Balance at Year End
2001	\$2,840,177	(3,274,592)	3,356,270	\$2,921,855
2002	\$2,921,855	(2,777,911)	2,511,366	\$2,655,310

Whatcom County is a member of the Washington Counties Risk Pool (pool). Chapter 48.62 RCW authorizes the governing body of any one or more governmental entities to form together into or join a pool or organization for the joint purchasing of insurance, and/or joint self-insuring, and/or joint hiring or contracting for risk management services to the same extent that they may individually purchase insurance, self-insure, or hire or contract for risk management or contract for risk management services. An agreement to form a pooling arrangement was made pursuant to the provisions of Chapter 39.34 RCW, the Interlocal Cooperation Act. The pool was formed on August 18, 1988 when counties in the state of Washington joined together by signing an interlocal agreement to pool their self-insured losses and jointly purchase insurance and administrative services. Twenty-five counties have joined the pool.

The pool allows members to establish a plan of self-insurance, jointly purchase excess or reinsurance and provide related services. All pool joint self-insurance liability coverages, including public officials' errors and omissions, are on an "occurrence" basis.

Members make an annual contribution to fund the pool. The pool acquires reinsurance from unrelated underwriters that are subject to a pool per-occurrence self-insured retention of \$100,000. Members may elect deductible amounts ranging from \$10,000 per occurrence to \$250,000. Whatcom County currently has a \$100,000 per occurrence deductible. Members are responsible for the first deductible amounts of each claim, while the pool is responsible for the remaining difference up to the pool's \$100,000 self-insured retention. Reinsurance carriers cover all losses over \$100,000 to the maximum limits of each policy.

Since the pool is a cooperative program, there is joint liability among the participating members. A retroactive assessment was approved in 1999 for \$6.5 million with payments starting in 1999 and spread over ten years. The county's proportional share of the assessment is approximately 5.0%.

Members contract to remain in the pool for a minimum of five years, and must give notice one year before terminating participation. The interlocal agreement is renewed automatically each year until terminated. Even after termination, a member is still responsible for contributions to the pool for any unresolved, unreported, and in-process claims for the period that it was a signatory to the interlocal agreement.

The pool is fully funded by its member participants. Claims are filed by members with the pool.

The pool is governed by a board of directors that is comprised of one designated representative from each participating member. An executive committee is elected at the annual meeting, and is responsible for conducting the business affairs of the pool.

In the past three years, Whatcom County has not had any claims that exceeded risk pool coverage. Whatcom County's membership in the pool comprises a 5% interest (approximately) in pool assets and liabilities. Summarized financial information as of September 30, 2002 is presented below.

Table FN14 Washington Counties Risk Pool

Washington Counties Risk Pool As of September 30, 2002	
Total Assets	\$19,348,577
Total Liabilities	<u>\$20,074,255</u>
Total Retained Earnings	(\$725,678)
Total Revenues	\$7,055,507
Total Expenses	\$9,397,190
Total Revenues Over Expenses	<u>(\$2,341,683)</u>

NOTE 8 - LONG-TERM DEBT AND CAPITAL LEASES

General Obligation Bonds

In 1993, the County issued \$8,400,000 in general obligation bonds for financing of an addition to the Whatcom County courthouse. Interest rates on these bonds are fixed at 5.75-6.00% (depending on the maturity dates). This debt issue matures in full in 2012. As of December 31, 2002, outstanding bonds totaled \$4,265,000. Repayment will be made from General Fund revenues.

The county issued general obligation bonds in the amount of \$9,990,000 in 1997 to refinance 1991 issue of bonds for the remodeling of the County courthouse and to pay off interfund loans for the remodeling of the County courthouse. Interest on these bond issues are fixed at 4.0-5.5% (depending on maturity date) with final maturity in 2012. These bonds will be repaid from General Fund revenues. As of December 31, 2002, bonds outstanding total \$8,685,000.

In 1998, the county issued \$3,360,000 in general obligation bonds to pay off an interfund loan for the purchase of the Civic Center Building. Interest rate on these bonds are fixed at 3.75-4.7% (depending on maturity date) with final maturity in 2018. Repayment will be made from general fund revenues. As of December 31, 2002, outstanding bonds totaled \$2,880,000.

Special Assessment Debt for Road Improvements

Debt service requirements for special assessment bonds will be met by the collection of assessments receivable that have been levied against property owners. The assessments are liens against the property and subject to foreclosure. Whatcom County has established a RID Guaranty Fund to set aside a reserve to meet debt service requirements on RID debt in the event that assessment collections are insufficient. This reserve is funded by an assessment against RID funds as they are established. At December 31, 2002, a reserve of \$113,735 was available in the RID Guaranty Fund.

RID 9 debt represents loans from Washington Community Economic Revitalization Board (CERB) for road, water and sewer improvements to an area within Whatcom County known as Cordata Business Park. In November 1987, the County formed Road Improvement District #9 and levied assessments to service these loans. The special assessment debt balance is payable from assessments receivable until maturity in the year 2006. At December 31, the outstanding loan balance was \$422,150.

RID 10 was created in 1989 to fund improvements to Horton Road which is located in the Cordata development. RID anticipation notes were issued 1991 in the amount of \$1,043,674 (interest rate 5.5-7.6%) to fund the construction of this project. This debt is secured by assessments on the properties benefited. These RID anticipation notes were paid off in 2002.

Governmental activities annual debt service requirements to maturity for general obligation bonds and special assessment debt are as follows:

Table FN15 GO Bonds and Special Assessment Debt

Year Ending December 31	General Obligation Bonds		Special Assessment Debt	
	Principal	Interest	Principal	Interest
2003	\$1,200,000	\$798,493	\$118,580	\$28,706
2004	1,275,000	735,342	126,643	20,643
2005	1,330,000	668,135	135,255	12,031
2006	1,410,000	596,876	41,672	2,833
2007	1,485,000	520,843	-	-
2008 - 2012	7,815,000	1,353,116	-	-
2013 - 2017	1,070,000	209,485	-	-
2018 - 2022	245,000	11,515	-	-
Total	<u>\$15,830,000</u>	<u>\$4,893,805</u>	<u>\$422,150</u>	<u>\$64,213</u>

In proprietary funds, unamortized debt issue costs and bond discounts are recorded as deferred charges. Annual interest expense is increased by amortization of debt costs and discounts.

At December 31, 2002, the County had \$68,721 available in debt service funds to service the general bonded debt. In addition, \$176,505 was available to service RID debt.

Changes In Long-Term Debt

During the year ended December 31, 2002, the following changes occurred in long-term liabilities:

Table FN16 Changes in Long-Term Debt

Governmental Activities	January 1	Additions	Reductions	December 31	Due Within One Year
Bonds payable					
General obligation debt	\$ 16,975,000	\$ -	\$ 1,145,000	\$ 15,830,000	\$ 1,200,000
Special assessment debt	802,600	-	380,450	422,150	118,580
Less deferred amounts for issuance discounts/premiums	206,031	-	27,770	178,261	-
Total bonds payable	17,983,631	-	1,553,220	16,430,411	1,318,580
Capital leases	302,178	209,800	177,043	334,935	112,034
Estimated claims (See Note 7)	2,921,855	2,511,366	2,777,911	2,655,310	-
Compensated absences	3,817,884	126,847	-	3,944,731	-
Landfill post-closure costs	250,000	-	-	250,000	-
Total	\$ 25,275,548	\$ 2,848,013	\$ 4,508,174	\$ 23,615,387	\$ 1,430,614

The compensated absence liability is based upon accrued hours at year-end. The change reported above is shown net.

Internal service funds predominantly serve the governmental funds. Accordingly, long-term liabilities for them are included as part of the above totals for governmental activities. At year end \$393,616 of internal service funds compensated absences are included in the above amounts.

Capital Leases

In 1997, Whatcom County entered into a lease agreement for copiers that qualifies as a capital lease for accounting purposes. The leased copiers and related obligations are accounted for in the Proprietary Fund, Administrative Services. As of December 31, 2002, outstanding lease payments totaled \$318,027.

The county entered into two lease purchase agreements for upgrades to their central computer system in 1998. The first obligation of \$71,701 matures in 2003 and has an interest rate of 5.64%. As of December 31, 2002, the balance was \$4,025. The second obligation of \$228,513 matures in 2003 and carries an interest rate of 5.64%. The balance outstanding at December 31, 2002 was \$12,884.

The future minimum lease obligations and the net present value of these minimum lease payments as of December 31, 2002 were as follows:

Table FN17 Future Minimum Lease Obligations

Year Ending December 31	Governmental Activities
2003	\$123,587
2004	95,736
2005	72,816
2006	53,311
2007	25,714
2008 and Beyond	-
Total Minimum Lease Payments	371,164
Less: Interest	36,228
Present Value of Minimum Lease	<u>\$334,936</u>

Debt Limitations:

The amount of long-term debt that can be incurred by a county is limited by state statute. The table below presents the remaining unused long-term debt capacity available to the county based upon the limits set by statute.

Table FN18 Long-Term Debt Capacity

<u>Purpose of Indebtedness</u>	<u>Remaining Capacity</u>
General Government (No vote required)	\$ 167,454,467
General Government (With 3/5 majority vote)	\$ 315,416,914

NOTE 9 – CONTINGENCIES

Whatcom County has claims and lawsuits pending at this time. All these claims and lawsuits were forwarded to the Washington Counties Risk Pool (see Note 7) and will not have a material adverse effect on the financial condition of the County.

The County participates in a number of federal and state assisted programs. These grants are subject to audit by the grantors or their representative. Such audits could result in requests for reimbursement to grantor agencies for expenditures disallowed under the terms of the grants. County management believes that such disallowances, if any, will be immaterial.

NOTE 10 - COMMITMENTS

The City of Bellingham provides county wide emergency medical care and transportation services. In the event that the user fees and donations received by the city to provide these services is insufficient to pay for all the operation, maintenance and capital expenditures attributed to this service, the city and the county have agreed to split the deficit equally.

NOTE 11 - INTERFUND BALANCES AND TRANSFERS

Interfund Balances

Interfund receivables and payables are transactions that would be treated as revenues, expenditures or expense if the involved external organizations, such as buying goods and services or payments in lieu of taxes, are similarly treated when they involve other funds of the county. Interfund balances at December 31, 2002, were as follows:

Table FN19 Interfund Balances

Due To	Due From					Total
	General Fund	County Road	Flood Control Zone Dist.	Internal Service	All Others	
County Road	\$ -	\$ -	\$ -	\$ 21,329	\$ 1,052	\$ 22,381
Flood Control Zone Dist.	-	-	-	-	11,542	11,542
Internal Service	45,420	22,910	3,240	-	224	71,794
Total	\$45,420	\$22,910	\$3,240	\$21,329	\$12,818	\$105,717

Interfund Transfers

Transfers provide funding for capital projects, debt service, reallocations of special revenues, and to support the operations of other funds. Interfund transfers for the year ended December 31, 2002, consisted of the following:

Table FN20 Interfund Transfers

Transfer To	Transfers From					Total
	General Fund	County Road	Flood Control Zone Dist.	Internal Service	All Others	
General Fund	\$52,877	\$170,593	\$320,496	\$118,840	\$895,416	\$1,558,222
County Road	59,000	-	-	-	1,052	60,052
Internal Service	2,136,235	286,808	35,145	40,033	30,257	2,528,478
All Others	1,168,774	-	2,973,697	253,160	1,103,871	5,499,502
Total	\$3,416,886	\$457,401	\$3,329,338	\$412,033	\$2,030,596	\$9,646,254

NOTE 12 - JOINT VENTURES

Whatcom County participates with the City of Bellingham and other local governmental jurisdictions to provide a law enforcement, fire and emergency medical communications dispatching service (What-Comm Communications Center). The governing board of What-Comm consists of three members from the county, three from the city, one representing county fire districts and one elected official to be selected by the other members. The board is responsible for establishing the budget for What-Comm and for establishing the annual financial contributions to be made by the member jurisdictions. Whatcom County and the City of Bellingham share the expenditures equally. Whatcom County contributed \$607,502 as its share of operations in 2002. Whatcom County did not have an equity interest in What-Comm in 2002. Financial statements for What-Comm Communications Center can be obtained from the City of Bellingham, 210 Lottie Street, Bellingham, Washington 98225.

NOTE 13 – POSTRETIREMENT HEALTH CARE BENEFITS

In addition to the pension benefits described in Note 6, Whatcom County provides postretirement health care benefits, in accordance with the Washington Law Enforcement Officers and Fire Fighters Retirement Systems (LEOFF) Act (RCW 41.26), to employees who were law enforcement officers and established membership in the LEOFF I retirement system on or before September 30, 1977. Currently, 19 retirees meet those eligibility requirements.

Whatcom County pays for health insurance and medical costs not covered by insurance for pre-Medicare retirees. The County also pays a fixed amount of \$104 to \$149 per month for a Medicare supplement for each retiree eligible for Medicare.

During the year, expenditures of \$116,146 were recognized for postretirement health care.

NOTE 14 – POSTCLOSURE CARE COST

Whatcom County owns four closed solid waste landfills. These are Birch-Bay Lynden, Y Road, and Pt. Roberts, which were closed in the 1980's and Cedarville, which was closed in 1992. Whatcom County is required by the Department of Ecology to perform postclosure monitoring of the landfills for a minimum of 30 years. The County complies with this requirement by monitoring ground water of all the landfills and disposal of leachate from the Cedarville landfill. In 2001, an addition of a sheet-pile cut-off wall at Cedarville reduced the quantity of leachate collected, reducing the treatment and disposal costs in half (an estimated reduction of \$37,000 per year). Other than the project at Cedarville, no further capital improvements are anticipated at this time. However, the actual cost of postclosure care may change due to inflation or deflation, technology, or applicable laws or regulations. A reserve of \$250,000 was established in the Solid Waste Fund in 1992 to cover postclosure care costs.

As of 1999, the Solid Waste Fund was reclassified from an enterprise fund to a special revenue fund.

NOTE 15 – OTHER DISCLOSURES

A. Fund Changes

During 2002, the following fund was added: Low-Income Housing Projects.



Schedule of Revenues, Expenditures and Changes in
Fund Balance - Budget and Actual
General Fund

Year Ended December 31, 2002



	Budgeted Amounts		Actual Amounts (Budgetary Basis)	Variance with Final Budget Positive/ (Negative)
	Original	Final		
Revenues				
Taxes	\$ 27,996,630	\$ 27,996,630	\$ 28,171,111	\$ 174,481
Licenses and permits	1,542,632	1,594,632	1,709,737	115,105
Intergovernmental	12,815,908	13,661,221	13,214,714	(446,507)
Charges for service	5,147,303	5,508,107	5,870,902	362,795
Fines and forfeits	1,314,100	1,339,100	1,524,102	185,002
Miscellaneous	3,706,579	3,767,439	3,661,812	(105,627)
Total revenues	52,523,152	53,867,129	54,152,378	285,249
Expenditures				
Current:				
General government	16,864,691	16,974,415	15,907,574	1,066,841
Security of persons and property	22,092,293	22,793,146	22,437,189	355,957
Physical environment	329,487	329,487	325,398	4,089
Economic environment	1,124,409	1,362,341	1,182,986	179,355
Mental and physical health	9,520,840	9,842,359	9,194,004	648,355
Culture and recreation	3,310,907	3,388,469	3,230,110	158,359
Capital outlay	346,700	585,002	228,639	356,363
Total expenditures	53,589,327	55,275,219	52,505,900	2,769,319
Excess (deficiency) of revenues over expenditures	(1,066,175)	(1,408,090)	1,646,478	3,054,568
Other financing sources (uses)				
Sales of capital assets	511,000	511,000	565,134	54,134
Transfers in	1,279,954	1,366,982	1,558,222	191,240
Transfers out	(3,316,114)	(3,623,572)	(3,416,886)	206,686
Total other financing sources (uses)	(1,525,160)	(1,745,590)	(1,293,530)	452,060
Excess (deficiency) of revenues & other financing sources over expenditures & other uses	(2,591,335)	(3,153,680)	352,948	3,506,628
Fund balance as of January 1	-	562,345	16,142,488	15,580,143
Fund balance as of December 31	\$ (2,591,335)	\$ (2,591,335)	\$ 16,495,436	\$ 19,086,771

Notes to the financial statements are an integral part of this statement.

Schedule of Revenues, Expenditures and Changes in
Fund Balance - Budget and Actual
County Road

Year Ended December 31, 2002



	Budgeted Amounts		Actual Amounts (Budgetary Basis)	Variance with Final Budget Positive/ (Negative)
	Original	Final		
Revenues				
Taxes	\$ 12,292,000	\$ 12,292,000	\$ 12,108,773	\$ (183,227)
Licenses and permits	40,100	40,100	50,271	10,171
Intergovernmental	7,621,792	7,621,792	6,600,775	(1,021,017)
Charges for service	1,197,309	1,197,309	1,256,299	58,990
Miscellaneous	62,500	62,500	12,544	(49,956)
Total revenues	21,213,701	21,213,701	20,028,662	(1,185,039)
Expenditures				
Current:				
General government	-	-	134,911	(134,911)
Transportation	14,924,484	14,983,327	14,101,414	881,913
Capital outlay	9,626,000	10,324,767	6,793,984	3,530,783
Total expenditures	24,550,484	25,308,094	21,030,309	4,277,785
Excess (deficiency) of revenues over expenditures	(3,336,783)	(4,094,393)	(1,001,647)	3,092,746
Other financing sources (uses)				
Sales of capital assets	900,000	900,000	737,019	(162,981)
Transfers in	110,054	110,054	60,051	(50,003)
Transfers out	(445,102)	(445,102)	(457,401)	(12,299)
Total other financing sources (uses)	564,952	564,952	339,669	(225,283)
Excess (deficiency) of revenues & other financing sources over expenditures & other uses	(2,771,831)	(3,529,441)	(661,978)	2,867,463
Fund balance as of January 1	10,600,000	11,357,611	11,275,771	(81,840)
Fund balance as of December 31	\$ 7,828,169	\$ 7,828,170	\$ 10,613,793	\$ 2,785,623

Notes to the financial statements are an integral part of this statement.

Schedule of Revenues, Expenditures and Changes in
Fund Balance - Budget and Actual
Flood Control Zone District
Year Ended December 31, 2002



	Budgeted Amounts		Actual Amounts (Budgetary Basis)	Variance with Final Budget Positive/ (Negative)
	Original	Final		
Revenues				
Taxes	\$ 3,676,375	\$ 3,676,375	\$ 3,985,394	\$ 309,019
Intergovernmental	1,328,350	1,328,350	350,657	(977,693)
Charges for service	137,500	137,500	58,835	(78,665)
Miscellaneous	460,000	460,000	305,201	(154,799)
Total revenues	5,602,225	5,602,225	4,700,087	(902,138)
Expenditures				
Current:				
Physical environment	3,645,810	4,287,927	2,176,592	2,111,335
Capital outlay	800,000	800,000	301,571	498,429
Total expenditures	4,445,810	5,087,927	2,478,163	2,609,764
Excess (deficiency) of revenues over expenditures	1,156,415	514,298	2,221,924	1,707,626
Other financing sources (uses)				
Operating transfer out	(1,873,333)	(2,854,333)	(3,329,338)	(475,005)
Total other financing sources (uses)	(1,873,333)	(2,854,333)	(3,329,338)	(475,005)
Excess (deficiency) of revenues & other financing sources over expenditures & other uses	(716,918)	(2,340,035)	(1,107,414)	1,232,621
Fund balance as of January 1	9,361,773	10,984,890	10,254,301	(730,589)
Fund balance as of December 31	\$ 8,644,855	\$ 8,644,855	\$ 9,146,887	\$ 502,032

Notes to the financial statements are an integral part of this statement.



NON-MAJOR GOVERNMENTAL FUNDS

Special Revenue Funds

Special Revenue Funds are established in Whatcom County pursuant to State statutes or local ordinance in order to segregate resources that are designated to be used for specified purposes. Both revenues and expenditures are budgeted in compliance with procedures established in Article 6 of the Whatcom County Charter. Appropriations are authorized by ordinance at the fund level. The modified accrual basis of accounting is applied. The following lists all Special Revenue Funds included in this report.

Election Reserve - A fund to finance elections and election equipment.

Veterans Relief - A fund to finance emergency financial assistance to veterans and their survivors.

Tax Refund - This fund is used for administrative refunds such as errors, appeals and senior citizen petition as per RCW 84.69.

Treasurer O & M - A fund to account for extraordinary costs incurred collecting delinquent real and personal taxes.

Water Resources - A fund established to administer and coordinate the water related activities of the county.

Low-Income Housing - A fund used to collect a ten dollar surcharge on each recorded document. The amount collected provides funding for low-income housing.

Park Off Road Vehicle - A fund to finance the planning, acquisition, development and management of off road vehicle trails and areas.

Solid Waste Management - A fund to account for the provision of solid waste services to the residents of Whatcom County.

Convention Center - A fund to account for stadium tax revenue, used to promote tourism.

Victim Witness - A fund established to administer the victim witness programs. The fund is financed by the 20% of penalties assessed by the County Courts.

Community Economic Revitalization Board (CERB) - A fund to finance and account for the loans proceeds from the State CERB Fund and the repayment of the loan.

Whatcom County Emergency Contingency - A fund to finance emergency expenditures due to disaster or other unanticipated emergency.

Drug Task Force - A fund to finance and account for the multi-jurisdictional function of drug enforcement.

Community Development - A fund to finance and account for delayed payment loans to low and moderate income single family home owners. The fund was originally established with a Federal Community Development Block Grant.

Imminent Threat Grant - A fund established by an Emergency Imminent Threat Grant from the Washington Department of Community Development. An emergency occurred in the community of Acme, Washington which threatened their water supply. The grant funds were used to dig a new well and provide the community with a safe water source.

Emergency Communication - A fund established for collection of the excise tax of \$.50 per month per telephone access line, approved by the voters of Whatcom County.

Sewer Improvement District No. 1 - A fund to finance maintenance of the sewers in the birchwood District, that are outside of the City of Bellingham limits.

Whatcom County Drug Fund - Moneys from convicted drug offenders have been placed into this fund by court order and will be used to fight the battle against drugs in Whatcom County.

Auditor's Operation and Maintenance Fund - A fund created with a state mandated \$2 surcharge on all instruments recorded by Auditor. Expenditures from this fund shall be used for installation and maintenance of an improved system for copying, reserving, and indexing documents recorded in the county.

Whatcom County Emergency Management Fund - A fund created to carry out federal and state mandated programs to prepare the community (emergency services systems and the public) to respond to emergency disasters beyond the capacity of regular emergency services.

Sumas Sub-Flood Control Zone - A fund created as a result of voters approving a one year excess levy in 1990 authorizing matching funds to conduct flood control work on the Sumas River.

Point Roberts Transportation Benefit District - A fund created to address the transportation needs of the Point Roberts area.

Conservation Futures - A fund to account for a special tax levy to be used to purchase land within Whatcom County for conservation purposes.

Lake Management District No. 1 - A fund used to account for special assessments collected and used to manage water issues in the Lake Samish area.

County Road Improvement Districts - A fund financed by special assessments to account for maintenance and operation road and street lighting improvement districts.

Lynden/ Everson Sub-Zone Fund - A fund established to account for charges to those who are receiving or will receive benefit from flood control work in the Lynden/ Everson Sub-Zone.

Sumas/ Nooksack/ Everson Sub-Zone Fund - A fund established to account for charges to those who are receiving or will receive benefit from flood control work in the Sumas/ Nooksack/ Everson Sub-Zone.

Acme/ Van Zandt Sub-Zone Fund - A fund established to account for charges to those who are receiving or will receive benefit from flood control work in the Acme/ Van Zandt Sub-Zone.

Debt Service Funds

Debt Service funds are used to account for the accumulation of resources for, and payment of, general long-term debt principal, assessment debt, interest, and related costs. Whatcom County appropriates current year expenditures and anticipated revenue. The modified accrual basis of accounting is applied. A description of each fund follows:

General Obligation Bond - A fund to account for redemption of bonds which are general obligations of the county.

Road Improvement District Special Assessment Bond - A fund to account for redemption of bonds which will be repaid from the proceeds of special assessments that have been levied against the affected property owners.

Capital Project Funds

Capital Projects Funds are established in Whatcom County to account for financial resources to be used for the acquisition or construction of major capital facilities. Both revenues and expenditures are budgeted in compliance with procedures established in the RCW 36.40. The modified accrual basis of accounting is applied. A description of each fund follows:

1983 Sewer Construction - A fund to account for acquisition, construction and installation of sewerage facilities in the Nor-Bell Care area.

Real Estate Excise Tax - A fund to account for an excise tax on each sale of real property, imposed on the unincorporated areas of the County.

Courthouse Expansion Construction - A reserve fund set up for remodeling of the Courthouse.

Road Improvement District No. 10 Construction - A fund supported by special assessments for construction of infrastructure improvements to the Horton Road area.

County Park Improvement Fund - A fund established to account for repair, replacement, improvements and maintenance of existing facilities and equipment for parks, recreation equipment, and senior centers. The funding for expenditure was approved by a vote of the people, authorizing a one year excess property tax levy in the amount of \$2,500,000.

Civic Center Building Improvement - A fund created to account for the acquisition of the Civic Center Building.

Public Utilities Improvement - A fund to account for the collection of a rural county sales and use tax that provides funds for financing public facilities.

Internal Service Funds

Internal Service Funds are established to account for the financing of goods or services provided by one department to other departments of Whatcom County, or to other governments, on a cost reimbursement basis. The accrual basis of accounting is used in the following funds:

Equipment Rental and Revolving - A fund to finance the maintenance and operation of equipment used by the Public Works Department and other departments. This fund also maintains an inventory of road construction materials for the County.

Whatcom County Supplemental Retirement Fund - A fund to account for Whatcom County's Supplemental Retirement.

Administrative Services - A fund to finance the central services of Whatcom County. These activities include finance, human resources, information services, and records. Also, to account for the County's self insurance activities, tort claims, and facilities management.

Agency Funds

Agency Funds are established to account for assets held by Whatcom County acting in the capacity of agent. Agency Funds are funds over which the county has no oversight responsibility or financial interdependency. Many independent districts are required by state statute to process all monies through the County Treasurer's office. Such funds do not represent assets of Whatcom County. Agency Funds are custodial in nature and therefore do not involve measurement of results of operations. Each independent district is responsible for preparing its own annual financial report.

	Special Revenue Funds	Debt Service Funds	Capital Project Funds	Total Non Major Governmental Funds
Assets				
Cash and cash equivalents	\$ 7,092,888	\$ 245,226	\$ 7,938,606	\$ 15,276,720
Investments at cost	-	-	31,860	31,860
Taxes receivable	86,366	11	-	86,377
Accounts receivable	193,607	-	-	193,607
Special assessments	3,291	1,391	-	4,682
Interest receivable	1	-	97	98
Notes receivable	111,407	-	-	111,407
Due from other governments	278,576	-	-	278,576
Employee advances	1,055	-	-	1,055
Prepayments	12	-	-	12
Long-term assets				
Investment in joint ventures	-	-	40,769	40,769
Total Assets	\$ 7,767,203	\$ 246,628	\$ 8,011,332	\$ 16,025,163
Liabilities and fund balance				
Liabilities				
Accounts payable	\$ 233,822	\$ -	\$ 14,727	\$ 248,549
Due to other funds	12,817	-	-	12,817
Revenue collected in advance	-	-	51	51
Due to other governments	1,880	-	-	1,880
Other accrued liabilities	362	-	-	362
Deferred revenue	201,064	1,402	-	202,466
Total liabilities	449,945	1,402	14,778	466,125
Fund balances				
Reserved for:				
Encumbrances	415,258	-	439,996	855,254
Petty cash	70,200	-	-	70,200
Debt service	-	245,226	-	245,226
Unreserved, reported in:				
Special revenue funds	6,831,800	-	-	6,831,800
Capital projects funds	-	-	7,556,558	7,556,558
Total fund balance	7,317,258	245,226	7,996,554	15,559,038
Total liabilities and fund balance	\$ 7,767,203	\$ 246,628	\$ 8,011,332	\$ 16,025,163

Notes to the financial statements are an integral part of this statement.

Combining Statement of Revenues, Expenditures, and
Changes in Fund Balance
Non-Major Governmental Funds
Year Ended December 31, 2002



	Special Revenue Funds	Debt Service Funds	Capital Project Funds	Total Non Major Governmental Funds
Revenues				
Taxes	\$ 1,919,393	\$ -	\$ 3,073,273	\$ 4,992,666
Intergovernmental	802,526	-	-	802,526
Charges for service	1,510,917	-	-	1,510,917
Fines and forfeits	422,862	-	-	422,862
Miscellaneous	93,157	198,365	25,154	316,676
Total revenues	4,748,855	198,365	3,098,427	8,045,647
Expenditures				
Current:				
General government	806,303	-	15,089	821,392
Security of persons and property	442,555	-	-	442,555
Physical environment	4,042,055	-	-	4,042,055
Transportation	24,628	-	-	24,628
Economic environment	139,632	-	-	139,632
Culture and recreation	131,500	-	1,472	132,972
Capital outlay	476,401	-	-	476,401
Debt service:				
Principal	613,976	1,260,000	-	1,873,976
Interest	57,213	868,103	-	925,316
Total expenditures	6,734,263	2,128,103	16,561	8,878,927
Excess (deficiency) of revenues over expenditures	(1,985,408)	(1,929,738)	3,081,866	(833,280)
Other financing sources (uses)				
Sales of capital assets	47,334	-	-	47,334
Transfers in	3,486,563	2,012,939	-	5,499,502
Transfers out	(856,635)	(385,078)	(788,882)	(2,030,595)
Total other financing sources (uses)	2,677,262	1,627,861	(788,882)	3,516,241
Excess (deficiency) of revenues & other financing sources over expenditures & other uses	691,854	(301,877)	2,292,984	2,682,961
Fund balance as of January 1	6,625,404	547,103	5,703,570	12,876,077
Fund balance as of December 31	\$ 7,317,258	\$ 245,226	\$ 7,996,554	\$ 15,559,038

Notes to the financial statements are an integral part of this statement.



Combining Balance Sheet
 Non-Major Special Revenue Funds

December 31, 2002

Page 1 of 4

	Election Reserve	Veteran's Relief	Tax Refund	Treasurer O & M	Water Resources	Low-Income Housing	Park ORV
Assets							
Cash and cash equivalents	\$ 172,447	\$ 129,739	\$ 13,331	\$ 118,702	\$ 584,380	\$ 179,772	\$ -
Taxes receivable	20,618	7,636	16,252	-	-	-	-
Accounts receivable	-	-	-	-	-	-	-
Special assessments	-	-	-	-	-	-	-
Interest receivable	-	-	-	-	-	-	-
Notes receivable	-	-	-	-	-	-	-
Due from other governments	131,973	-	-	-	37,502	-	-
Employee advances	469	-	-	-	410	-	-
Prepayments	-	-	-	-	-	-	-
Total Assets	\$ 325,507	\$ 137,375	\$ 29,583	\$ 118,702	\$ 622,292	\$ 179,772	\$ -
Liabilities and fund balance							
Liabilities							
Accounts payable	\$ 6,160	\$ 544	\$ -	\$ 951	\$ 64,212	\$ -	\$ -
Due to other funds	-	-	-	224	-	-	-
Due to other governments	820	-	-	-	627	-	-
Other accrued liabilities	-	-	-	-	362	-	-
Deferred revenue	20,618	7,636	16,252	-	-	-	-
Total liabilities	27,598	8,180	16,252	1,175	65,201	-	-
Fund balances							
Reserved for:							
Encumbrances	-	-	-	-	259,683	-	-
Petty cash	-	-	-	-	-	-	-
Unreserved, reported in:							
Special revenue funds	297,909	129,195	13,331	117,527	297,408	179,772	-
Total fund balance	297,909	129,195	13,331	117,527	557,091	179,772	-
Total liabilities and fund balance	\$ 325,507	\$ 137,375	\$ 29,583	\$ 118,702	\$ 622,292	\$ 179,772	\$ -

Solid Waste	Convention Center	Victim/Witness Assistance	CERB	Emergency Contingency Fair	Drug Task Force	Community Development	Imminent Threat Grant	Sewer Fund	Emergency Communications
\$ 1,298,956	\$ 248,631	\$ 85,270	\$ 61	\$ 5,250	\$ 16,170	\$ 23,566	\$ 3	\$ 5,066	\$ -
-	-	-	-	-	-	-	-	-	-
193,607	-	-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-	-	-
-	-	-	-	-	-	111,407	-	-	-
109,101	-	-	-	-	-	-	-	-	-
117	-	59	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-	-	-
<u>\$ 1,601,781</u>	<u>\$ 248,631</u>	<u>\$ 85,329</u>	<u>\$ 61</u>	<u>\$ 5,250</u>	<u>\$ 16,170</u>	<u>\$ 134,973</u>	<u>\$ 3</u>	<u>\$ 5,066</u>	<u>\$ -</u>
\$ 112,261	\$ 18,750	\$ 664	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
-	-	-	-	-	-	-	-	-	-
118	-	51	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-	-	-
-	-	-	-	-	-	111,407	-	-	-
<u>112,379</u>	<u>18,750</u>	<u>715</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>111,407</u>	<u>-</u>	<u>-</u>	<u>-</u>
117,012	-	-	-	-	-	-	-	-	-
-	-	-	-	-	10,000	-	-	-	-
<u>1,372,390</u>	<u>229,881</u>	<u>84,614</u>	<u>61</u>	<u>5,250</u>	<u>6,170</u>	<u>23,566</u>	<u>3</u>	<u>5,066</u>	<u>-</u>
<u>1,489,402</u>	<u>229,881</u>	<u>84,614</u>	<u>61</u>	<u>5,250</u>	<u>16,170</u>	<u>23,566</u>	<u>3</u>	<u>5,066</u>	<u>-</u>
<u>\$ 1,601,781</u>	<u>\$ 248,631</u>	<u>\$ 85,329</u>	<u>\$ 61</u>	<u>\$ 5,250</u>	<u>\$ 16,170</u>	<u>\$ 134,973</u>	<u>\$ 3</u>	<u>\$ 5,066</u>	<u>\$ -</u>

continued on next page

Combining Balance Sheet
 Non-Major Special Revenue Funds
 December 31, 2002

	Whatcom County Drug	Auditor's O & M	Emergency Manage- ment	Sumas Sub- Flood Control Zone District	Point Roberts Fuel Tax	Conservation Futures
Assets						
Cash and cash equivalents	\$ 660,566	\$ 504,202	\$ 172,069	\$ -	\$ 70,551	\$ 2,127,389
Taxes receivable	-	-	-	-	-	41,860
Accounts receivable	-	-	-	-	-	-
Special assessments	-	-	-	-	-	-
Interest receivable	-	-	-	-	-	-
Notes receivable	-	-	-	-	-	-
Due from other governments	-	-	-	-	-	-
Employee advances	-	-	-	-	-	-
Prepayments	-	-	12	-	-	-
Total Assets	\$ 660,566	\$ 504,202	\$ 172,081	\$ -	\$ 70,551	\$ 2,169,249
Liabilities and fund balance						
Liabilities						
Accounts payable	\$ 3,351	\$ 2,243	\$ 22,591	\$ -	\$ -	\$ -
Due to other funds	-	-	-	-	-	-
Due to other governments	-	-	264	-	-	-
Other accrued liabilities	-	-	-	-	-	-
Deferred revenue	-	-	-	-	-	41,860
Total liabilities	3,351	2,243	22,855	-	-	41,860
Fund balances						
Reserved for:						
Encumbrances	-	-	38,000	-	-	-
Petty cash	60,000	-	200	-	-	-
Unreserved, reported in:						
Special revenue funds	597,215	501,959	111,026	-	70,551	2,127,389
Total fund balance	657,215	501,959	149,226	-	70,551	2,127,389
Total liabilities and fund balance	\$ 660,566	\$ 504,202	\$ 172,081	\$ -	\$ 70,551	\$ 2,169,249

Lake Management District No. 1	Road Improvement Districts	Lynden/ Everson Sub-Zone	Sumas/ Nooksack/ Everson Sub-Zone	Acme/ Van Zandt Sub-Zone	Total Non Major Special Revenue Funds
\$ 24,080	\$ 175,972	\$ 172,133	\$ 287,172	\$ 17,410	\$ 7,092,888
-	-	-	-	-	86,366
-	-	-	-	-	193,607
-	3,291	-	-	-	3,291
1	-	-	-	-	1
-	-	-	-	-	111,407
-	-	-	-	-	278,576
-	-	-	-	-	1,055
-	-	-	-	-	12
<u>\$ 24,081</u>	<u>\$ 179,263</u>	<u>\$ 172,133</u>	<u>\$ 287,172</u>	<u>\$ 17,410</u>	<u>\$ 7,767,203</u>
\$ -	\$ 2,095	\$ -	\$ -	\$ -	\$ 233,822
-	1,051	11,542	-	-	12,817
-	-	-	-	-	1,880
-	-	-	-	-	362
-	3,291	-	-	-	201,064
-	6,437	11,542	-	-	449,945
563	-	-	-	-	415,258
-	-	-	-	-	70,200
23,518	172,826	160,591	287,172	17,410	6,831,800
24,081	172,826	160,591	287,172	17,410	7,317,258
<u>\$ 24,081</u>	<u>\$ 179,263</u>	<u>\$ 172,133</u>	<u>\$ 287,172</u>	<u>\$ 17,410</u>	<u>\$ 7,767,203</u>

Combining Statement of Revenues, Expenditures and
 Changes in Fund Balance
 Non-Major Special Revenue Funds
 Year Ended December 31, 2002

	Election Reserve	Veteran's Relief	Tax Refund	Treasurer's O & M	Water Resources	Low-Income Housing	Park ORV
Revenues							
Taxes	\$ 363,068	\$ 137,148	\$ 360,990	\$ -	\$ -	\$ -	\$ -
Intergovernmental	25	15,232	23	-	116,610	-	-
Charges for service	296,226	-	-	99,440	-	179,772	-
Fines and forfeits	-	-	-	-	-	-	-
Miscellaneous	178	67	155	-	-	-	-
Total revenues	659,497	152,447	361,168	99,440	116,610	179,772	-
Expenditures							
Current:							
General government	691,566	-	-	46,721	-	-	-
Security of persons and property	-	-	-	-	-	-	-
Physical environment	-	-	-	-	3,072,271	-	-
Transportation	-	-	-	-	-	-	-
Economic environment	-	119,596	-	-	-	-	-
Culture and recreation	-	-	-	-	-	-	-
Capital outlay	-	-	-	-	-	-	-
Debt service:							
Principal	-	-	348,526	-	-	-	-
Interest	-	-	10,456	-	-	-	-
Total expenditures	691,566	119,596	358,982	46,721	3,072,271	-	-
Excess (deficiency) of revenues over expenditures	(32,069)	32,851	2,186	52,719	(2,955,661)	179,772	-
Other financing sources (uses)							
Sales of capital assets	10,857	4,108	9,958	-	-	-	-
Transfers in	-	-	-	-	2,973,697	-	-
Transfers out	-	-	-	(48,338)	(176,903)	-	-
Total other financing sources (uses)	10,857	4,108	9,958	(48,338)	2,796,794	-	-
Excess (deficiency) of revenues & other financing sources over expenditures & other uses	(21,212)	36,959	12,144	4,381	(158,867)	179,772	-
Fund balance as of January 1	319,121	92,236	1,187	113,146	715,958	-	-
Fund balance as of December 31	\$ 297,909	\$ 129,195	\$ 13,331	\$ 117,527	\$ 557,091	\$ 179,772	\$ -

Combining Statement of Revenues, Expenditures and
 Changes in Fund Balance
 Non-Major Special Revenue Funds
 Year Ended December 31, 2002



Solid Waste	Convention Center	Victim/Witness Assistance	CERB	Emergency Contingency Fair	Drug Task Force	Community Development	Imminent Threat Grant	Sewer Fund	Emergency Communications
\$ -	\$ 147,306	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
390,720	-	-	-	-	-	-	-	-	-
752,511	-	97,800	-	-	-	-	-	-	-
-	-	25,941	-	-	-	-	-	-	-
38,443	-	-	-	-	-	10,000	-	-	-
<u>1,181,674</u>	<u>147,306</u>	<u>123,741</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>10,000</u>	<u>-</u>	<u>-</u>	<u>-</u>
-	-	54,226	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-	-	-
930,734	-	-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-	-	-
-	131,500	-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-	-	-
-	-	-	265,450	-	-	-	-	-	-
-	-	-	46,757	-	-	-	-	-	-
<u>930,734</u>	<u>131,500</u>	<u>54,226</u>	<u>312,207</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
250,940	15,806	69,515	(312,207)	-	-	10,000	-	-	-
-	-	-	-	-	-	-	-	-	-
-	-	-	312,207	-	-	-	-	-	-
<u>(147,045)</u>	<u>-</u>	<u>(71,651)</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(5,000)</u>	<u>-</u>	<u>-</u>	<u>-</u>
<u>(147,045)</u>	<u>-</u>	<u>(71,651)</u>	<u>312,207</u>	<u>-</u>	<u>-</u>	<u>(5,000)</u>	<u>-</u>	<u>-</u>	<u>-</u>
103,895	15,806	(2,136)	-	-	-	5,000	-	-	-
<u>1,385,507</u>	<u>214,075</u>	<u>86,750</u>	<u>61</u>	<u>5,250</u>	<u>16,170</u>	<u>18,566</u>	<u>3</u>	<u>5,066</u>	<u>-</u>
<u>\$1,489,402</u>	<u>\$ 229,881</u>	<u>\$ 84,614</u>	<u>\$ 61</u>	<u>\$ 5,250</u>	<u>\$ 16,170</u>	<u>\$ 23,566</u>	<u>\$ 3</u>	<u>\$ 5,066</u>	<u>\$ -</u>

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Combining Statement of Revenues, Expenditures and
 Changes in Fund Balance
 Non-Major Special Revenue Funds
 Year Ended December 31, 2002

	Whatcom County Drug	Auditor's O & M	Emergency Management	Sumas Sub- Flood Control Zone District	Point Roberts Fuel Tax	Conservation Futures
Revenues						
Taxes	\$ -	\$ -	\$ -	\$ -	\$ 18,751	\$ 748,442
Intergovernmental	-	60,910	218,955	-	-	51
Charges for service	-	85,168	-	-	-	-
Fines and forfeits	396,921	-	-	-	-	-
Miscellaneous	26,612	-	6,025	-	-	8,368
Total revenues	423,533	146,078	224,980	-	18,751	756,861
Expenditures						
Current:						
General government	-	13,790	-	-	-	-
Security of persons and property	111,215	-	331,340	-	-	-
Physical environment	-	-	-	-	-	-
Transportation	-	-	-	-	-	-
Economic environment	-	-	-	-	-	20,036
Culture and recreation	-	-	-	-	-	-
Capital outlay	2,167	15,256	-	-	-	458,978
Debt service:						
Principal	-	-	-	-	-	-
Interest	-	-	-	-	-	-
Total expenditures	113,382	29,046	331,340	-	-	479,014
Excess (deficiency) of revenues over expenditures	310,151	117,032	(106,360)	-	18,751	277,847
Other financing sources (uses)						
Sales of capital assets	-	-	-	-	-	22,411
Transfers in	-	-	127,788	-	-	-
Transfers out	(377,403)	-	-	-	-	(29,244)
Total other financing sources (uses)	(377,403)	-	127,788	-	-	(6,833)
Excess (deficiency) of revenues & other financing sources over expenditures & other uses	(67,252)	117,032	21,428	-	18,751	271,014
Fund balance as of January 1	724,467	384,927	127,798	-	51,800	1,856,375
Fund balance as of December 31	\$ 657,215	\$ 501,959	\$ 149,226	\$ -	\$ 70,551	\$ 2,127,389

Combining Statement of Revenues, Expenditures and
 Changes in Fund Balance
 Non-Major Special Revenue Funds
 Year Ended December 31, 2002

Lake Management District No. 1	Road Improvement Districts	Lynden/ Everson Sub-Zone	Sumas/ Nooksack/ Everson Sub-Zone	Acme/ Van Zandt Sub-Zone	Total Non Major Special Revenue Funds
\$ -	\$ 25,076	\$ 32,560	\$ 72,209	\$ 13,843	\$ 1,919,393
-	-	-	-	-	802,526
-	-	-	-	-	1,510,917
-	-	-	-	-	422,862
901	2,408	-	-	-	93,157
<u>901</u>	<u>27,484</u>	<u>32,560</u>	<u>72,209</u>	<u>13,843</u>	<u>4,748,855</u>
-	-	-	-	-	806,303
-	-	-	-	-	442,555
4,034	-	12,562	14,809	7,645	4,042,055
-	24,628	-	-	-	24,628
-	-	-	-	-	139,632
-	-	-	-	-	131,500
-	-	-	-	-	476,401
-	-	-	-	-	613,976
-	-	-	-	-	57,213
<u>4,034</u>	<u>24,628</u>	<u>12,562</u>	<u>14,809</u>	<u>7,645</u>	<u>6,734,263</u>
(3,133)	2,856	19,998	57,400	6,198	(1,985,408)
-	-	-	-	-	47,334
-	72,871	-	-	-	3,486,563
-	(1,051)	-	-	-	(856,635)
-	71,820	-	-	-	2,677,262
(3,133)	74,676	19,998	57,400	6,198	691,854
27,214	98,150	140,593	229,772	11,212	6,625,404
<u>\$ 24,081</u>	<u>\$ 172,826</u>	<u>\$ 160,591</u>	<u>\$ 287,172</u>	<u>\$ 17,410</u>	<u>\$ 7,317,258</u>

Combining Statement of Revenues, Expenditures and
 Changes in Fund Balance
 Budget and Actual (GAAP Basis)
 Election Reserve
 Year Ended December 31, 2002
 (With comparative totals for December 31, 2001)



	2002			2001
	Budget	Actual	Variance Favorable (Unfavorable)	Actual
Revenues				
Taxes	\$ 361,129	\$ 363,068	\$ 1,939	\$ 365,429
Intergovernmental	-	25	25	32
Charges for Service	132,000	296,226	164,226	317,752
Miscellaneous	-	178	178	228
Total Revenues	<u>493,129</u>	<u>659,497</u>	<u>166,368</u>	<u>683,441</u>
Expenditures				
Current:				
General Government	727,587	691,566	36,021	595,338
Debt Service:				
Interest	200	-	200	-
Total Expenditures	<u>727,787</u>	<u>691,566</u>	<u>36,221</u>	<u>595,338</u>
Excess (Deficiency) of Revenues Over Expenditures	<u>(234,658)</u>	<u>(32,069)</u>	<u>202,589</u>	<u>88,103</u>
Other Financing Sources (Uses)				
Sales of Capital Assets	-	10,857	10,857	16,304
Operating Transfer In	164,823	-	(164,823)	-
Operating Transfer Out	-	-	-	(2,808)
Total Other Financing Sources (Uses)	<u>164,823</u>	<u>10,857</u>	<u>(153,966)</u>	<u>13,496</u>
Excess (Deficiency) of Revenues & Other Financing Sources Over Expenditures & Other	<u>(69,835)</u>	<u>(21,212)</u>	<u>48,623</u>	<u>101,599</u>
Fund Balance as of January 1	-	319,121	319,121	217,522
Fund Balance as of December 31	<u>\$ (69,835)</u>	<u>\$ 297,909</u>	<u>\$ 367,744</u>	<u>\$ 319,121</u>

Combining Statement of Revenues, Expenditures and
 Changes in Fund Balance
 Budget and Actual (GAAP Basis)
 Veteran's Relief
 Year Ended December 31, 2002
 (With comparative totals for December 31, 2001)



	2002			2001
	Budget	Actual	Variance Favorable (Unfavorable)	Actual
Revenues				
Taxes	\$ 133,865	\$ 137,148	\$ 3,283	\$ 131,195
Intergovernmental	21,575	15,232	(6,343)	4,771
Miscellaneous	-	67	67	207
Total Revenues	<u>155,440</u>	<u>152,447</u>	<u>(2,993)</u>	<u>136,173</u>
Expenditures				
Current:				
Economic Environment	176,321	119,596	56,725	128,198
Total Expenditures	<u>176,321</u>	<u>119,596</u>	<u>56,725</u>	<u>128,198</u>
Excess (Deficiency) of Revenues Over Expenditures	<u>(20,881)</u>	<u>32,851</u>	<u>53,732</u>	<u>7,975</u>
Other Financing Sources (Uses)				
Sales of Capital Assets	6,000	4,108	(1,892)	5,849
Total Other Financing Sources (Uses)	<u>6,000</u>	<u>4,108</u>	<u>(1,892)</u>	<u>5,849</u>
Excess (Deficiency) of Revenues & Other Financing Sources Over Expenditures & Other Uses	<u>(14,881)</u>	<u>36,959</u>	<u>51,840</u>	<u>13,824</u>
Fund Balance as of January 1	15,000	92,236	77,236	78,412
Fund Balance as of December 31	<u>\$ 119</u>	<u>\$ 129,195</u>	<u>\$ 129,076</u>	<u>\$ 92,236</u>

Combining Statement of Revenues, Expenditures and
 Changes in Fund Balance
 Budget and Actual (GAAP Basis)
 Tax Refund Fund
 Year Ended December 31, 2002
 (With comparative totals for December 31, 2001)



	2002			2001
	Budget	Actual	Variance Favorable (Unfavorable)	Actual
Revenues				
Taxes	\$ -	\$ 360,990	\$ 360,990	\$ -
Intergovernmental	-	23	23	-
Miscellaneous	-	155	155	-
Total Revenues	-	361,168	361,168	-
Expenditures				
Debt service:				
Principal	-	348,526	(348,526)	-
Interest	-	10,456	(10,456)	-
Total Expenditures	-	358,982	(358,982)	-
Excess (Deficiency) of Revenues Over Expenditures	-	2,186	2,186	-
Other Financing Sources (Uses)				
Other Note Proceeds	-	-	-	348,526
Sales of Capital Assets	-	9,958	9,958	-
Total Other Financing Sources (Uses)	-	9,958	9,958	348,526
Excess (Deficiency) of Revenues & Other Financing Sources Over Expenditures & Other Uses	-	12,144	12,144	348,526
Fund Balance as of January 1	-	1,187	1,187	1,187
Prior Period Adjustments	-	-	-	(348,526)
Fund Balance as of December 31	\$ -	\$ 13,331	\$ 13,331	\$ 1,187

Combining Statement of Revenues, Expenditures and
 Changes in Fund Balance
 Budget and Actual (GAAP Basis)
 Treasurer's O & M
 Year Ended December 31, 2002
 (With comparative totals for December 31, 2001)



	2002			2001
	Budget	Actual	Variance Favorable (Unfavorable)	Actual
Revenues				
Charges for Service	\$ 217,374	\$ 99,440	\$ (117,934)	\$ 105,855
Total Revenues	<u>217,374</u>	<u>99,440</u>	<u>(117,934)</u>	<u>105,855</u>
Expenditures				
Current:				
General Government	159,368	46,721	112,647	86,532
Capital Outlay	2,049	-	2,049	8,282
Total Expenditures	<u>161,417</u>	<u>46,721</u>	<u>114,696</u>	<u>94,814</u>
Excess (Deficiency) of Revenues Over Expenditures	<u>55,957</u>	<u>52,719</u>	<u>(3,238)</u>	<u>11,041</u>
Other Financing Sources (Uses)				
Operating Transfer Out	(35,000)	(48,338)	(13,338)	(36,387)
Total Other Financing Sources (Uses)	<u>(35,000)</u>	<u>(48,338)</u>	<u>(13,338)</u>	<u>(36,387)</u>
Excess (Deficiency) of Revenues & Other Financing Sources Over Expenditures & Other Uses	<u>20,957</u>	<u>4,381</u>	<u>(16,576)</u>	<u>(25,346)</u>
Fund Balance as of January 1	-	113,146	113,146	138,492
Fund Balance as of December 31	<u>\$ 20,957</u>	<u>\$ 117,527</u>	<u>\$ 96,570</u>	<u>\$ 113,146</u>

Combining Statement of Revenues, Expenditures and
 Changes in Fund Balance
 Budget and Actual (GAAP Basis)
 Water Resources
 Year Ended December 31, 2002
 (With comparative totals for December 31, 2001)



	2002			2001
	Budget	Actual	Variance Favorable (Unfavorable)	Actual
Revenues				
Intergovernmental	\$ 705,000	\$ 116,610	\$ (588,390)	\$ 291,667
Total Revenues	<u>705,000</u>	<u>116,610</u>	<u>(588,390)</u>	<u>291,667</u>
Expenditures				
Current:				
Physical Environment	4,152,209	3,072,271	1,079,938	1,960,896
Capital Outlay	-	-	-	26,049
Total Expenditures	<u>4,152,209</u>	<u>3,072,271</u>	<u>1,079,938</u>	<u>1,986,945</u>
Excess (Deficiency) of Revenues Over Expenditures	<u>(3,447,209)</u>	<u>(2,955,661)</u>	<u>491,548</u>	<u>(1,695,278)</u>
Other Financing Sources (Uses)				
Operating Transfer In	2,819,188	2,973,697	154,509	1,912,731
Operating Transfer Out	(296,410)	(176,903)	119,507	(244,848)
Total Other Financing Sources (Uses)	<u>2,522,778</u>	<u>2,796,794</u>	<u>274,016</u>	<u>1,667,883</u>
Excess (Deficiency) of Revenues & Other Financing Sources Over Expenditures & Other Uses	<u>(924,431)</u>	<u>(158,867)</u>	<u>765,564</u>	<u>(27,395)</u>
Fund Balance as of January 1	1,088,634	715,958	(372,676)	763,353
Residual Equity Transfer Out	-	-	-	(20,000)
Fund Balance as of December 31	<u>\$ 164,203</u>	<u>\$ 557,091</u>	<u>\$ 392,888</u>	<u>\$ 715,958</u>

Combining Statement of Revenues, Expenditures and
 Changes in Fund Balance
 Budget and Actual (GAAP Basis)
 Low-Income Housing
 Year Ended December 31, 2002
 (With comparative totals for December 31, 2001)



	2002			2001
	Budget	Actual	Variance Favorable (Unfavorable)	Actual
Revenues				
Charges for service	\$ -	\$ 179,772	\$ 179,772	\$ -
Total Revenues	-	179,772	179,772	-
<hr/>				
Excess (Deficiency) of Revenues Over Expenditures	-	179,772	179,772	-
<hr/>				
Fund Balance as of January 1	-	-	-	-
Fund Balance as of December 31	<u>\$ -</u>	<u>\$ 179,772</u>	<u>\$ 179,772</u>	<u>\$ -</u>

Combining Statement of Revenues, Expenditures and
 Changes in Fund Balance
 Budget and Actual (GAAP Basis)
 Park ORV
 Year Ended December 31, 2002
 (With comparative totals for December 31, 2001)



	2002			2001
	Budget	Actual	Variance Favorable (Unfavorable)	Actual
Other Financing Sources (Uses)				
Operating Transfer Out	\$ -	\$ -	\$ -	\$ (29,165)
Total Other Financing Sources (Uses)	-	-	-	(29,165)
Excess (Deficiency) of Revenues & Other Financing Sources Over Expenditures & Other Uses	-	-	-	(29,165)
Fund Balance as of January 1	-	-	-	29,165
Fund Balance as of December 31	\$ -	\$ -	\$ -	\$ -

Combining Statement of Revenues, Expenditures and
Changes in Fund Balance
Budget and Actual (GAAP Basis)
Solid Waste

Year Ended December 31, 2002

(With comparative totals for December 31, 2001)



	2002			2001
	Budget	Actual	Variance Favorable (Unfavorable)	Actual
Revenues				
Intergovernmental	\$ 273,500	\$ 390,720	\$ 117,220	\$ 272,853
Charges for Service	773,600	752,511	(21,089)	738,765
Miscellaneous	48,000	38,443	(9,557)	61,419
Total Revenues	<u>1,095,100</u>	<u>1,181,674</u>	<u>86,574</u>	<u>1,073,037</u>
Expenditures				
Current:				
Physical Environment	1,256,824	930,734	326,090	924,211
Capital Outlay	-	-	-	1,213
Total Expenditures	<u>1,256,824</u>	<u>930,734</u>	<u>326,090</u>	<u>925,424</u>
Excess (Deficiency) of Revenues Over Expenditures	(161,724)	250,940	412,664	147,613
Other Financing Sources (Uses)				
Operating Transfer Out	(117,293)	(147,045)	(29,752)	(141,934)
Total Other Financing Sources (Uses)	<u>(117,293)</u>	<u>(147,045)</u>	<u>(29,752)</u>	<u>(141,934)</u>
Excess (Deficiency) of Revenues & Other Financing Sources Over Expenditures & Other Uses	(279,017)	103,895	382,912	5,679
Fund Balance as of January 1	1,431,946	1,385,507	(46,439)	1,379,828
Fund Balance as of December 31	<u>\$ 1,152,929</u>	<u>\$ 1,489,402</u>	<u>\$ 336,473</u>	<u>\$ 1,385,507</u>

Combining Statement of Revenues, Expenditures and
 Changes in Fund Balance
 Budget and Actual (GAAP Basis)
 Convention Center
 Year Ended December 31, 2002
 (With comparative totals for December 31, 2001)



	2002			2001
	Budget	Actual	Variance Favorable (Unfavorable)	Actual
Revenues				
Taxes	\$ 115,000	\$ 147,306	\$ 32,306	\$ 151,331
Total Revenues	<u>115,000</u>	<u>147,306</u>	<u>32,306</u>	<u>151,331</u>
Expenditures				
Current:				
Culture & Recreation	131,500	131,500	-	100,000
Total Expenditures	<u>131,500</u>	<u>131,500</u>	<u>-</u>	<u>100,000</u>
Excess (Deficiency) of Revenues Over Expenditures	<u>(16,500)</u>	<u>15,806</u>	<u>32,306</u>	<u>51,331</u>
Fund Balance as of January 1	30,000	214,075	184,075	162,744
Fund Balance as of December 31	<u>\$ 13,500</u>	<u>\$ 229,881</u>	<u>\$ 216,381</u>	<u>\$ 214,075</u>

Combining Statement of Revenues, Expenditures and
 Changes in Fund Balance
 Budget and Actual (GAAP Basis)
 Victim/Witness Assistance
 Year Ended December 31, 2002
 (With comparative totals for December 31, 2001)



	2002			2001
	Budget	Actual	Variance Favorable (Unfavorable)	Actual
Revenues				
Charges for Service	\$ 88,350	\$ 97,800	\$ 9,450	\$ 88,080
Fines & Forfeits	24,100	25,941	1,841	24,090
Total Revenues	<u>112,450</u>	<u>123,741</u>	<u>11,291</u>	<u>112,170</u>
Expenditures				
Current:				
General Government	55,701	54,226	1,475	49,960
Total Expenditures	<u>55,701</u>	<u>54,226</u>	<u>1,475</u>	<u>49,960</u>
Excess (Deficiency) of Revenues Over Expenditures	56,749	69,515	12,766	62,210
Other Financing Sources (Uses)				
Operating Transfer Out	(71,651)	(71,651)	-	(58,682)
Total Other Financing Sources (Uses)	<u>(71,651)</u>	<u>(71,651)</u>	<u>-</u>	<u>(58,682)</u>
Excess (Deficiency) of Revenues & Other Financing Sources Over Expenditures & Other Uses	<u>(14,902)</u>	<u>(2,136)</u>	<u>12,766</u>	<u>3,528</u>
Fund Balance as of January 1	16,228	86,750	70,522	83,222
Fund Balance as of December 31	<u>\$ 1,326</u>	<u>\$ 84,614</u>	<u>\$ 83,288</u>	<u>\$ 86,750</u>

Combining Statement of Revenues, Expenditures and
 Changes in Fund Balance
 Budget and Actual (GAAP Basis)
 CERB



Year Ended December 31, 2002

(With comparative totals for December 31, 2001)

	2002			2001
	Budget	Actual	Variance Favorable (Unfavorable)	Actual
Expenditures				
Current:				
Principal	\$ 265,453	\$ 265,450	\$ 3	\$ 122,728
Interest	46,757	46,757	-	55,102
Total Expenditures	<u>312,210</u>	<u>312,207</u>	<u>3</u>	<u>177,830</u>
Excess (Deficiency) of Revenues Over Expenditures	(312,210)	(312,207)	3	(177,830)
Other Financing Sources (Uses)				
Operating Transfer In	348,207	312,207	(36,000)	177,830
Operating Transfer Out	(35,997)	-	35,997	-
Total Other Financing Sources (Uses)	<u>312,210</u>	<u>312,207</u>	<u>(3)</u>	<u>177,830</u>
Excess (Deficiency) of Revenues & Other Financing Sources Over Expenditures & Other Uses	-	-	-	-
Fund Balance as of January 1	61	61	-	61
Fund Balance as of December 31	<u>\$ 61</u>	<u>\$ 61</u>	<u>\$ -</u>	<u>\$ 61</u>

Combining Statement of Revenues, Expenditures and
 Changes in Fund Balance
 Budget and Actual (GAAP Basis)
 Emergency Contingency Fair
 Year Ended December 31, 2002
 (With comparative totals for December 31, 2001)



Fund Balance as of January 1
Fund Balance as of December 31

2002			2001
Budget	Actual	Variance Favorable (Unfavorable)	Actual
\$ -	\$ 5,250	\$ 5,250	\$ 5,250
\$ -	\$ 5,250	\$ 5,250	\$ 5,250

Combining Statement of Revenues, Expenditures and
 Changes in Fund Balance
 Budget and Actual (GAAP Basis)
 Drug Task Force
 Year Ended December 31, 2002
 (With comparative totals for December 31, 2001)



Fund Balance as of January 1
Fund Balance as of December 31

2002			2001
Budget	Actual	Variance Favorable (Unfavorable)	Actual
\$ -	\$ 16,170	\$ 16,170	\$ 16,170
\$ -	\$ 16,170	\$ 16,170	\$ 16,170

Combining Statement of Revenues, Expenditures and
 Changes in Fund Balance
 Budget and Actual (GAAP Basis)
 Community Development
 Year Ended December 31, 2002
 (With comparative totals for December 31, 2001)



	2002			2001
	Budget	Actual	Variance Favorable (Unfavorable)	Actual
Revenues				
Miscellaneous	\$ -	\$ 10,000	\$ 10,000	\$ -
Total Revenues	-	10,000	10,000	-
Excess (Deficiency) of Revenues Over Expenditures	-	10,000	10,000	-
Other Financing Sources (Uses)				
Operating Transfer Out	(5,000)	(5,000)	-	(5,000)
Total Other Financing Sources (Uses)	(5,000)	(5,000)	-	(5,000)
Excess (Deficiency) of Revenues & Other Financing Sources Over Expenditures & Other Uses	(5,000)	5,000	10,000	(5,000)
Fund Balance as of January 1	-	18,566	18,566	23,566
Fund Balance as of December 31	\$ (5,000)	\$ 23,566	\$ 28,566	\$ 18,566

Combining Statement of Revenues, Expenditures and
 Changes in Fund Balance
 Budget and Actual (GAAP Basis)
 Imminent Threat Grant
 Year Ended December 31, 2002
 (With comparative totals for December 31, 2001)



Fund Balance as of January 1
Fund Balance as of December 31

2002			2001
Budget	Actual	Variance Favorable (Unfavorable)	Actual
\$ -	\$ 3	\$ 3	\$ 3
\$ -	\$ 3	\$ 3	\$ 3

Combining Statement of Revenues, Expenditures and
 Changes in Fund Balance
 Budget and Actual (GAAP Basis)
 Sewer Improvement District 1
 Year Ended December 31, 2002
 (With comparative totals for December 31, 2001)



Fund Balance as of January 1
Fund Balance as of December 31

2002			2001
Budget	Actual	Variance Favorable (Unfavorable)	Actual
\$ -	\$ 5,066	\$ 5,066	\$ 5,066
\$ -	\$ 5,066	\$ 5,066	\$ 5,066

Combining Statement of Revenues, Expenditures and
 Changes in Fund Balance
 Budget and Actual (GAAP Basis)
 Emergency Communications
 Year Ended December 31, 2002
 (With comparative totals for December 31, 2001)



Fund Balance as of January 1
Fund Balance as of December 31

2002			2001
Budget	Actual	Variance Favorable (Unfavorable)	Actual
\$ -	\$ -	\$ -	\$ -
\$ -	\$ -	\$ -	\$ -

Combining Statement of Revenues, Expenditures and
 Changes in Fund Balance
 Budget and Actual (GAAP Basis)
 Whatcom County Drug
 Year Ended December 31, 2002
 (With comparative totals for December 31, 2001)



	2002			2001
	Budget	Actual	Variance Favorable (Unfavorable)	Actual
Revenues				
Charges for Service	\$ 6,340	\$ -	\$ (6,340)	\$ -
Fines & Forfeits	375,000	396,921	21,921	554,236
Miscellaneous	-	26,612	26,612	33,736
Total Revenues	381,340	423,533	42,193	587,972
Expenditures				
Current:				
Security of Persons & Property	257,000	111,215	145,785	122,750
Capital Outlay	100,000	2,167	97,833	16,731
Total Expenditures	357,000	113,382	243,618	139,481
Excess (Deficiency) of Revenues Over Expenditures	24,340	310,151	285,811	448,491
Other Financing Sources (Uses)				
Operating Transfer Out	(404,931)	(377,403)	27,528	(348,233)
Total Other Financing Sources (Uses)	(404,931)	(377,403)	27,528	(348,233)
Excess (Deficiency) of Revenues & Other Financing Sources Over Expenditures & Other Uses	(380,591)	(67,252)	313,339	100,258
Fund Balance as of January 1	-	724,467	724,467	624,209
Fund Balance as of December 31	\$ (380,591)	\$ 657,215	\$ 1,037,806	\$ 724,467

Combining Statement of Revenues, Expenditures and
 Changes in Fund Balance
 Budget and Actual (GAAP Basis)
 Auditor's O & M
 Year Ended December 31, 2002
 (With comparative totals for December 31, 2001)



	2002			2001
	Budget	Actual	Variance Favorable (Unfavorable)	Actual
Revenues				
Intergovernmental	\$ 45,000	\$ 60,910	\$ 15,910	\$ 44,699
Charges for Service	45,000	85,168	40,168	55,761
Total Revenues	<u>90,000</u>	<u>146,078</u>	<u>56,078</u>	<u>100,460</u>
Expenditures				
Current:				
General Government	23,050	13,790	9,260	15,060
Capital Outlay	21,000	15,256	5,744	7,776
Total Expenditures	<u>44,050</u>	<u>29,046</u>	<u>15,004</u>	<u>22,836</u>
Excess (Deficiency) of Revenues Over Expenditures	<u>45,950</u>	<u>117,032</u>	<u>71,082</u>	<u>77,624</u>
Fund Balance as of January 1	-	384,927	384,927	307,303
Fund Balance as of December 31	<u>\$ 45,950</u>	<u>\$ 501,959</u>	<u>\$ 456,009</u>	<u>\$ 384,927</u>

Combining Statement of Revenues, Expenditures and
 Changes in Fund Balance
 Budget and Actual (GAAP Basis)
 Emergency Management
 Year Ended December 31, 2002
 (With comparative totals for December 31, 2001)



	2002			2001
	Budget	Actual	Variance Favorable (Unfavorable)	Actual
Revenues				
Intergovernmental	\$ 210,224	\$ 218,955	\$ 8,731	\$ 191,483
Miscellaneous	5,000	6,025	1,025	1,764
Total Revenues	<u>215,224</u>	<u>224,980</u>	<u>9,756</u>	<u>193,247</u>
Expenditures				
Current:				
Security of Persons & Property	369,384	331,340	38,044	251,581
Capital Outlay	-	-	-	4,364
Total Expenditures	<u>369,384</u>	<u>331,340</u>	<u>38,044</u>	<u>255,945</u>
Excess (Deficiency) of Revenues Over Expenditures	<u>(154,160)</u>	<u>(106,360)</u>	<u>47,800</u>	<u>(62,698)</u>
Other Financing Sources (Uses)				
Operating Transfer In	127,788	127,788	-	109,352
Operating Transfer Out	-	-	-	(2,248)
Total Other Financing Sources (Uses)	<u>127,788</u>	<u>127,788</u>	<u>-</u>	<u>107,104</u>
Excess (Deficiency) of Revenues & Other Financing Sources Over Expenditures & Other Uses	<u>(26,372)</u>	<u>21,428</u>	<u>47,800</u>	<u>44,406</u>
Fund Balance as of January 1	20,000	127,798	107,798	83,392
Fund Balance as of December 31	<u>\$ (6,372)</u>	<u>\$ 149,226</u>	<u>\$ 155,598</u>	<u>\$ 127,798</u>

Combining Statement of Revenues, Expenditures and
 Changes in Fund Balance
 Budget and Actual (GAAP Basis)
 Sumas Sub-Flood Control Zone District
 Year Ended December 31, 2002
 (With comparative totals for December 31, 2001)



2002			2001
Budget	Actual	Variance Favorable (Unfavorable)	Actual
\$ -	\$ -	\$ -	\$ -
\$ -	\$ -	\$ -	\$ -

Fund Balance as of January 1
Fund Balance as of December 31

Combining Statement of Revenues, Expenditures and
 Changes in Fund Balance
 Budget and Actual (GAAP Basis)
 Point Roberts Fuel Tax
 Year Ended December 31, 2002
 (With comparative totals for December 31, 2001)



	2002			2001
	Budget	Actual	Variance Favorable (Unfavorable)	Actual
Revenues				
Taxes	\$ 26,000	\$ 18,751	\$ (7,249)	\$ 23,976
Total Revenues	<u>26,000</u>	<u>18,751</u>	<u>(7,249)</u>	<u>23,976</u>
Other Financing Sources (Uses)				
Operating Transfer Out	(50,000)	-	50,000	-
Total Other Financing Sources (Uses)	<u>(50,000)</u>	<u>-</u>	<u>50,000</u>	<u>-</u>
Excess (Deficiency) of Revenues & Other Financing Sources Over Expenditures & Other Uses	<u>(24,000)</u>	<u>18,751</u>	<u>42,751</u>	<u>23,976</u>
Fund Balance as of January 1	54,324	51,800	(2,524)	27,824
Fund Balance as of December 31	<u>\$ 30,324</u>	<u>\$ 70,551</u>	<u>\$ 40,227</u>	<u>\$ 51,800</u>

Combining Statement of Revenues, Expenditures and
 Changes in Fund Balance
 Budget and Actual (GAAP Basis)
 Conservation Futures
 Year Ended December 31, 2002
 (With comparative totals for December 31, 2001)



	2002			2001
	Budget	Actual	Variance Favorable (Unfavorable)	Actual
Revenues				
Taxes	\$ 764,150	\$ 748,442	\$ (15,708)	\$ 728,868
Intergovernmental	-	51	51	64
Miscellaneous	-	8,368	8,368	455
Total Revenues	<u>764,150</u>	<u>756,861</u>	<u>(7,289)</u>	<u>729,387</u>
Expenditures				
Current:				
Economic Environment	25,000	20,036	4,964	35,112
Capital Outlay	528,000	458,978	69,022	100,171
Total Expenditures	<u>553,000</u>	<u>479,014</u>	<u>73,986</u>	<u>135,283</u>
Excess (Deficiency) of Revenues Over Expenditures	<u>211,150</u>	<u>277,847</u>	<u>66,697</u>	<u>594,104</u>
Other Financing Sources (Uses)				
Sales of Capital Assets	20,000	22,411	2,411	32,493
Operating Transfer Out	(30,000)	(29,244)	756	-
Total Other Financing Sources (Uses)	<u>(10,000)</u>	<u>(6,833)</u>	<u>3,167</u>	<u>32,493</u>
Excess (Deficiency) of Revenues & Other Financing Sources Over Expenditures & Other Uses	<u>201,150</u>	<u>271,014</u>	<u>69,864</u>	<u>626,597</u>
Fund Balance as of January 1	<u>508,000</u>	<u>1,856,375</u>	<u>1,348,375</u>	<u>1,229,778</u>
Fund Balance as of December 31	<u>\$ 709,150</u>	<u>\$ 2,127,389</u>	<u>\$ 1,418,239</u>	<u>\$ 1,856,375</u>

Combining Statement of Revenues, Expenditures and
 Changes in Fund Balance
 Budget and Actual (GAAP Basis)
 Lake Management District 1
 Year Ended December 31, 2002
 (With comparative totals for December 31, 2001)



	2002			2001
	Budget	Actual	Variance Favorable (Unfavorable)	Actual
Revenues				
Miscellaneous	\$ 1,500	\$ 901	\$ (599)	\$ 1,324
Total Revenues	<u>1,500</u>	<u>901</u>	<u>(599)</u>	<u>1,324</u>
Expenditures				
Current:				
Physical Environment	5,563	4,034	1,529	1,455
Total Expenditures	<u>5,563</u>	<u>4,034</u>	<u>1,529</u>	<u>1,455</u>
Excess (Deficiency) of Revenues Over Expenditures	<u>(4,063)</u>	<u>(3,133)</u>	<u>930</u>	<u>(131)</u>
Fund Balance as of January 1	27,308	27,214	(94)	27,345
Fund Balance as of December 31	<u>\$ 23,245</u>	<u>\$ 24,081</u>	<u>\$ 836</u>	<u>\$ 27,214</u>

Combining Statement of Revenues, Expenditures and
 Changes in Fund Balance
 Budget and Actual (GAAP Basis)
 Road Improvement Districts
 Year Ended December 31, 2002
 (With comparative totals for December 31, 2001)



	2002			2001
	Budget	Actual	Variance Favorable (Unfavorable)	Actual
Revenues				
Taxes	\$ 24,192	\$ 25,076	\$ 884	\$ 25,159
Miscellaneous	5,253	2,408	(2,845)	5,256
Total Revenues	<u>29,445</u>	<u>27,484</u>	<u>(1,961)</u>	<u>30,415</u>
Expenditures				
Current:				
Transportation	25,900	24,628	1,272	23,894
Total Expenditures	<u>25,900</u>	<u>24,628</u>	<u>1,272</u>	<u>23,894</u>
Excess (Deficiency) of Revenues Over Expenditures	3,545	2,856	(689)	6,521
Other Financing Sources (Uses)				
Operating Transfer In	-	72,871	72,871	-
Operating Transfer Out	(1,054)	(1,051)	3	(73,926)
Total Other Financing Sources (Uses)	<u>(1,054)</u>	<u>71,820</u>	<u>72,874</u>	<u>(73,926)</u>
Excess (Deficiency) of Revenues & Other Financing Sources Over Expenditures & Other Uses	2,491	74,676	72,185	(67,405)
Fund Balance as of January 1	122,044	98,150	(23,894)	165,555
Fund Balance as of December 31	<u>\$ 124,535</u>	<u>\$ 172,826</u>	<u>\$ 48,291</u>	<u>\$ 98,150</u>

Combining Statement of Revenues, Expenditures and
 Changes in Fund Balance
 Budget and Actual (GAAP Basis)
 Lynden/Everson Sub-Zone
 Year Ended December 31, 2002
 (With comparative totals for December 31, 2001)



	2002			2001
	Budget	Actual	Variance Favorable (Unfavorable)	Actual
Revenues				
Taxes	\$ 30,838	\$ 32,560	\$ 1,722	\$ 32,438
Total Revenues	<u>30,838</u>	<u>32,560</u>	<u>1,722</u>	<u>32,438</u>
Expenditures				
Current:				
Physical Environment	36,200	12,562	23,638	1,036
Total Expenditures	<u>36,200</u>	<u>12,562</u>	<u>23,638</u>	<u>1,036</u>
Excess (Deficiency) of Revenues Over Expenditures	<u>(5,362)</u>	<u>19,998</u>	<u>25,360</u>	<u>31,402</u>
Fund Balance as of January 1	134,867	140,593	5,726	109,191
Fund Balance as of December 31	<u>\$ 129,505</u>	<u>\$ 160,591</u>	<u>\$ 31,086</u>	<u>\$ 140,593</u>

Combining Statement of Revenues, Expenditures and
 Changes in Fund Balance
 Budget and Actual (GAAP Basis)
 Sumas/Nooksack/Everson Sub-Zone
 Year Ended December 31, 2002
 (With comparative totals for December 31, 2001)



	2002			2001
	Budget	Actual	Variance Favorable (Unfavorable)	Actual
Revenues				
Taxes	\$ 68,795	\$ 72,209	\$ 3,414	\$ 72,478
Total Revenues	<u>68,795</u>	<u>72,209</u>	<u>3,414</u>	<u>72,478</u>
Expenditures				
Current:				
Physical Environment	30,000	14,809	15,191	3,376
Total Expenditures	<u>30,000</u>	<u>14,809</u>	<u>15,191</u>	<u>3,376</u>
Excess (Deficiency) of Revenues Over Expenditures	<u>38,795</u>	<u>57,400</u>	<u>18,605</u>	<u>69,102</u>
Fund Balance as of January 1	216,670	229,772	13,102	160,670
Fund Balance as of December 31	<u>\$ 255,465</u>	<u>\$ 287,172</u>	<u>\$ 31,707</u>	<u>\$ 229,772</u>

Combining Statement of Revenues, Expenditures and
 Changes in Fund Balance
 Budget and Actual (GAAP Basis)
 Acme/Van Zandt Sub-Zone
 Year Ended December 31, 2002
 (With comparative totals for December 31, 2001)



	2002			2001
	Budget	Actual	Variance Favorable (Unfavorable)	Actual
Revenues				
Taxes	\$ 13,200	\$ 13,843	\$ 643	\$ 14,215
Total Revenues	<u>13,200</u>	<u>13,843</u>	<u>643</u>	<u>14,215</u>
Expenditures				
Current:				
Physical Environment	11,000	7,645	3,355	40,919
Total Expenditures	<u>11,000</u>	<u>7,645</u>	<u>3,355</u>	<u>40,919</u>
Excess (Deficiency) of Revenues Over Expenditures	<u>2,200</u>	<u>6,198</u>	<u>3,998</u>	<u>(26,704)</u>
Fund Balance as of January 1	16,916	11,212	(5,704)	37,916
Fund Balance as of December 31	<u>\$ 19,116</u>	<u>\$ 17,410</u>	<u>\$ (1,706)</u>	<u>\$ 11,212</u>

Combining Balance Sheet
 Non-Major Debt Service Funds
 December 31, 2002

	1977 Fair GO Bond	1978 Ltd. Tax GO Bond	1982 Ltd. Tax GO Bond	1981 Ltd. Tax GO Bond	1983 Ltd. Tax GO Bond	CRID No. 4 General Debt
Assets						
Cash and cash equivalents	\$ 30,890	\$ 22,312	\$ 8,406	\$ -	\$ 5,271	\$ 219
Taxes receivable	11	-	-	-	-	-
Special assessments	-	-	-	-	-	-
Total Assets	\$ 30,901	\$ 22,312	\$ 8,406	\$ -	\$ 5,271	\$ 219
Liabilities and fund balance						
Liabilities						
Deferred revenue	\$ 11	\$ -	\$ -	\$ -	\$ -	\$ -
Total liabilities	11	-	-	-	-	-
Fund balances						
Reserved for:						
Debt service	30,890	22,312	8,406	-	5,271	219
Total fund balance	30,890	22,312	8,406	-	5,271	219
Total liabilities and fund balance	\$ 30,901	\$ 22,312	\$ 8,406	\$ -	\$ 5,271	\$ 219

CRID No. 5 General Debt	CRID No. 9 General Debt	LRID No. 10 General Debt	1991 Ltd. Tax GO Bond	1993 Ltd. Tax GO Bond	1997 Ltd. Tax GO Bond	1998 Ltd. Tax GO Bond	Total Non Major Debt Service Funds
\$ 14,602	\$ 116,877	\$ 44,807	\$ 1,337	\$ 64	\$ 395	\$ 46	\$ 245,226
-	-	-	-	-	-	-	11
1,391	-	-	-	-	-	-	1,391
<u>\$ 15,993</u>	<u>\$ 116,877</u>	<u>\$ 44,807</u>	<u>\$ 1,337</u>	<u>\$ 64</u>	<u>\$ 395</u>	<u>\$ 46</u>	<u>\$ 246,628</u>
\$ 1,391	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 1,402
1,391	-	-	-	-	-	-	1,402
14,602	116,877	44,807	1,337	64	395	46	245,226
14,602	116,877	44,807	1,337	64	395	46	245,226
<u>\$ 15,993</u>	<u>\$ 116,877</u>	<u>\$ 44,807</u>	<u>\$ 1,337</u>	<u>\$ 64</u>	<u>\$ 395</u>	<u>\$ 46</u>	<u>\$ 246,628</u>

Combining Statement of Revenues, Expenditures, and
 Changes in Fund Balance
 Non-Major Debt Service Funds
 Year Ended December 31, 2002

	1977 Fair GO Bond	1978 Ltd. Tax GO Bond	1981 Ltd. Tax GO Bond	1982 Ltd. Tax GO Bond	1983 Ltd. Tax GO Bond	CRID No. 4 General Debt
Revenues						
Miscellaneous	\$ 6	\$ -	\$ -	\$ -	\$ -	\$ -
Total revenues	6	-	-	-	-	-
Expenditures						
Debt service:						
Principal	-	-	-	-	-	-
Interest	-	-	-	-	-	-
Total expenditures	-	-	-	-	-	-
Excess (deficiency) of revenues over expenditures	6	-	-	-	-	-
Other financing sources (uses)						
Transfers in	-	-	-	-	-	-
Transfers out	-	-	-	-	-	-
Total other financing sources (uses)	-	-	-	-	-	-
Excess (deficiency) of revenues & other financing sources over expenditures & other uses	6	-	-	-	-	-
Fund balance as of January 1	30,884	22,312	-	8,406	5,271	219
Fund balance as of December 31	\$ 30,890	\$ 22,312	\$ -	\$ 8,406	\$ 5,271	\$ 219

Combining Statement of Revenues, Expenditures, and
 Changes in Fund Balance
 Non-Major Debt Service Funds
 Year Ended December 31, 2002



CRID No. 5 General Debt	CRID No. 9 General Debt	LRID No. 10 General Debt	1991 Ltd. Tax GO Bond	1993 Ltd. Tax GO Bond	1997 Ltd. Tax GO Bond	1998 Ltd. Tax GO Bond	Total Non Major Debt Service Funds
\$ -	\$ 116,671	\$ 81,527	\$ 161	\$ -	\$ -	\$ -	\$ 198,365
-	116,671	81,527	161	-	-	-	198,365
-	-	115,000	-	310,000	710,000	125,000	1,260,000
-	-	9,205	-	251,152	479,333	128,413	868,103
-	-	124,205	-	561,152	1,189,333	253,413	2,128,103
-	116,671	(42,678)	161	(561,152)	(1,189,333)	(253,413)	(1,929,738)
-	-	9,366	-	560,985	1,189,428	253,160	2,012,939
-	(348,204)	(36,874)	-	-	-	-	(385,078)
-	(348,204)	(27,508)	-	560,985	1,189,428	253,160	1,627,861
-	(231,533)	(70,186)	161	(167)	95	(253)	(301,877)
14,602	348,410	114,993	1,176	231	300	299	547,103
<u>\$ 14,602</u>	<u>\$ 116,877</u>	<u>\$ 44,807</u>	<u>\$ 1,337</u>	<u>\$ 64</u>	<u>\$ 395</u>	<u>\$ 46</u>	<u>\$ 245,226</u>

Combining Statement of Revenues, Expenditures and
 Changes in Fund Balance
 Budget and Actual (GAAP Basis)
 1977 Fair General Obligation Bond
 Year Ended December 31, 2002
 (With comparative totals for December 31, 2001)



	2002			2001
	Budget	Actual	Variance Favorable (Unfavorable)	Actual
Revenues				
Taxes	\$ -	\$ -	\$ -	\$ 4
Miscellaneous	-	6	6	23
Total Revenues	-	6	6	27
Excess (Deficiency) of Revenues Over Expenditures	-	6	6	27
Fund Balance as of January 1	-	30,884	30,884	30,857
Fund Balance as of December 31	\$ -	\$ 30,890	\$ 30,890	\$ 30,884

Combining Statement of Revenues, Expenditures and
 Changes in Fund Balance
 Budget and Actual (GAAP Basis)
 1978 Ltd. Tax General Obligation Bond
 Year Ended December 31, 2002
 (With comparative totals for December 31, 2001)



Fund Balance as of January 1
Fund Balance as of December 31

2002			2001
Budget	Actual	Variance Favorable (Unfavorable)	Actual
\$ -	\$ 22,312	\$ 22,312	\$ 22,312
\$ -	\$ 22,312	\$ 22,312	\$ 22,312

Combining Statement of Revenues, Expenditures and
 Changes in Fund Balance
 Budget and Actual (GAAP Basis)
 1981 Ltd. Tax General Obligation Bond
 Year Ended December 31, 2002
 (With comparative totals for December 31, 2001)



2002			2001
Budget	Actual	Variance Favorable (Unfavorable)	Actual

Fund Balance as of January 1
Fund Balance as of December 31

\$ -	\$ -	\$ -	\$ -
\$ -	\$ -	\$ -	\$ -

Combining Statement of Revenues, Expenditures and
 Changes in Fund Balance
 Budget and Actual (GAAP Basis)
 1982 Ltd. Tax General Obligation Bond
 Year Ended December 31, 2002
 (With comparative totals for December 31, 2001)



	2002			2001
	Budget	Actual	Variance Favorable (Unfavorable)	Actual
Revenues				
Miscellaneous	\$ -	\$ -	\$ -	\$ 944
Total Revenues	-	-	-	944
Expenditures				
Debt Service:				
Interest	500	-	500	-
Total Expenditures	500	-	500	-
Excess (Deficiency) of Revenues Over Expenditures	(500)	-	500	944
Fund Balance as of January 1	-	8,406	8,406	7,462
Fund Balance as of December 31	<u>\$ (500)</u>	<u>\$ 8,406</u>	<u>\$ 8,906</u>	<u>\$ 8,406</u>

Combining Statement of Revenues, Expenditures and
 Changes in Fund Balance
 Budget and Actual (GAAP Basis)
 1983 Ltd. Tax General Obligation Bond
 Year Ended December 31, 2002
 (With comparative totals for December 31, 2001)



Fund Balance as of January 1
Fund Balance as of December 31

2002			2001
Budget	Actual	Variance Favorable (Unfavorable)	Actual
\$ -	\$ 5,271	\$ 5,271	\$ 5,271
\$ -	\$ 5,271	\$ 5,271	\$ 5,271

Combining Statement of Revenues, Expenditures and
 Changes in Fund Balance
 Budget and Actual (GAAP Basis)
 C.R.I.D. No. 4 General Debt
 Year Ended December 31, 2002
 (With comparative totals for December 31, 2001)



Fund Balance as of January 1
Fund Balance as of December 31

2002			2001
Budget	Actual	Variance Favorable (Unfavorable)	Actual
\$ -	\$ 219	\$ 219	\$ 219
<u>\$ -</u>	<u>\$ 219</u>	<u>\$ 219</u>	<u>\$ 219</u>

Combining Statement of Revenues, Expenditures and
 Changes in Fund Balance
 Budget and Actual (GAAP Basis)
 C.R.I.D. No. 5 General Debt
 Year Ended December 31, 2002
 (With comparative totals for December 31, 2001)



Fund Balance as of January 1
Fund Balance as of December 31

2002			2001
Budget	Actual	Variance Favorable (Unfavorable)	Actual
\$ -	\$ 14,602	\$ 14,602	\$ 14,602
\$ -	\$ 14,602	\$ 14,602	\$ 14,602

Combining Statement of Revenues, Expenditures and
 Changes in Fund Balance
 Budget and Actual (GAAP Basis)
 C.R.I.D. No. 9 General Debt
 Year Ended December 31, 2002
 (With comparative totals for December 31, 2001)



	2002			2001
	Budget	Actual	Variance Favorable (Unfavorable)	Actual
Revenues				
Miscellaneous	\$ 177,550	\$ 116,671	\$ (60,879)	\$ 467,951
Total Revenues	<u>177,550</u>	<u>116,671</u>	<u>(60,879)</u>	<u>467,951</u>
Excess (Deficiency) of Revenues Over Expenditures	<u>177,550</u>	<u>116,671</u>	<u>(60,879)</u>	<u>467,951</u>
Other Financing Sources (Uses)				
Operating Transfer Out	(348,207)	(348,204)	3	(141,833)
Total Other Financing Sources (Uses)	<u>(348,207)</u>	<u>(348,204)</u>	<u>3</u>	<u>(141,833)</u>
Excess (Deficiency) of Revenues & Other Financing Sources Over Expenditures & Other Uses	<u>(170,657)</u>	<u>(231,533)</u>	<u>(60,876)</u>	<u>326,118</u>
Fund Balance as of January 1	170,377	348,410	178,033	22,292
Fund Balance as of December 31	<u>\$ (280)</u>	<u>\$ 116,877</u>	<u>\$ 117,157</u>	<u>\$ 348,410</u>

Combining Statement of Revenues, Expenditures and
 Changes in Fund Balance
 Budget and Actual (GAAP Basis)
 L.R.I.D. No. 10 General Debt
 Year Ended December 31, 2002
 (With comparative totals for December 31, 2001)



	2002			2001
	Budget	Actual	Variance Favorable (Unfavorable)	Actual
Revenues				
Miscellaneous	\$ 46,465	\$ 81,527	\$ 35,062	\$ 118,976
Total Revenues	<u>46,465</u>	<u>81,527</u>	<u>35,062</u>	<u>118,976</u>
Expenditures				
Debt Service:				
Principal	115,000	115,000	-	50,000
Interest	9,240	9,205	35	12,629
Total Expenditures	<u>124,240</u>	<u>124,205</u>	<u>35</u>	<u>62,629</u>
Excess (Deficiency) of Revenues Over Expenditures	<u>(77,775)</u>	<u>(42,678)</u>	<u>35,097</u>	<u>56,347</u>
Other Financing Sources (Uses)				
Operating Transfer In	9,500	9,366	(134)	36,874
Operating Transfer Out	(36,874)	(36,874)	-	-
Total Other Financing Sources (Uses)	<u>(27,374)</u>	<u>(27,508)</u>	<u>(134)</u>	<u>36,874</u>
Excess (Deficiency) of Revenues & Other Financing Sources Over Expenditures & Other Uses	<u>(105,149)</u>	<u>(70,186)</u>	<u>34,963</u>	<u>93,221</u>
Fund Balance as of January 1	152,114	114,993	(37,121)	21,772
Fund Balance as of December 31	<u>\$ 46,965</u>	<u>\$ 44,807</u>	<u>\$ (2,158)</u>	<u>\$ 114,993</u>

Combining Statement of Revenues, Expenditures and
 Changes in Fund Balance
 Budget and Actual (GAAP Basis)
 1991 Ltd. Tax General Obligation Bond
 Year Ended December 31, 2002
 (With comparative totals for December 31, 2001)



	2002			2001
	Budget	Actual	Variance Favorable (Unfavorable)	Actual
Revenues				
Miscellaneous	\$ -	\$ 161	\$ 161	\$ 880
Total Revenues	-	161	161	880
Expenditures				
Debt Service:				
Principal	-	-	-	500,000
Interest	500	-	500	37,961
Total Expenditures	500	-	500	537,961
Excess (Deficiency) of Revenues Over Expenditures	(500)	161	661	(537,081)
Other Financing Sources (Uses)				
Operating Transfer In	-	-	-	537,500
Total Other Financing Sources (Uses)	-	-	-	537,500
Excess (Deficiency) of Revenues & Other Financing Sources Over Expenditures & Other Uses	(500)	161	661	419
Fund Balance as of January 1	-	1,176	1,176	757
Fund Balance as of December 31	\$ (500)	\$ 1,337	\$ 1,837	\$ 1,176

Combining Statement of Revenues, Expenditures and
 Changes in Fund Balance
 Budget and Actual (GAAP Basis)
 1993 Ltd. Tax General Obligation Bond
 Year Ended December 31, 2002
 (With comparative totals for December 31, 2001)



	2002			2001
	Budget	Actual	Variance Favorable (Unfavorable)	Actual
Expenditures				
Debt Service:				
Principal	\$ 310,000	\$ 310,000	\$ -	\$ 295,000
Interest	251,485	251,152	333	265,043
Total Expenditures	<u>561,485</u>	<u>561,152</u>	<u>333</u>	<u>560,043</u>
Excess (Deficiency) of Revenues Over Expenditures	<u>(561,485)</u>	<u>(561,152)</u>	<u>333</u>	<u>(560,043)</u>
Other Financing Sources (Uses)				
Operating Transfer In	561,485	560,985	(500)	559,998
Total Other Financing Sources (Uses)	<u>561,485</u>	<u>560,985</u>	<u>(500)</u>	<u>559,998</u>
Excess (Deficiency) of Revenues & Other Financing Sources Over Expenditures & Other Uses	<u>-</u>	<u>(167)</u>	<u>(167)</u>	<u>(45)</u>
Fund Balance as of January 1	-	231	231	276
Fund Balance as of December 31	<u>\$ -</u>	<u>\$ 64</u>	<u>\$ 64</u>	<u>\$ 231</u>

Combining Statement of Revenues, Expenditures and
 Changes in Fund Balance
 Budget and Actual (GAAP Basis)
 1997 Ltd. Tax General Obligation Bond
 Year Ended December 31, 2002
 (With comparative totals for December 31, 2001)



	2002			2001
	Budget	Actual	Variance Favorable (Unfavorable)	Actual
Expenditures				
Debt Service:				
Principal	\$ 710,000	\$ 710,000	\$ -	\$ 140,000
Interest	479,428	479,333	95	501,564
Total Expenditures	<u>1,189,428</u>	<u>1,189,333</u>	<u>95</u>	<u>641,564</u>
Excess (Deficiency) of Revenues Over Expenditures	<u>(1,189,428)</u>	<u>(1,189,333)</u>	<u>95</u>	<u>(641,564)</u>
Other Financing Sources (Uses)				
Operating Transfer In	1,189,428	1,189,428	-	641,736
Total Other Financing Sources (Uses)	<u>1,189,428</u>	<u>1,189,428</u>	<u>-</u>	<u>641,736</u>
Excess (Deficiency) of Revenues & Other Financing Sources Over Expenditures & Other Uses	<u>-</u>	<u>95</u>	<u>95</u>	<u>172</u>
Fund Balance as of January 1	-	300	300	128
Fund Balance as of December 31	<u>\$ -</u>	<u>\$ 395</u>	<u>\$ 395</u>	<u>\$ 300</u>

Combining Statement of Revenues, Expenditures and
 Changes in Fund Balance
 Budget and Actual (GAAP Basis)
 1998 Ltd. Tax General Obligation Bond
 Year Ended December 31, 2002
 (With comparative totals for December 31, 2001)



	2002			2001
	Budget	Actual	Variance Favorable (Unfavorable)	Actual
Expenditures				
Debt Service:				
Principal	\$ 125,000	\$ 125,000	\$ -	\$ 125,000
Interest	128,660	128,413	247	132,948
Total Expenditures	<u>253,660</u>	<u>253,413</u>	<u>247</u>	<u>257,948</u>
Excess (Deficiency) of Revenues Over Expenditures	(253,660)	(253,413)	247	(257,948)
Other Financing Sources (Uses)				
Operating Transfer In	253,660	253,160	(500)	257,848
Total Other Financing Sources (Uses)	<u>253,660</u>	<u>253,160</u>	<u>(500)</u>	<u>257,848</u>
Excess (Deficiency) of Revenues & Other Financing Sources Over Expenditures & Other Uses	-	(253)	(253)	(100)
Fund Balance as of January 1	-	299	299	399
Fund Balance as of December 31	<u>\$ -</u>	<u>\$ 46</u>	<u>\$ 46</u>	<u>\$ 299</u>



Combining Balance Sheet
 Non-Major Capital Project Funds
 December 31, 2002

	1983 Sewer Construction	Real Estate Excise Tax	Courthouse Construction	Road Improvement Dist. No. 10 Construction	County Park Improvement
Assets					
Cash and cash equivalents	\$ -	\$ 1,849,396	\$ 43	\$ -	\$ 1,009
Investments at cost	-	-	-	-	31,860
Interest receivable	-	-	-	-	97
Long-term assets					
Investment in joint ventures	-	40,769	-	-	-
Total Assets	\$ -	\$ 1,890,165	\$ 43	\$ -	\$ 32,966
Liabilities and fund balance					
Liabilities					
Accounts payable	\$ -	\$ -	\$ -	\$ -	\$ -
Revenue collected in advance	-	-	-	-	51
Total liabilities	-	-	-	-	51
Fund balances					
Reserved for:					
Encumbrances	-	-	-	-	-
Unreserved, reported in:					
Capital Projects	-	1,890,165	43	-	32,915
Total fund balance	-	1,890,165	43	-	32,915
Total liabilities and fund balance	\$ -	\$ 1,890,165	\$ 43	\$ -	\$ 32,966

Combining Balance Sheet
 Non-Major Capital Project Funds
 December 31, 2002

Civic Center Building Improvement	Public Utilities Improvement	Total Non Major Capital Project Funds
\$ 769,074	\$ 5,319,084	\$ 7,938,606
-	-	31,860
-	-	97
-	-	40,769
<u>\$ 769,074</u>	<u>\$ 5,319,084</u>	<u>\$ 8,011,332</u>
\$ -	\$ 14,727	\$ 14,727
-		51
-	14,727	14,778
37,894	402,102	439,996
731,180	4,902,255	7,556,558
<u>769,074</u>	<u>5,304,357</u>	<u>7,996,554</u>
<u>\$ 769,074</u>	<u>\$ 5,319,084</u>	<u>\$ 8,011,332</u>

Combining Statement of Revenues, Expenditures and
 Changes in Fund Balance
 Non-Major Capital Project Funds
 Year Ended December 31, 2002

	1983 Sewer Construction	Real Estate Excise Tax	Courthouse Construction	Road Improvement District No. 10 Construction	County Park Improvement
Revenues					
Taxes	\$ -	\$ 1,192,147	\$ -	\$ -	\$ -
Miscellaneous	36	-	-	96	25,022
Total revenues	36	1,192,147	-	96	25,022
Expenditures					
Current:					
General government					
Culture and recreation	-	-	-	-	1,472
Total expenditures	-	-	-	-	1,472
Excess (deficiency) of revenues over expenditures	36	1,192,147	-	96	23,550
Other financing sources (uses)					
Transfers out	(88)	(689,428)	-	(9,366)	-
Total other financing sources (uses)	(88)	(689,428)	-	(9,366)	-
Excess (deficiency) of revenues & other financing sources over expenditures & other uses	(52)	502,719	-	(9,270)	23,550
Fund balance as of January 1	52	1,387,446	43	9,270	9,365
Fund balance as of December 31	\$ -	\$ 1,890,165	\$ 43	\$ -	\$ 32,915

Combining Statement of Revenues, Expenditures and
 Changes in Fund Balance
 Non-Major Capital Project Funds
 Year Ended December 31, 2002

Civic Center Building Improvement	Public Utilities Improvement	Total Non Major Capital Project Funds
\$ -	\$ 1,881,126	\$ 3,073,273
-		25,154
-	1,881,126	3,098,427
	15,089	15,089
-	-	1,472
-	15,089	16,561
-	1,866,037	3,081,866
-	(90,000)	(788,882)
-	(90,000)	(788,882)
-	1,776,037	2,292,984
769,074	3,528,320	5,703,570
<u>\$ 769,074</u>	<u>\$ 5,304,357</u>	<u>\$ 7,996,554</u>

Combining Statement of Revenues, Expenditures and
 Changes in Fund Balance
 Budget and Actual (GAAP Basis)
 1983 Sewer Construction
 Year Ended December 31, 2002
 (With comparative totals for December 31, 2001)



	2002			2001
	Budget	Actual	Variance Favorable (Unfavorable)	Actual
Revenues				
Miscellaneous	\$ 800	\$ 36	\$ (764)	\$ 680
Total Revenues	<u>800</u>	<u>36</u>	<u>(764)</u>	<u>680</u>
Other Financing Sources (Uses)				
Operating Transfer Out	(14,000)	(88)	13,912	(13,768)
Total Other Financing Sources (Uses)	<u>(14,000)</u>	<u>(88)</u>	<u>13,912</u>	<u>(13,768)</u>
Excess (Deficiency) of Revenues & Other Financing Sources Over Expenditures & Other Uses	<u>(13,200)</u>	<u>(52)</u>	<u>13,148</u>	<u>(13,088)</u>
Fund Balance as of January 1	-	52	52	13,140
Fund Balance as of December 31	<u>\$ (13,200)</u>	<u>\$ -</u>	<u>\$ 13,200</u>	<u>\$ 52</u>

Combining Statement of Revenues, Expenditures and
 Changes in Fund Balance
 Budget and Actual (GAAP Basis)
 Real Estate Excise Tax
 Year Ended December 31, 2002
 (With comparative totals for December 31, 2001)



	2002			2001
	Budget	Actual	Variance Favorable (Unfavorable)	Actual
Revenues				
Taxes	\$ 900,000	\$ 1,192,147	\$ 292,147	\$ 1,021,602
Total Revenues	<u>900,000</u>	<u>1,192,147</u>	<u>292,147</u>	<u>1,021,602</u>
Other Financing Sources (Uses)				
Operating Transfer Out	(689,428)	(689,428)	-	(665,847)
Total Other Financing Sources (Uses)	<u>(689,428)</u>	<u>(689,428)</u>	<u>-</u>	<u>(665,847)</u>
Excess (Deficiency) of Revenues & Other Financing Sources Over Expenditures & Other Uses	<u>210,572</u>	<u>502,719</u>	<u>292,147</u>	<u>355,755</u>
Fund Balance as of January 1	-	1,387,446	1,387,446	1,031,691
Fund Balance as of December 31	<u>\$ 210,572</u>	<u>\$ 1,890,165</u>	<u>\$ 1,679,593</u>	<u>\$ 1,387,446</u>

Combining Statement of Revenues, Expenditures and
 Changes in Fund Balance
 Budget and Actual (GAAP Basis)
 Courthouse Construction
 Year Ended December 31, 2002
 (With comparative totals for December 31, 2001)



Fund Balance as of January 1
Fund Balance as of December 31

2002			2001
Budget	Actual	Variance Favorable (Unfavorable)	Actual
\$ -	\$ 43	\$ 43	\$ 43
\$ -	\$ 43	\$ 43	\$ 43

Combining Statement of Revenues, Expenditures and
 Changes in Fund Balance
 Budget and Actual (GAAP Basis)
 Road Improvement District No. 10 Construction
 Year Ended December 31, 2002
 (With comparative totals for December 31, 2001)



	2002			2001
	Budget	Actual	Variance Favorable (Unfavorable)	Actual
Revenues				
Miscellaneous	\$ 200	\$ 96	\$ (104)	\$ 457
Total Revenues	<u>200</u>	<u>96</u>	<u>(104)</u>	<u>457</u>
Excess (Deficiency) of Revenues Over Expenditures	<u>200</u>	<u>96</u>	<u>(104)</u>	<u>457</u>
Other Financing Sources (Uses)				
Operating Transfer Out	(9,500)	(9,366)	134	-
Total Other Financing Sources (Uses)	<u>(9,500)</u>	<u>(9,366)</u>	<u>134</u>	<u>-</u>
Excess (Deficiency) of Revenues & Other Financing Sources Over Expenditures & Other Uses	<u>(9,300)</u>	<u>(9,270)</u>	<u>30</u>	<u>457</u>
Fund Balance as of January 1	9,300	9,270	(30)	8,813
Fund Balance as of December 31	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 9,270</u>

Combining Statement of Revenues, Expenditures and
 Changes in Fund Balance
 Budget and Actual (GAAP Basis)
 County Parks Improvement
 Year Ended December 31, 2002
 (With comparative totals for December 31, 2001)



	2002			2001
	Budget	Actual	Variance Favorable (Unfavorable)	Actual
Revenues				
Miscellaneous	\$ 1,000	\$ 25,022	\$ 24,022	\$ (683)
Total Revenues	<u>1,000</u>	<u>25,022</u>	<u>24,022</u>	<u>(683)</u>
Expenditures				
Current:				
Culture & Recreation	10,000	1,472	8,528	-
Capital Outlay	11,472	-	11,472	33,544
Total Expenditures	<u>21,472</u>	<u>1,472</u>	<u>20,000</u>	<u>33,544</u>
Excess (Deficiency) of Revenues Over Expenditures	<u>(20,472)</u>	<u>23,550</u>	<u>44,022</u>	<u>(34,227)</u>
Excess (Deficiency) of Revenues & Other Financing Sources Over Expenditures & Other Uses	<u>(20,472)</u>	<u>23,550</u>	<u>44,022</u>	<u>(34,227)</u>
Fund Balance as of January 1	1,472	9,365	7,893	43,592
Fund Balance as of December 31	<u><u>\$ (19,000)</u></u>	<u><u>\$ 32,915</u></u>	<u><u>\$ 51,915</u></u>	<u><u>\$ 9,365</u></u>

Combining Statement of Revenues, Expenditures and
 Changes in Fund Balance
 Budget and Actual (GAAP Basis)
 Civic Center Building Improvement
 Year Ended December 31, 2002
 (With comparative totals for December 31, 2001)



	2002			2001
	Budget	Actual	Variance Favorable (Unfavorable)	Actual
Expenditures				
Current:				
Capital Outlay	\$ 107,236	\$ -	\$ 107,236	\$ -
Total Expenditures	<u>107,236</u>	<u>-</u>	<u>107,236</u>	<u>-</u>
Excess (Deficiency) of Revenues Over Expenditures	<u>(107,236)</u>	<u>-</u>	<u>107,236</u>	<u>-</u>
Excess (Deficiency) of Revenues & Other Financing Sources Over Expenditures & Other Uses	<u>(107,236)</u>	<u>-</u>	<u>107,236</u>	<u>-</u>
Fund Balance as of January 1	107,236	769,074	661,838	769,074
Fund Balance as of December 31	<u>\$ -</u>	<u>\$ 769,074</u>	<u>\$ 769,074</u>	<u>\$ 769,074</u>

Combining Statement of Revenues, Expenditures and
 Changes in Fund Balance
 Budget and Actual (GAAP Basis)
 Public Utilities Improvement
 Year Ended December 31, 2002
 (With comparative totals for December 31, 2001)



	2002			2001
	Budget	Actual	Variance Favorable (Unfavorable)	Actual
Revenues				
Taxes	\$ 1,600,000	\$ 1,881,126	\$ 281,126	\$ 1,814,414
Intergovernmental	50,000	-	(50,000)	-
Total Revenues	<u>1,650,000</u>	<u>1,881,126</u>	<u>231,126</u>	<u>1,814,414</u>
Expenditures				
Current:				
General Government	348,927	15,089	333,838	-
Capital Outlay	343,264	-	343,264	162,283
Total Expenditures	<u>692,191</u>	<u>15,089</u>	<u>677,102</u>	<u>162,283</u>
Excess (Deficiency) of Revenues Over Expenditures	<u>957,809</u>	<u>1,866,037</u>	<u>908,228</u>	<u>1,652,131</u>
Other Financing Sources (Uses)				
Operating Transfer Out	(90,000)	(90,000)	-	-
Total Other Financing Sources (Uses)	<u>(90,000)</u>	<u>(90,000)</u>	<u>-</u>	<u>-</u>
Excess (Deficiency) of Revenues & Other Financing Sources Over Expenditures & Other Uses	<u>867,809</u>	<u>1,776,037</u>	<u>908,228</u>	<u>1,652,131</u>
Fund Balance as of January 1	642,191	3,528,320	2,886,129	1,876,189
Fund Balance as of December 31	<u>\$ 1,510,000</u>	<u>\$ 5,304,357</u>	<u>\$ 3,794,357</u>	<u>\$ 3,528,320</u>

	Equipment Rental	Whatcom County Supplemental Retirement	Administrative Services	Total
Assets				
Current Assets				
Cash & Equivalents	\$ 5,829,003	\$ 241,122	\$ 9,212,619	\$ 15,282,744
Investments At Cost	-	-	1,406,760	1,406,760
Accounts Receivable	235	-	83,476	83,711
Interest Receivable	-	-	4,241	4,241
Due From Other Funds	27,222	-	44,572	71,794
Due From Other Governments	1,246	-	-	1,246
Employee Advances	821	-	2,405	3,226
Inventory	1,224,974	-	14,736	1,239,710
Prepayments	-	-	7	7
Total Current Assets	7,083,501	241,122	10,768,816	18,093,439
Noncurrent Assets				
Land	755,331	-	-	755,331
Building & Structures (Net)	1,358,386	-	12,932	1,371,318
Capital Leases (Net)	-	-	318,362	318,362
Other Improvements (Net)	304,385	-	13,998	318,383
Machinery & Equipment (Net)	5,084,133	-	407,606	5,491,739
Total Noncurrent Assets	7,502,235	-	752,898	8,255,133
Total Assets	14,585,736	241,122	11,521,714	26,348,572
Liabilities				
Current Liabilities				
Accounts Payable	383,403	-	586,560	969,963
Claims Cost Payable	-	-	2,655,311	2,655,311
Due to Other Funds	21,329	-	-	21,329
Due to Other Governments	1,800	-	4,367	6,167
Total Current Liabilities	406,532	-	3,246,238	3,652,770
Noncurrent Liabilities				
Employee Leave Benefits	150,425	-	243,191	393,616
Other Long-Term Liabilities	-	-	318,026	318,026
Total Noncurrent Liabilities	150,425	-	561,217	711,642
Total Liabilities	556,957	-	3,807,455	4,364,412
Net Assets				
Invested in capital assets, net of related debt	7,502,235	-	752,898	8,255,133
Unrestricted	6,526,544	241,122	6,961,361	13,729,027
Total Net Assets	\$ 14,028,779	\$ 241,122	\$ 7,714,259	\$ 21,984,160

Combining Statement of Revenues, Expenditures and
Changes in Net Assets
Internal Service Funds
Year Ended December 31, 2002



	Equipment Rental	Whatcom County Supplemental Retirement	Administrative Services	Total
Operating Revenue				
Charges for Service	\$ 3,767,024	\$ -	\$ 5,017,047	\$ 8,784,071
Rents and Parking	3,970,554	-	649,331	4,619,885
Insurance Premiums	34,041	-	5,146,362	5,180,403
Other Miscellaneous Revenues	5,151	-	78,849	84,000
Total Operating Revenues	<u>7,776,770</u>	<u>-</u>	<u>10,891,589</u>	<u>18,668,359</u>
General Operations	5,259,890	158,916	10,213,840	15,632,646
General Administration	485,279	-	-	485,279
Depreciation	1,204,765	-	352,980	1,557,745
Total Operating Expenses	<u>6,949,934</u>	<u>158,916</u>	<u>10,566,820</u>	<u>17,675,670</u>
Operating Income (Loss)	<u>826,836</u>	<u>(158,916)</u>	<u>324,769</u>	<u>992,689</u>
Non-Operating Revenues (Expenses)				
Gain (Loss) on Sale of Capital Assets	15,107	-	-	15,107
Interest Revenue	1,097	-	50,979	52,076
Interest Expense	-	-	(11,633)	(11,633)
Total Non-Operating Revenues (Expenses)	<u>16,204</u>	<u>-</u>	<u>39,346</u>	<u>55,550</u>
Income (loss) Before Contributions and Transfers	<u>843,040</u>	<u>(158,916)</u>	<u>364,115</u>	<u>1,048,239</u>
Capital Contributions	3,251	-	-	3,251
Transfers In	63,648	50,000	2,414,830	2,528,478
Transfers Out	(40,033)	-	(372,000)	(412,033)
Changes in net assets	<u>869,906</u>	<u>(108,916)</u>	<u>2,406,945</u>	<u>3,167,935</u>
Total net assets-beginning	<u>13,158,873</u>	<u>350,038</u>	<u>5,307,314</u>	<u>18,816,225</u>
Total net assets-ending	<u>\$ 14,028,779</u>	<u>\$ 241,122</u>	<u>\$ 7,714,259</u>	<u>\$ 21,984,160</u>

	Equipment Rental	Whatcom Co. Supplemental Retirement	Administrative Services	Total
Cash Flows From Operating Activities:				
Cash Received From Customers	\$ 7,862,405	\$ -	\$ 12,580,112	\$20,442,517
Cash Payments For Goods And Services	(5,299,689)	-	(7,755,691)	(13,055,380)
Cash Payments To Employees	(864,284)	(158,916)	(2,980,809)	(4,004,009)
Net Cash Provided by Operating Activities	1,698,432	(158,916)	1,843,612	3,383,128
Cash Flows From Non-Capital Financing Activities:				
Transfers In	-	50,000	2,414,829	2,464,829
Transfers Out	(40,033)	-	(372,000)	(412,033)
Interest received on rentals	1,003	-	-	1,003
Net Cash Provided by Non-Capital Financing Activities:	(39,030)	50,000	2,042,829	2,053,799
Cash Flows From Capital Financing Activities:				
Interest Paid on Lease Purchase	-	-	(11,633)	(11,633)
Contributions From Other Funds	3,251	-	-	3,251
Proceeds From Sale of Assets	146,521	-	-	146,521
Transfer In (Out)	63,648	-	-	63,648
Payments For Capital Assets	(1,487,388)	-	(369,159)	(1,856,547)
Net Cash Used by Capital Financing Activities:	(1,273,968)	-	(380,792)	(1,654,760)
Cash Flows From Investing Activities:				
Purchase of Investment Securities	-	-	(50,979)	(50,979)
Interest on investments	-	-	50,979	50,979
Total Cash Flows From Investing Activities	-	-	-	-
Net Increase (Decrease) in Cash and Cash Equivalents	385,434	(108,916)	3,505,649	3,782,167
Balances - Beginning of the Year	5,443,569	350,038	5,706,970	11,500,577
Balances - End of the Year	\$ 5,829,003	\$ 241,122	\$ 9,212,619	\$15,282,744
Reconciliation Of Operating Income (Loss) To Net Cash Provided (Used) By Operating Activities:				
Operating Income (Loss)	\$ 826,836	\$ (158,916)	\$ 324,769	\$ 992,689
Adjustments To Reconcile Operating Income to Net Cash Provided by Operating Activities:				
Depreciation Expense	1,204,765	-	352,980	1,557,745
Change in Assets and Liabilities:				
Receivables	85,635	-	1,688,523	1,774,158
Inventories	(564,997)	-	2,008	(562,989)
Accounts and Other Payables	131,037	-	(540,336)	(409,299)
Accrued Expenses	15,156	-	15,668	30,824
Net Cash Provided By Operating Activities	\$ 1,698,432	\$ (158,916)	\$ 1,843,612	\$ 3,383,128
Noncash Investing & Capital Financing Activities:				
Lease Purchases	\$ -	\$ -	\$ (122,584)	\$ (122,584)
Total Noncash Investing & Capital Financing Activities:	\$ -	\$ -	\$ (122,584)	\$ (122,584)

Combining Balance Sheet
 Agency Funds
 December 31, 2002

	Cemetery Districts	Drainage, Diking & Flood Cntr Districts	Park & Recreation Districts	Watershed Mgmt Prjt Joint Brd	Rural Library	Northwest Regional Council
Assets						
Current Assets						
Cash & Equivalents	\$ 601,291	\$ 145,698	\$ 48,443	\$ 1,648,448	\$ 15,837	\$ 1,025,477
Deposits With Fiscal Agent	-	-	-	-	-	-
Investments At Cost	914,147	493,142	697,788	-	4,790,330	370,867
Accounts Receivable (Net)	-	-	-	-	-	-
Total Assets	\$ 1,515,438	\$ 638,840	\$ 746,231	\$ 1,648,448	\$ 4,806,167	\$ 1,396,344
Liabilities						
Current Liabilities						
Warrants Payable	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Accounts Payable	15,815	5,097	1,334	230,492	246,973	578,526
Matured Long-Term Debt	-	-	-	-	-	-
Matured Interest Payable	-	-	-	-	-	-
Other Accrued Liabilities	(1,543)	-	-	-	(7,038)	(29,776)
Revenue Collected in Advance	-	-	-	-	-	-
Custodial Accounts	1,501,166	633,743	744,897	1,417,956	4,566,232	847,594
Total Liabilities	\$ 1,515,438	\$ 638,840	\$ 746,231	\$ 1,648,448	\$ 4,806,167	\$ 1,396,344

Council of Government	Hospital Districts	Port	P. U. D. District	Whatcom Transit	School Districts	Fire Districts	Water Districts
\$ 6,339	\$ 221	\$ 98,680	\$ 73,468	\$ -	\$ 7,229,016	\$ 569,411	\$ 525,626
-	-	-	-	-	14,437,519	-	-
113,015	-	-	2,961,088	17,662,987	46,583,029	7,009,358	5,943,712
-	-	-	-	-	-	-	-
<u>\$ 119,354</u>	<u>\$ 221</u>	<u>\$ 98,680</u>	<u>\$ 3,034,556</u>	<u>\$ 17,662,987</u>	<u>\$ 68,249,564</u>	<u>\$ 7,578,769</u>	<u>\$ 6,469,338</u>
\$ -	\$ -	\$ 25	\$ -	\$ -	\$ 6,643,413	\$ -	\$ -
44,262	-	-	61,976	-	-	526,260	67,915
-	-	-	-	-	10,121,180	-	-
-	-	-	-	-	4,316,339	-	-
-	-	-	16	-	23,271	3,368	(11)
-	-	-	-	-	-	-	-
75,092	221	98,655	2,972,564	17,662,987	47,145,361	7,049,141	6,401,434
<u>\$ 119,354</u>	<u>\$ 221</u>	<u>\$ 98,680</u>	<u>\$ 3,034,556</u>	<u>\$ 17,662,987</u>	<u>\$ 68,249,564</u>	<u>\$ 7,578,769</u>	<u>\$ 6,469,338</u>

	Treasurer's Suspense	Inmate Trust Fund	Claims Fund	Salary Fund	Total
Assets					
Current Assets					
Cash & Equivalents	\$ 4,275,147	\$ 26,539	\$ 1,933,918	\$ 1,680	\$ 18,225,239
Deposits With Fiscal Agent	-	-	-	-	14,437,519
Investments At Cost	-	-	-	-	87,539,463
Accounts Receivable (Net)	1,905	-	-	-	1,905
Total Assets	\$ 4,277,052	\$ 26,539	\$ 1,933,918	\$ 1,680	\$ 120,204,126
Liabilities					
Current Liabilities					
Warrants Payable	\$ -	\$ -	\$ 1,933,918	\$ -	\$ 8,577,356
Accounts Payable	-	(49,547)	-	-	1,729,103
Matured Long-Term Debt	-	-	-	-	10,121,180
Matured Interest Payable	-	-	-	-	4,316,339
Other Accrued Liabilities	-	76,086	-	-	64,373
Revenue Collected in Advance	257,264	-	-	-	257,264
Custodial Accounts	4,019,788	-	-	1,680	95,138,511
Total Liabilities	\$ 4,277,052	\$ 26,539	\$ 1,933,918	\$ 1,680	\$ 120,204,126

Combining Statement of Changes in Assets and Liabilities
 Agency Funds
 Cemetery Districts
 For the Year Ended December 31, 2002



	Balance January 1	Additions	Deletions	Balance December 31
Assets				
Cash & Equivalents	\$ 557,578	\$ 856,838	\$ 813,125	\$ 601,291
Investments At Cost	842,566	86,296	14,715	914,147
Total Assets	\$ 1,400,144	\$ 943,134	\$ 827,840	\$ 1,515,438
Liabilities				
Accounts Payable	\$ 18,165	\$ 292,257	\$ 294,607	\$ 15,815
Other Accrued Liabilities	14	281,014	282,571	(1,543)
Custodial Accounts	1,381,965	119,246	45	1,501,166
Total Liabilities	\$ 1,400,144	\$ 692,517	\$ 577,223	\$ 1,515,438

Combining Statement of Changes in Assets and Liabilities
 Agency Funds
 Drainage, Diking & Flood Control Districts
 For the Year Ended December 31, 2002



	Balance January 1	Additions	Deletions	Balance December 31
Assets				
Cash & Equivalents	\$ 88,363	\$ 179,771	\$ 122,436	\$ 145,698
Investments At Cost	534,046	28,294	69,198	493,142
Total Assets	\$ 622,409	\$ 208,065	\$ 191,634	\$ 638,840
Liabilities				
Accounts Payable	\$ 1,235	\$ 89,821	\$ 85,959	\$ 5,097
Custodial Accounts	621,174	12,569	-	633,743
Total Liabilities	\$ 622,409	\$ 102,390	\$ 85,959	\$ 638,840

Combining Statement of Changes in Assets and Liabilities
 Agency Funds
 Park & Recreation Districts
 For the Year Ended December 31, 2002



	Balance January 1	Additions	Deletions	Balance December 31
Assets				
Current Assets				
Cash & Equivalents	\$ 52,365	\$ 230,635	\$ 234,557	\$ 48,443
Investments At Cost	657,563	43,151	2,926	697,788
Total Assets	\$ 709,928	\$ 273,786	\$ 237,483	\$ 746,231
Liabilities				
Current Liabilities				
Accounts Payable	\$ 1,553	\$ 26,747	\$ 26,966	\$ 1,334
Other Accrued Liabilities	-	5,829	5,829	-
Custodial Accounts	708,375	36,775	253	744,897
Total Liabilities	\$ 709,928	\$ 69,351	\$ 33,048	\$ 746,231

Combining Statement of Changes in Assets and Liabilities
 Agency Funds
 Watershed Mgmt Project Joint Board
 For the Year Ended December 31, 2002



	Balance January 1	Additions	Deletions	Balance December 31
Assets				
Cash & Equivalents	\$ 1,304,412	\$ 2,054,315	\$ 1,710,279	\$ 1,648,448
Total Assets	\$ 1,304,412	\$ 2,054,315	\$ 1,710,279	\$ 1,648,448
Liabilities				
Accounts Payable	\$ 28,686	\$ 1,694,354	\$ 1,492,548	\$ 230,492
Custodial Accounts	1,275,726	142,230	-	1,417,956
Total Liabilities	\$ 1,304,412	\$ 1,836,584	\$ 1,492,548	\$ 1,648,448

Combining Statement of Changes in Assets and Liabilities
 Agency Funds
 Rural Library
 For the Year Ended December 31, 2002



	Balance January 1	Additions	Deletions	Balance December 31
Assets				
Cash & Equivalents	\$ 180,945	\$ 9,928,908	\$ 10,094,016	\$ 15,837
Investments At Cost	4,396,660	2,625,349	2,231,679	4,790,330
Total Assets	\$ 4,577,605	\$ 12,554,257	\$ 12,325,695	\$ 4,806,167
Liabilities				
Accounts Payable	\$ 247,042	\$ 2,168,182	\$ 2,168,251	\$ 246,973
Other Accrued Liabilities	(662)	3,045,650	3,052,026	(7,038)
Custodial Accounts	4,331,225	277,787	42,780	4,566,232
Total Liabilities	\$ 4,577,605	\$ 5,491,619	\$ 5,263,057	\$ 4,806,167

Combining Statement of Changes in Assets and Liabilities
 Agency Funds
 Northwest Regional Council
 For the Year Ended December 31, 2002



	Balance January 1	Additions	Deletions	Balance December 31
Assets				
Cash & Equivalents	\$ 645,473	\$ 17,813,951	\$ 17,433,947	\$ 1,025,477
Investments At Cost	357,235	15,189	1,557	370,867
Total Assets	\$ 1,002,708	\$ 17,829,140	\$ 17,435,504	\$ 1,396,344
Liabilities				
Accounts Payable	\$ 395,337	\$ 8,597,781	\$ 8,414,592	\$ 578,526
Other Accrued Liabilities	1,217	3,046,073	3,077,066	(29,776)
Custodial Accounts	606,154	241,440	-	847,594
Total Liabilities	\$ 1,002,708	\$ 11,885,294	\$ 11,491,658	\$ 1,396,344

	Balance January 1	Additions	Deletions	Balance December 31
Assets				
Cash & Equivalents	\$ 292	\$ 4,000,753	\$ 3,994,706	\$ 6,339
Investments At Cost	56,851	1,331,815	1,275,651	113,015
Total Assets	\$ 57,143	\$ 5,332,568	\$ 5,270,357	\$ 119,354
Liabilities				
Accounts Payable	\$ 59,605	\$ 991,714	\$ 1,007,057	\$ 44,262
Other Accrued Liabilities	-	725,857	725,857	-
Custodial Accounts	(2,462)	77,554	-	75,092
Total Liabilities	\$ 57,143	\$ 1,795,125	\$ 1,732,914	\$ 119,354

Combining Statement of Changes in Assets and Liabilities
 Agency Funds
 Hospital Districts
 For the Year Ended December 31, 2002



	Balance January 1	Additions	Deletions	Balance December 31
Assets				
Cash & Equivalents	\$ 147	\$ 22,122	\$ 22,048	\$ 221
Total Assets	\$ 147	\$ 22,122	\$ 22,048	\$ 221
Liabilities				
Custodial Accounts	\$ 147	\$ 22,122	\$ 22,048	\$ 221
Total Liabilities	\$ 147	\$ 22,122	\$ 22,048	\$ 221

Combining Statement of Changes in Assets and Liabilities
 Agency Funds
 Port
 For the Year Ended December 31, 2002



	Balance January 1	Additions	Deletions	Balance December 31
Assets				
Current Assets				
Cash & Equivalents	\$ 72,760	\$ 4,896,595	\$ 4,870,675	\$ 98,680
Investments At Cost	797	-	797	-
Total Assets	\$ 73,557	\$ 4,896,595	\$ 4,871,472	\$ 98,680
Liabilities				
Current Liabilities				
Warrants Payable	\$ 25	\$ -	\$ -	\$ 25
Custodial Accounts	73,532	4,893,035	4,867,912	98,655
Total Liabilities	\$ 73,557	\$ 4,893,035	\$ 4,867,912	\$ 98,680

	Balance January 1	Additions	Deletions	Balance December 31
Assets				
Current Assets				
Cash & Equivalents	\$ 95,209	\$ 39,958,088	\$ 39,979,829	\$ 73,468
Investments At Cost	4,039,311	17,779,295	18,857,518	2,961,088
Total Assets	\$ 4,134,520	\$ 57,737,383	\$ 58,837,347	\$ 3,034,556
Liabilities				
Current Liabilities				
Accounts Payable	\$ 115,616	\$ 6,028,877	\$ 6,082,517	\$ 61,976
Other Accrued Liabilities	3	1,547,808	1,547,795	16
Custodial Accounts	4,018,901	5,578,210	6,624,547	2,972,564
Total Liabilities	\$ 4,134,520	\$ 13,154,895	\$ 14,254,859	\$ 3,034,556

Combining Statement of Changes in Assets and Liabilities
 Agency Funds
 Whatcom Transit
 For the Year Ended December 31, 2002



	Balance January 1	Additions	Deletions	Balance December 31
Assets				
Cash & Equivalents	\$ -	\$ 20,033,159	\$ 20,033,159	\$ -
Investments At Cost	22,441,284	8,367,644	13,145,941	17,662,987
Total Assets	\$ 22,441,284	\$ 28,400,803	\$ 33,179,100	\$ 17,662,987
Liabilities				
Custodial Accounts	\$ 22,441,284	\$ 7,694,703	\$ 12,473,000	\$ 17,662,987
Total Liabilities	\$ 22,441,284	\$ 7,694,703	\$ 12,473,000	\$ 17,662,987

Combining Statement of Changes in Assets and Liabilities
 Agency Funds
 School Districts
 For the Year Ended December 31, 2002



	Balance January 1	Additions	Deletions	Balance December 31
Assets				
Current Assets				
Cash & Equivalents	\$ 6,125,450	\$ 283,289,247	\$ 282,185,681	\$ 7,229,016
Deposits With Fiscal Agent	115,000	19,535,063	5,212,544	14,437,519
Investments At Cost	60,669,130	59,153,751	73,239,852	46,583,029
Total Assets	\$ 66,909,580	\$ 361,978,061	\$ 360,638,077	\$ 68,249,564
Liabilities				
Current Liabilities				
Warrants Payable	\$ 5,278,769	\$ 127,465,700	\$ 126,101,056	\$ 6,643,413
Matured Long-Term Debt	115,000	37,964,165	27,957,985	10,121,180
Matured Interest Payable	-	8,581,013	4,264,674	4,316,339
Other Accrued Liabilities	23,271	-	-	23,271
Custodial Accounts	61,492,540	192,675,673	207,022,852	47,145,361
Total Liabilities	\$ 66,909,580	\$ 366,686,551	\$ 365,346,567	\$ 68,249,564

	Balance January 1	Additions	Deletions	Balance December 31
Assets				
Current Assets				
Cash & Equivalents	\$ 510,041	\$ 37,740,754	\$ 37,681,384	\$ 569,411
Investments At Cost	10,580,388	6,191,074	9,762,104	7,009,358
Total Assets	\$ 11,090,429	\$ 43,931,828	\$ 47,443,488	\$ 7,578,769
Liabilities				
Current Liabilities				
Accounts Payable	\$ 499,722	\$ 9,979,749	\$ 9,953,211	\$ 526,260
Other Accrued Liabilities	(3,883)	3,881,707	3,874,456	3,368
Custodial Accounts	10,594,590	-	3,545,449	7,049,141
Total Liabilities	\$ 11,090,429	\$ 13,861,456	\$ 17,373,116	\$ 7,578,769

	Balance January 1	Additions	Deletions	Balance December 31
Assets				
Current Assets				
Cash & Equivalents	\$ 522,116	\$ 26,278,132	\$ 26,274,622	\$ 525,626
Investments At Cost	4,686,634	4,310,353	3,053,275	5,943,712
Total Assets	\$ 5,208,750	\$ 30,588,485	\$ 29,327,897	\$ 6,469,338
Liabilities				
Current Liabilities				
Accounts Payable	\$ 79,994	\$ 8,033,837	\$ 8,045,916	\$ 67,915
Other Accrued Liabilities	(860)	1,489,005	1,488,156	(11)
Custodial Accounts	5,129,616	1,272,651	833	6,401,434
Total Liabilities	\$ 5,208,750	\$ 10,795,493	\$ 9,534,905	\$ 6,469,338

Combining Statement of Changes in Assets and Liabilities
 Agency Funds
 Treasurer's Suspense
 For the Year Ended December 31, 2002



	Balance January 1	Additions	Deletions	Balance December 31
Assets				
Cash & Equivalents	\$ 3,271,992	\$ 91,784,420	\$ 90,781,265	\$ 4,275,147
Accounts Receivable (Net)	2,901	4,057,802	4,058,798	1,905
Total Assets	\$ 3,274,893	\$ 95,842,222	\$ 94,840,063	\$ 4,277,052
Liabilities				
Revenue Collected in Advance	\$ 317,001	\$ 351,601	\$ 411,338	\$ 257,264
Custodial Accounts	2,957,892	1,061,896	-	4,019,788
Total Liabilities	\$ 3,274,893	\$ 1,413,497	\$ 411,338	\$ 4,277,052

Combining Statement of Changes in Assets and Liabilities
 Agency Funds
 Inmate Trust Fund
 For the Year Ended December 31, 2002



	Balance January 1	Additions	Deletions	Balance December 31
Assets				
Cash & Equivalents	\$ 9,140	\$ 479,339	\$ 461,940	\$ 26,539
Total Assets	\$ 9,140	\$ 479,339	\$ 461,940	\$ 26,539
Liabilities				
Accounts Payable	\$ (32,412)	\$ 463,842	\$ 480,977	\$ (49,547)
Other Accrued Liabilities	41,552	226,895	192,361	76,086
Total Liabilities	\$ 9,140	\$ 690,737	\$ 673,338	\$ 26,539

Combining Statement of Changes in Assets and Liabilities
 Agency Funds
 Claims Fund
 For the Year Ended December 31, 2002



	Balance January 1	Additions	Deletions	Balance December 31
Assets				
Cash & Equivalents	\$ 1,293,399	\$ 263,449,994	\$ 262,809,475	\$ 1,933,918
Total Assets	\$ 1,293,399	\$ 263,449,994	\$ 262,809,475	\$ 1,933,918
Liabilities				
Warrants Payable	\$ 1,293,399	\$ 92,481,861	\$ 91,841,342	\$ 1,933,918
Total Liabilities	\$ 1,293,399	\$ 92,481,861	\$ 91,841,342	\$ 1,933,918

Combining Statement of Changes in Assets and Liabilities
 Agency Funds
 Salary Fund
 For the Year Ended December 31, 2002



	Balance January 1	Additions	Deletions	Balance December 31
Assets				
Cash & Equivalents	\$ 1,680	\$ -	\$ -	\$ 1,680
Total Assets	\$ 1,680	\$ -	\$ -	\$ 1,680
Liabilities				
Custodial Accounts	\$ 1,680	\$ -	\$ -	\$ 1,680
Total Liabilities	\$ 1,680	\$ -	\$ -	\$ 1,680

Combining Statement of Changes in Assets and Liabilities
 Agency Funds
 Total Agency Funds
 For the Year Ended December 31, 2002



	Balance January 1	Additions	Deletions	Balance December 31
Assets				
Current Assets				
Cash & Equivalents	\$14,731,362	\$802,997,021	\$799,503,144	\$18,225,239
Deposits With Fiscal Agent	115,000	19,535,063	5,212,544	14,437,519
Investments At Cost	109,262,465	99,932,211	121,655,213	87,539,463
Accounts Receivable (Net)	2,901	4,057,802	4,058,798	1,905
Total Assets	\$124,111,728	\$926,522,097	\$930,429,699	\$120,204,126
Liabilities				
Current Liabilities				
Warrants Payable	\$6,572,193	\$219,947,561	\$217,942,398	\$8,577,356
Accounts Payable	1,414,543	38,367,161	38,052,601	1,729,103
Matured Long-Term Debt	115,000	37,964,165	27,957,985	10,121,180
Matured Interest Payable	0	8,581,013	4,264,674	4,316,339
Other Accrued Liabilities	60,652	14,249,838	14,246,117	64,373
Revenue Collected in Advance	317,001	351,601	411,338	257,264
Custodial Accounts	115,632,339	214,105,891	234,599,719	95,138,511
Total Liabilities	\$124,111,728	\$533,567,230	\$537,474,832	\$120,204,126



Statistical Section

General Government Expenditures and Other Uses by Function (1)
 Last Ten Fiscal Years
 Table 1

Year	General Government	Security of Persons & Property	Physical Environment	Transportation	Economic Environment	Mental & Physical Health	Culture Recreation	Intra-Governmental
1993	\$15,334,507	\$11,938,978	\$752,583	\$10,217,219	\$1,282,391	\$6,699,872	\$2,766,231	\$0
1994	\$14,879,934	\$13,288,183	\$1,681,962	\$9,870,981	\$1,298,507	\$6,662,809	\$2,603,148	\$0
1995	\$15,536,340	\$14,365,755	\$1,817,130	\$9,428,456	\$965,641	\$7,143,697	\$2,701,136	\$0
1996	\$11,770,828	\$14,133,452	\$1,907,928	\$10,703,423	\$950,057	\$6,702,229	\$2,663,466	\$0
1997	\$12,306,262	\$15,058,747	\$2,762,472	\$10,809,665	\$1,489,765	\$7,130,541	\$2,731,892	\$0
1998	\$14,227,461	\$17,003,381	\$2,366,215	\$10,990,385	\$1,183,325	\$7,730,267	\$2,911,750	\$0
1999	\$15,047,278	\$18,509,529	\$2,834,910	\$11,444,117	\$1,235,673	\$8,028,398	\$3,020,587	\$0
2000	\$15,410,234	\$19,267,342	\$4,975,846	\$13,154,686	\$1,126,322	\$8,219,522	\$3,371,446	\$0
2001	\$16,713,972	\$21,470,121	\$4,757,938	\$13,528,035	\$1,167,559	\$9,078,653	\$3,417,835	\$0
2002	\$16,863,877	\$22,879,744	\$6,544,045	\$14,126,042	\$1,322,618	\$9,194,004	\$3,363,082	\$0

(1) Includes general, special revenue, capital projects, debt service, and special assessment funds.

General Government Expenditures and Other Uses by Function (1)
 Last Ten Fiscal Years
 Table 1

Other Financing Uses	Capital Outlays	Debt Service	Total
\$12,124,229	\$18,127,833	\$7,507,177	\$86,751,020
\$7,704,879	\$10,054,403	\$2,434,073	\$70,478,879
\$7,518,960	\$7,255,829	\$2,579,690	\$69,312,634
\$4,536,564	\$6,915,944	\$2,727,494	\$63,011,385
\$4,870,189	\$13,672,005	\$2,561,469	\$73,393,007
\$3,911,873	\$13,599,996	\$2,756,559	\$76,681,212
\$6,159,294	\$6,508,375	\$2,878,067	\$75,666,228
\$6,144,861	\$7,944,968	\$2,649,662	\$82,264,889
\$8,601,682	\$8,617,635	\$2,237,975	\$89,591,405
\$9,234,220	\$7,800,595	\$2,799,292	\$94,127,519

General Government Revenues and Other Financing
Sources by Source (1)
Last Ten Fiscal Years
Table 2



Year	Taxes	Licenses & Permits	Inter-Governmental	Charges for Service	Fines & Forfeits	Misc.	Intra-Governmental	Other Financing Sources	Total
1993	\$31,137,897	\$1,376,959	\$13,060,505	\$6,750,748	\$1,278,444	\$5,739,585	\$0	\$22,080,362	\$81,424,500
1994	\$32,935,517	\$1,341,723	\$14,477,141	\$5,314,895	\$1,518,559	\$5,674,464	\$0	\$8,307,957	\$69,570,256
1995	\$35,135,468	\$1,128,653	\$14,693,127	\$5,199,775	\$1,377,609	\$5,219,506	\$0	\$8,407,289	\$71,161,427
1996	\$35,430,869	\$1,268,937	\$17,326,228	\$5,293,274	\$1,197,890	\$3,777,127	\$0	\$5,933,163	\$70,227,488
1997	\$38,250,989	\$1,340,274	\$18,017,481	\$6,085,563	\$1,619,031	\$4,124,349	\$0	\$8,054,550	\$77,492,237
1998	\$39,438,336	\$1,351,354	\$19,508,309	\$6,053,392	\$1,466,255	\$4,753,738	\$0	\$8,502,012	\$81,073,396
1999	\$42,343,802	\$1,415,442	\$17,887,436	\$7,042,730	\$1,705,224	\$4,796,491	\$0	\$7,926,658	\$83,117,783
2000	\$45,620,265	\$1,531,267	\$20,829,740	\$7,316,680	\$1,686,828	\$5,411,508	\$0	\$6,823,392	\$89,219,680
2001	\$47,424,567	\$1,580,226	\$21,212,913	\$7,776,574	\$1,763,991	\$5,582,089	\$0	\$7,861,231	\$93,201,591
2002	\$49,257,944	\$1,760,008	\$20,968,672	\$8,696,953	\$1,946,964	\$4,296,233	\$0	\$8,467,262	\$95,394,036

(1) Includes general, special revenue, capital projects, debt service, and special assessment funds.

Property Tax Levies & Collections (1)
 Last Ten Fiscal Years
 Table 3



Year	Total Tax Levy	Current Tax Collection	Percent of Levy Collected	Delinquent Tax Collection	Total Tax Collection	Ratio of Total Tax Collections to Total Levy	Outstanding Delinquent Taxes	Ratio of Delinquent Taxes To Total Levy
1993	\$19,056,793	\$18,606,092	97.63%	\$509,139	\$19,115,231	100.31%	\$824,068	4.32%
1994	\$21,296,312	\$20,716,153	97.28%	\$465,815	\$21,181,968	99.46%	\$938,411	4.41%
1995	\$22,962,054	\$22,186,141	96.62%	\$554,689	\$22,740,830	99.04%	\$1,159,635	5.05%
1996	\$25,292,251	\$24,547,885	97.06%	\$707,630	\$25,255,515	99.85%	\$1,196,371	4.73%
1997	\$27,178,522	\$26,465,092	97.38%	\$655,200	\$27,120,292	99.79%	\$1,322,065	4.86%
1998	\$27,864,587	\$27,068,437	97.14%	\$754,999	\$27,823,436	99.85%	\$1,430,947	5.14%
1999	\$28,585,345	\$27,646,933	96.72%	\$858,703	\$28,505,636	99.72%	\$1,492,835	5.22%
2000	\$29,404,946	\$28,702,921	97.61%	\$780,380	\$29,483,301	100.27%	\$1,552,527	5.28%
2001	\$30,421,642	\$29,470,724	96.87%	\$887,132	\$30,357,857	99.79%	\$1,618,296	5.32%
2002	\$31,670,833	\$30,534,478	96.41%	\$902,820	\$31,437,298	99.26%	\$1,855,668	5.86%

(1) Does not include Agency Funds

Assessed Value of Taxable Property (1)
 Last Ten Fiscal Years
 Table 4



Fiscal Year	Tax Year	Real Property Assessed Value	Personal Property Assessed Value	Public Utilities And Water Craft	Total Assessed Value
1993	1994	\$7,233,761,115	\$387,349,485	\$313,794,924	\$7,934,905,524
1994	1995	\$8,180,835,325	\$404,220,321	\$334,660,434	\$8,919,716,080
1995	1996	\$8,717,963,010	\$402,239,851	\$317,727,609	\$9,437,930,470
1996	1997	\$9,241,501,960	\$410,699,900	\$382,793,629	\$10,034,995,489
1997	1998	\$9,655,317,130	\$410,421,086	\$378,523,956	\$10,444,262,172
1998	1999	\$9,938,624,420	\$427,546,605	\$337,392,696	\$10,703,563,721
1999	2000	\$10,130,282,150	\$448,738,355	\$375,873,011	\$10,954,893,516
2000	2001	\$10,606,397,230	\$497,440,860	\$442,851,475	\$11,546,689,565
2001	2002	\$11,152,456,630	\$507,675,185	\$493,776,133	\$12,153,907,948
2002	2003	\$11,594,611,940	\$504,666,885	\$517,397,735	\$12,616,676,560

(1) Whatcom County does not estimate actual value. Revaluations occur on a market resale basis. The County is revalued in each four year period by area.



Property Tax Rates (Per \$1,000 of Assessed Value) (1)
 Direct & Overlapping Governments
 Last Ten Fiscal Years
 Table 5

WHATCOM COUNTY GOVERNMENT					AGENCIES				
Year	General Fund	Special Revenue Funds	Debt Service	Total County	School Districts	Fire Districts	Port Districts	Cities & Towns	State of WA
1993	1.517	2.324	0.004	3.845	3.962	1.020	0.471	3.306	4.302
1994	1.446	2.290	0.003	3.739	3.651	0.991	0.446	3.003	3.946
1995	1.388	2.170	0.003	3.561	3.750	1.118	0.425	2.926	3.783
1996	1.470	2.206	0.002	3.679	3.642	1.123	0.413	2.621	3.745
1997	1.500	2.256	0.002	3.758	3.838	1.137	0.402	2.582	3.640
1998	1.470	2.252	0.000	3.722	3.700	1.168	0.396	2.919	3.597
1999	1.473	2.292	0.000	3.765	4.068	1.198	0.396	2.929	3.421
2000	1.481	2.325	0.000	3.806	4.194	1.223	0.396	2.947	3.359
2001	1.455	2.263	0.000	3.718	4.190	1.218	0.396	2.982	3.276
2002	1.429	2.241	0.000	3.671	4.215	1.258	0.390	2.911	3.143

(1) Property is assessed at 100% of its true and fair value.

Property Tax Rates (Per \$1,000 of Assessed Value) (1)
 Direct & Overlapping Governments
 Last Ten Fiscal Years
 Table 5

AGENCIES								Total Agencies	Total
Rural Library	Hospital District	Park & Rec District	Water District	Flood Zone District	Sewer District	Cemetary District	Total Agencies		
0.478	0.229	0.000	0.300	0.000	0.000	0.082	14.150	17.995	
0.479	0.222	0.136	0.256	0.000	0.000	0.085	13.215	16.954	
0.521	0.458	0.092	0.980	0.000	0.000	0.084	14.137	17.698	
0.479	0.431	0.091	0.983	0.000	0.000	0.081	13.608	17.287	
0.494	0.391	0.109	0.961	0.000	0.000	0.083	13.637	17.395	
0.500	0.391	0.109	0.861	0.000	0.000	0.085	13.727	17.449	
0.500	0.474	0.106	0.787	0.000	0.000	0.085	13.964	17.729	
0.500	0.419	0.105	0.743	0.000	0.000	0.084	13.971	17.777	
0.500	0.458	0.105	0.887	0.000	0.000	0.084	14.097	17.815	
0.500	0.450	0.098	0.625	0.000	0.000	0.086	13.676	17.347	

Ten Largest Taxpayers
 December 31, 2001 for 2002 Taxes
 Table 6



Taxpayer	Type of Business	2002 Assessed Valuation	Percentage of Total Assessed Valuation
BP West Coast Products	Petroleum Refinery	\$475,318,540	3.767%
Puget Sound Energy	Electric Energy	\$263,152,530	2.086%
Alumet Corp. (Intalco/ Alcoa)	Aluminum Production	\$145,688,495	1.155%
Tosco Corporation	Petroleum Refinery	\$110,312,345	0.874%
Sumas Cogeneration Co., LP	Cogeneration	\$71,970,915	0.570%
Tenaska Washington Partners LP	Cogeneration	\$64,022,225	0.507%
Verizon Northwest, Inc.	Telecommunications	\$49,058,393	0.389%
Bellis Fair Partners	Shopping Mall	\$47,207,780	0.374%
Talbot Real Estate LLC	Various	\$44,345,745	0.351%
Trillium Corporation	Various	\$34,048,300	0.270%
Totals		\$1,305,125,268	10.344%
County Total 2002 Assessed Value:		\$12,616,676,560	

Special Assessment Billings & Collections
 Last Ten Fiscal Years
 Table 7



Fiscal Year	Assessments Receivable (1) January 1	Assessment Roll Billings	Assessments Collected (2)	Assessments Receivable December 31
1993	\$3,220,096	\$26,335	\$418,279	\$2,828,152
1994	\$2,828,152	\$26,317	\$226,771	\$2,627,698
1995	\$2,627,698	\$26,261	\$121,348	\$2,532,611
1996	\$2,532,611	\$25,790	\$25,790	\$2,532,611
1997	\$2,532,611	\$26,178	\$25,829	\$2,532,960
1998	\$2,532,960	\$21,835	\$2,297,135	\$257,660
1999	\$257,660	\$26,510	\$273,009	\$11,161
2000	\$11,161	\$26,474	\$33,773	\$3,862
2001	\$3,862	\$26,520	\$26,175	\$4,207
2002	\$4,207	\$26,562	\$26,086	\$4,683

(1) Special Assessment includes: RID #1 (Birch Bay Light District), RID #2 (Marineland Light District), RID #7 (Emerald Lake Light District), and CRID #5.

(2) Includes cancellations, supplements, and adjustments.

		\$ <u>12,616,676,560</u>
		Remaining Debt Capacity
2.5 % general purposes limit is allocated between	\$ <u>315,416,914</u>	
<i>Up to 1.5% debt without a vote</i>	\$ <u>189,250,148</u>	
Less: outstanding debt	\$ <u>21,864,413</u>	
Less: excess of debt with a vote	\$ <u>-</u>	
Add: available assets	\$ <u>68,732</u>	
Equals: remaining debt capacity without a vote		\$ <u>167,454,467</u>
<i>Up to 2.5% debt with a vote</i>	\$ <u>315,416,914</u>	
Less: outstanding debt	\$ <u>-</u>	
Add: available assets	\$ <u>-</u>	
Equals: remaining debt capacity with a vote		\$ <u>315,416,914</u>

Ratio of Net General Obligation Bonded Debt
to Assessed Value & Net General Obligation
Bonded Debt per Capita
Last Ten Fiscal Years
Table 9

Fiscal Year	Population (1)	Assessed Value (2)	Gross Bonded Debt (3)	Debt Service Money Available (4)	Net Bonded Debt	Ratio of Net Bonded Debt to Assessed Value	Net Bonded Debt Per Capita
1993	140,000	\$7,934,905,524	\$19,607,000	\$247,062	\$19,359,938	0.244%	138.29
1994	145,000	\$8,919,716,080	\$18,825,000	\$110,262	\$18,714,738	0.210%	129.07
1995	148,300	\$9,437,930,470	\$17,957,000	\$97,493	\$17,859,507	0.189%	120.43
1996	152,800	\$10,034,995,489	\$16,904,000	\$88,679	\$16,815,321	0.168%	110.05
1997	156,200	\$10,444,262,172	\$18,440,000	\$104,603	\$18,335,397	0.176%	117.38
1998	157,500	\$10,703,563,721	\$20,705,000	\$74,610	\$20,630,390	0.193%	130.99
1999	161,300	\$10,954,893,516	\$19,430,000	\$79,884	\$19,350,116	0.177%	119.96
2000	163,500	\$11,546,689,565	\$18,035,000	\$67,673	\$17,967,327	0.156%	109.89
2001	170,600	\$12,153,907,948	\$16,975,000	\$68,879	\$16,906,121	0.139%	99.10
2002	172,200	\$12,616,676,560	\$15,830,000	\$68,721	\$15,761,279	0.125%	91.53

(1) Population Estimate supplied by State of Washington Employment Security Department.

(2) From Table 4.

(3) General obligation debt reported in the enterprise funds and special assessment debt with government commitment have been excluded.

(4) Amount available for repayment of general obligation bonds (not including Special Assessment).

Ratio of Annual Debt Service Expenditures for
 General Obligations Bonded Debt to
 Total General Governmental Expenditures
 Last Ten Fiscal Years
 Table 10



Fiscal Year	Principal (1)	Interest (2)	Total Debt Service	Total General Governmental Expenditures (3)	Ratio of Net Bonded Debt to Assessed Value
1993	\$5,933,961	\$1,573,216	\$7,507,177	\$86,751,020	8.65%
1994	\$990,389	\$1,443,684	\$2,434,073	\$70,478,879	3.45%
1995	\$1,183,759	\$1,395,931	\$2,579,690	\$69,312,634	3.72%
1996	\$1,308,433	\$1,419,061	\$2,727,494	\$63,011,385	4.33%
1997	\$1,161,774	\$1,399,695	\$2,561,469	\$73,393,007	3.49%
1998	\$1,596,406	\$1,160,153	\$2,756,559	\$76,681,212	3.59%
1999	\$1,672,398	\$1,205,669	\$2,878,067	\$75,666,228	3.80%
2000	\$1,559,956	\$1,089,706	\$2,649,662	\$82,264,889	3.22%
2001	\$1,232,728	\$1,005,247	\$2,237,975	\$89,591,405	2.50%
2002	\$1,873,977	\$925,315	\$2,799,292	\$94,127,519	2.97%

(1) Does not include Agency Funds excluded.

(2) Excludes bond issuance and other costs.

(3) Includes general, special revenue, debt service, & capital projects funds.

Computation of Direct & Overlapping Bonded Debt
 General Obligation Bonds
 December 31, 2002
 Table 11



Jurisdiction	Gross Debt Outstanding	Percentage Applicable to Whatcom County	Amount Applicable to Whatcom County
Whatcom County	\$16,975,000	100%	\$16,975,000
Total Direct Bonded Debt	\$16,975,000		\$16,975,000
Fire Districts	\$8,551,899	100%	\$8,551,899
School Districts	175,394,675	100%	175,394,675
Park Districts	1,055,000	100%	1,055,000
Total Overlapping Bonded Debt	\$185,001,574		\$185,001,574
Total Direct & Overlapping Bonded Debt	\$201,976,574		\$201,976,574

Fiscal Year	Population (1)	Per Capita Income (2)	School Enrollment (3)	Unemployment Rate (4)
1993	140,000	\$18,243	21,693	7.8%
1994	145,000	\$18,853	22,139	7.3%
1995	148,300	\$19,589	22,928	7.3%
1996	152,800	\$20,694	22,973	7.5%
1997	156,200	\$21,438	23,383	6.0%
1998	157,500	\$22,732	24,024	5.8%
1999	161,300	\$23,228	24,250	5.2%
2000	163,500	Not Available	26,024	5.7%
2001	170,600	Not Available	26,053	6.8%
2002	172,200	Not Available	26,274	6.3%

(1) Population Estimate supplied by State of Washington Employment Security Department.

(2) Per Capita Income supplied by State of Washington Employment Security Department.

(3) Total number of students. School Enrollment supplied by ESD-189.

(4) Unemployment rate supplied by State of Washington Employment Security Department.

Property Value, Construction & Bank Deposits
 Last Ten Fiscal Years
 Table 13



Year	Value (1)	Total Property Value (2)	Total Bank Deposits (3)
1993	\$414,415,578	\$7,934,905,524	\$1,434,564,000
1994	\$555,800,874	\$8,919,716,080	\$1,573,620,000
1995	\$255,938,718	\$9,437,930,470	\$1,646,404,000
1996	\$255,041,583	\$10,034,995,489	\$1,676,763,000
1997	\$222,637,443	\$10,444,262,172	\$1,596,518,000
1998	\$309,746,172	\$10,703,563,721	\$1,615,981,000
1999	\$264,046,426	\$10,954,893,516	\$1,682,130,000
2000	\$318,081,237	\$11,546,689,565	\$1,756,000,000
2001	\$285,033,283	\$12,153,907,948	\$1,874,000,000
2002	\$332,691,326	\$12,616,676,560	\$2,038,000,000

(1) Source: Whatcom County Assessor's Office.

(2) Source: Whatcom County Assessor's Office.

(3) Source: FDIC (as of June 30th of each year)

	1993	1994	1995	1996	1997	1998	1999	2000	2001	2002
Miles of Road (1):										
Unimproved	2.00	1.63	1.63	1.63	1.63	1.63	1.63	1.63	1.63	1.63
Graded & Drained	0.96	0.96	0.96	0.96	0.96	0.96	0.96	0.96	0.96	0.96
Gravel	62.12	61.19	60.72	58.84	58.07	57.17	56.58	56.35	56.05	52.06
Oiled	723.24	717.32	703.17	692.72	686.44	676.57	667.01	666.72	664.01	662.2
Asphalt	165.88	171.35	173.24	178.67	186.16	196.70	203.96	205.57	209.35	215.08
Concrete	<u>16.33</u>	<u>18.40</u>	<u>17.60</u>	<u>17.60</u>	<u>15.60</u>	<u>15.60</u>	<u>18.52</u>	<u>18.40</u>	<u>18.23</u>	<u>18.23</u>
Total Roads	970.53	970.85	957.32	950.42	948.86	948.63	948.66	949.63	950.23	950.16
Fire Protection (2):										
No. of Districts	18	18	18	17	17	17	17	17	18	18
No. of Paid Firemen	15.5	15.5	21	23	30	34	49	54	51	50
No. of Volunteer Firemen	599	589	605	604	609	621	631	645	591	609
Leisure Facilities (3):										
Parks- Number	9	9	9	9	9	9	9	9	9	9
Parks- Acres	2,127.28	2,127.28	2,127.28	2,211.28	2,211.28	3,650.28	3,652.58	3,652.58	3,672.58	3,893.87
ORV Park Acres	0	0	0	0	0	0	0	0	0	0
Senior Centers	8*	8*	8*	8*	8*	8*	8*	8*	8*	8*
General Elections (4):										
Number of Registered Voters	79,513	85,670	88,678	95,665	85,538	90,258	90,987	98,352	97,828	91,956
Number of Voters	44,911	48,749	45,511	65,565	50,593	57,090	53,038	74,668	44,163	55,066
Percent of Registered Voters Voting	56.5%	56.9%	51.3%	68.5%	59.2%	63.3%	58.3%	75.9%	45.1%	59.9%
Public Schools/ Education (5):										
Number of Schools:										
Elementary	30	32	32	32	33	34	35	34	36	35
Middle	8	9	9	9	9	10	10	11	11	11
High	8	8	8	8	8	9	10	12	10	10
Alternative or Special Education	2	4	5	5	5	7	8	10	10	12
Community Colleges	1	1	1	1	1	1	1	1	1	1
Technical	1	1	1	1	1	1	1	1	1	1

*Two Senior Centers are County Owned.

(1) Source: Whatcom County Public Works Department

(2) Source: Whatcom County Small Taxing Districts

(3) Source: Whatcom County Park's Department

(4) Source: Whatcom County Election Department

(5) Source: Education Service District #189