



# Comprehensive Annual Financial Report

For Fiscal Year Ending  
December 31, 2003

**Whatcom County**  
Washington

GFOA Certificate of Achievement for  
Excellence in Financial Reporting Recipient

# Comprehensive Annual Financial Report

## Whatcom County Washington

Fiscal Year Ending December 31, 2003



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

June 2004

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**Photo on Cover:  
The Whatcom Chief, Lummi Island Ferry  
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, 2002

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, 2002. 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.

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**WHATCOM COUNTY  
EXECUTIVE'S OFFICE**

**County Courthouse**

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



**Pete Kremen**  
County Executive

June 30, 2004

Citizens of Whatcom County:

We are pleased to submit the Comprehensive Annual Financial Report of Whatcom County for the year ended December 31, 2003, 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.

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 2003 is estimated at 174,500.

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 2003 enrollment was 12,680. 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 2003.

## **Retail Trade**

Between 1994 and 2003, annual taxable retail sales in Whatcom County grew by \$637 million, a 36% increase. This was despite a significant decrease in Canadian border crossings, which fell by almost half from 18.8 million in 1994, to 9.9 million in 2003.

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**

The following is a summary of the major initiatives that will be implemented in 2004.

### **Eliminate Methamphetamine Labs**

We are adding two sheriff deputies and one clerical support position to the drug task force to concentrate on the reduction and elimination of the manufacture, distribution and consumption of Methamphetamine in our community.

### **Increase Law Enforcement Presence in Eastern Whatcom County**

A resident deputy will be added to the Sheriff's office to serve the growing law enforcement needs in eastern Whatcom County.

### **Streamline Development Permitting**

The Planning and Development Services Department, the Public Works Department, and the Health Department will co-locate their development related staff to create a “One Stop Shop” for development permitting activities. These county departments will work as a team to streamline processes and more efficiently serve our citizens.

### **Increase Productivity**

The Administrative Services Department will acquire an imaging system and make it available to county departments. This system will make a substantial variety of documents more accessible to more departments and the public. It will also reduce the space in county facilities presently dedicated to storing paper records.

### **Improve Law and Justice Information**

In 2004, we will begin implementation of the Law and Justice Data Integration Project. This project will improve information sharing among law and justice departments, the timeliness and accuracy of the information, and streamline information accessibility.

### **Improve Storm Water Treatment**

The Public Works Department will upgrade its procedures and implement a program to meet the requirements of the National Pollution Discharge Elimination System requirements.

### **Maintain Infrastructure**

Annually, Whatcom County prepares a six-year capital improvement program as a component of our comprehensive plan. The 2004 budget for road improvements is \$9,244,000. There are no major facilities additions budgeted in 2004.

## **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, 2002. 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 2004 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 County Executive's office, County 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, 2003

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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 December 31, 2006	David S. McEachran
Sheriff	Term Ends January 13, 2008	Bill Elfo
Treasurer	Term Ends January 11, 2004	Barbara Cory

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### COUNTY COUNCIL

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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

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### SUPERIOR COURT JUDGES

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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

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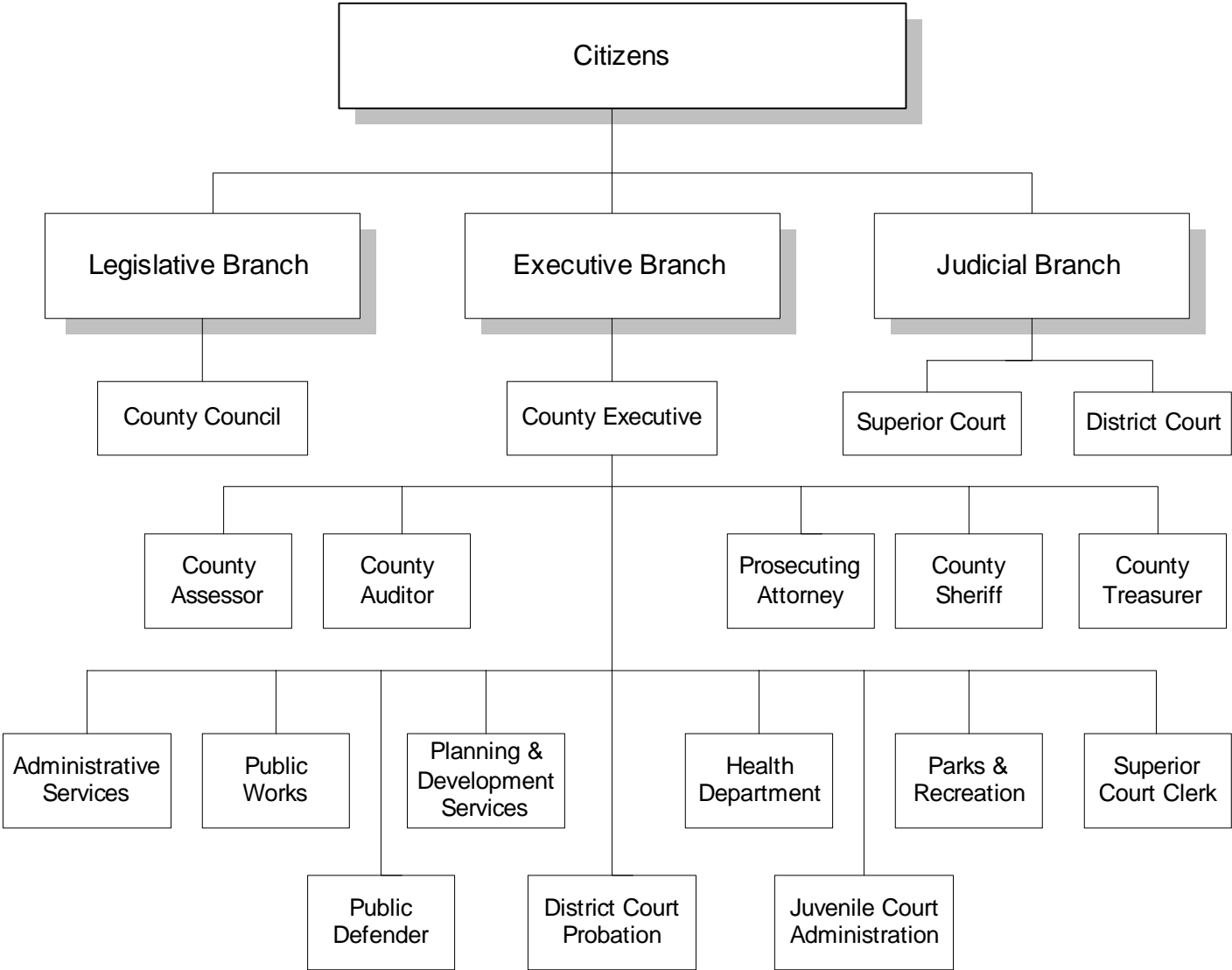
### DISTRICT COURT JUDGES

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Position No. 1	Term Ends December 31, 2006	Ira Uhrig
Position No. 2	Term Ends December 31, 2006	Matthew Elich

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# Whatcom County Organizational Chart



## Independent Auditor's Report



### Washington State Auditor Brian Sonntag

Legislative Building  
PO Box 40021  
Olympia, Washington 98504-0021

(360) 902-0370  
FAX (360) 753-0646  
TDD Relay 1-800-833-6388  
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#### INDEPENDENT AUDITOR'S REPORT

June 18, 2004

County Council, Whatcom County, Washington

We have audited the accompanying financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of Whatcom County, Washington, as of and for the year ended December 31, 2003, 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 auditing standards generally accepted in 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.

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of the governmental activities, the business-type, each major fund, and the aggregate remaining fund information of Whatcom County, Washington, as of December 31, 2003, and the respective 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.

The Management's Discussion and Analysis on pages 11 through 20, and budgetary comparison information on pages 57 through 59, 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 inquires 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.


Our audit was performed for the purpose of forming opinions on the financial statements that collectively comprise the Whatcom County's basic financial statements. The accompanying financial information listed as combining financial statements and supplemental information on pages 65 through 157 is presented for purposes of additional analysis and is not a required part of the basic financial statements. The combining financial statements and supplemental information has been subjected to auditing procedures applied in the audit of the basic financial statements and, in our opinion, are fairly stated, in all material respects, in relation to the basic financial statements taken as a whole.

*Continued on next page*

Independent Auditor's Report continued

The information identified in the table of contents as the Introductory and Statistical Sections is presented for purposes of additional analysis and is not a required part of the basic financial statements of the County. Such information has not been subjected to the auditing procedures applied in the audit of the basic financial statements and, accordingly, we express no opinion on them.

Sincerely,

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

**BRIAN SONNTAG, CGFM**  
STATE AUDITOR

## MANAGEMENT'S DISCUSSION AND ANALYSIS

### Year Ended December 31, 2003

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, 2003. 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 2003 on a government-wide financial statement basis, Whatcom County's net assets totaled \$192,603,398. Net assets are calculated by subtracting the liabilities of the County from its total assets. \$45,321,002 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 long-term debt decreased by \$1,904,962 during 2003. Whatcom County issued general obligation bonds in the amount of \$3,385,000 in 2003 to refinance the 1993 issue of bonds for the addition to the Whatcom County courthouse. Under Washington State law, the County is authorized to issue approximately \$196 million in non-voted debt. At the end of 2003, the County's outstanding general obligation debt totaled \$14 million.

Whatcom County's total net assets increased by \$8,089,961, resulting primarily from a net increase of 5.4 million in cash and receivables and the reduction of long-term debt by 1.9 million. The balance of the net increase was a decrease in accounts payables.

### 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, public safety, 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

The following table reflects a condensed Statement of Net Assets.

	Governmental Activities		Business-Type Activities		Total Primary Government	
	2003	2002	2003	2002	2003	2002
	Current and other assets	\$ 82,026,073	\$ 76,596,541	\$ 20,842	\$ 14,024	\$ 82,046,915
Capital assets	136,197,886	136,288,158	-	-	136,197,886	136,288,158
<b>Total assets</b>	<b>218,223,959</b>	<b>212,884,699</b>	<b>20,842</b>	<b>14,024</b>	<b>218,244,801</b>	<b>212,898,723</b>
Long-term debt	15,110,384	17,015,346	-	-	15,110,384	17,015,346
Other liabilities	10,514,334	11,358,004	16,685	11,936	10,531,019	11,369,940
<b>Total liabilities</b>	<b>25,624,718</b>	<b>28,373,350</b>	<b>16,685</b>	<b>11,936</b>	<b>25,641,403</b>	<b>28,385,286</b>
<b>Net assets:</b>						
Invested in capital, net of debt	122,122,886	120,458,158	-	-	122,122,886	120,458,158
Restricted	25,159,510	22,531,548	-	-	25,159,510	22,531,548
Unrestricted	45,316,845	41,521,643	4,157	2,088	45,321,002	41,523,731
<b>Total net assets</b>	<b>\$ 192,599,241</b>	<b>\$ 184,511,349</b>	<b>\$ 4,157</b>	<b>\$ 2,088</b>	<b>\$ 192,603,398</b>	<b>\$ 184,513,437</b>

*For more detailed information see page 21 of the Statement of Net Assets.*

As noted earlier, net assets may serve over time as a useful indicator of a government's financial position. Whatcom County's assets exceeded liabilities by \$192,603,398 at the close of the most recent fiscal year. The largest portion of Whatcom County's net assets (63 percent) reflects its investment in capital assets (e.g., land, buildings, equipment and infrastructure), less any related debt used to acquire those assets that is still outstanding. Whatcom County uses these capital assets to provide services to citizens; consequently, these assets are not available for future spending. Although Whatcom County's investment in its capital assets is reported net of related debt, it should be noted that the resources needed to repay this debt must be provided from other sources, since the capital assets themselves cannot be used to liquidate these liabilities.

An additional portion of Whatcom County's net assets (13 percent) represents resources that are subject to external restrictions on how they may be used. The remaining balance of unrestricted net assets (\$45,321,002) may be used to meet the government's ongoing obligations to citizens and creditors.

There was an increase of \$2,627,962 in restricted net assets reported in connection with Whatcom County's governmental activities. Most of this increase relates to the Public Utilities Improvement fund. Rural County Sales Tax collections exceeded expenditures for public facility improvement projects by \$1,626,911.

The County's net assets increased by \$8,089,961 during the current fiscal year. This increase results primarily from an increase in cash and receivables and a reduction of long-term debt.

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

**Table MDA2 - Changes in Assets**

	Governmental Activities		Business-Type Activities		Total Primary Government	
	2003	2002	2003	2002	2003	2002
<b>Revenues</b>						
Program revenue:						
Charges for services	\$ 14,499,905	\$ 12,454,797	\$ -	\$ -	\$ 14,499,905	\$ 12,454,797
Operating grants & contributions	13,876,354	14,394,509	-	-	13,876,354	14,394,509
Capital grants & contributions	5,544,945	6,600,775	-	-	5,544,945	6,600,775
General revenue:						
Property taxes	32,197,138	32,594,343	-	-	32,197,138	32,594,343
Timber taxes	417,291	263,688	-	-	417,291	263,688
Retail taxes	10,924,526	10,158,252	-	-	10,924,526	10,158,252
Excise taxes	6,250,210	5,752,026	-	-	6,250,210	5,752,026
Penalties and interest	1,929,056	1,665,074	-	-	1,929,056	1,665,074
Other	5,894,311	5,731,672	194,225	188,851	6,088,536	5,920,523
<b>Total revenues</b>	<b>91,533,736</b>	<b>89,615,136</b>	<b>194,225</b>	<b>188,851</b>	<b>91,727,961</b>	<b>89,803,987</b>
<b>Expenses</b>						
General government	19,215,312	17,983,238	-	-	19,215,312	17,983,238
Public Safety	24,030,011	22,976,236	-	-	24,030,011	22,976,236
Physical environment	5,897,760	6,538,602	-	-	5,897,760	6,538,602
Transportation	19,011,206	18,049,900	-	-	19,011,206	18,049,900
Economic environment	1,430,023	1,320,929	-	-	1,430,023	1,320,929
Mental and physical health	9,236,054	9,217,719	-	-	9,236,054	9,217,719
Culture and recreation	3,800,758	3,490,177	-	-	3,800,758	3,490,177
Interest on long-term debt	824,720	909,179	-	-	824,720	909,179
Whatcom Co. Investment Pool	-	-	192,156	186,763	192,156	186,763
<b>Total Expenses</b>	<b>83,445,844</b>	<b>80,485,980</b>	<b>192,156</b>	<b>186,763</b>	<b>83,638,000</b>	<b>80,672,743</b>
Change in net assets	8,087,892	9,129,156	2,069	2,088	8,089,961	9,131,244
Net assets-beginning	184,511,349	175,382,193	2,088	-	184,513,437	175,382,193
<b>Net assets-ending</b>	<b>\$192,599,241</b>	<b>\$ 184,511,349</b>	<b>\$ 4,157</b>	<b>\$ 2,088</b>	<b>\$192,603,398</b>	<b>\$184,513,437</b>

*For more detailed information see page 22 for the Statement of Activities.*

Governmental activities increased Whatcom County's net assets by \$8,087,892, thereby accounting for almost 100 percent of the total growth in the net assets of Whatcom County.

- Charges for services increased \$2,045,108 or (16 percent) during the year. Building permit revenues were \$406,400, or 33 percent higher than 2002 and Plan check and review fees increased \$575,400, or 42 percent over 2002. Both of these increases were due to continuing strong building industry activity. The county received almost \$700,000 from three confiscated property transactions during the last two months of the year. The last major increase in charges for services over 2002 was Auditor filing and recording fees. These fees were \$429,900 greater than 2002 due to continuing low interest rates that have resulted in more mortgages being refinanced, and therefore greater recording fee revenues.
- Capital grants decreased \$1,055,830 or (16 percent) mostly as a result of less road construction projects.
- Sales tax collections were \$766,274 greater than last year. Criminal Justice Sales Tax revenue of \$1,281,111 was collected in 2003. This is 9.7% higher than 2002. Rural County Sales Tax increased \$174,867 over 2002.
- Excise taxes increased \$498,184. This increase is due to a strong real estate and refinancing market brought on by low interest rates.

## **Financial Analysis of the County's Funds**

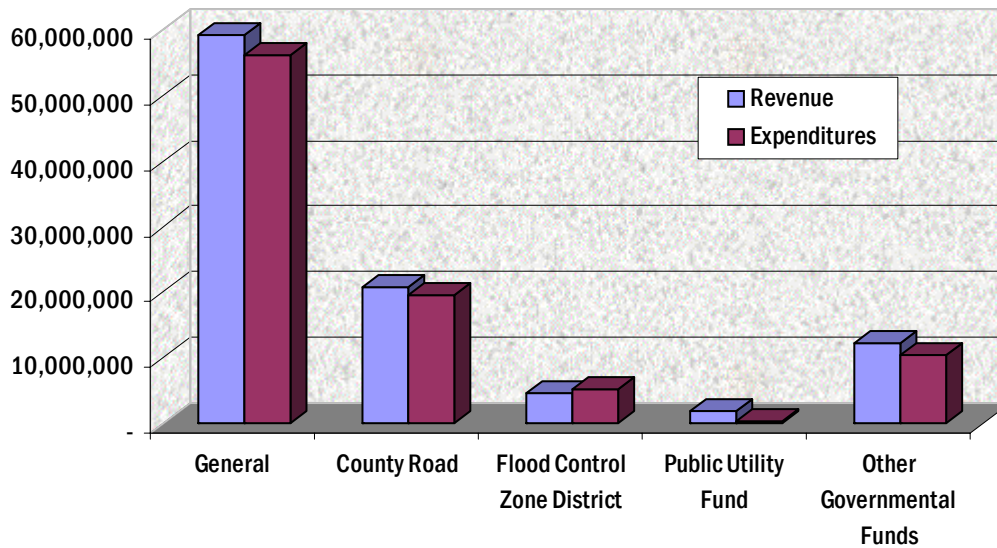
**Governmental Funds Balance Sheet Analysis.** The General Fund, County Road Fund, Flood Control Zone District Fund and Public Utilities Improvement Fund are the County's major funds. Together these four funds account for 81% of total governmental fund assets and 80% of total governmental fund balance.

As of December 31, 2003, the County's governmental funds reported combined fund balances of \$59 million. Of the total amount, nearly \$53 million or 91% is unreserved and available for spending within designated funds. Reserved fund balance of \$6 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 2003.

*Table MDA3 - Governmental Fund Revenues & Expenditures*

**Governmental Fund Revenues & Expenditures**



For the fiscal year ended December 31, 2003, governmental funds revenues totaled \$99.1 million and expenditures totaled \$92.2 million. The General Fund, County Road Fund, Flood Control Zone District Fund and Public Utilities Improvement Fund account for 88% of all governmental fund revenue and 89% of expenditures.

The net change in fund balance for all governmental funds for 2003 was an increase of \$6.9 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, 2003.

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

General Fund	Original Budget	Amended Budget	Actual
Revenues:			
Taxes	\$ 27,868,927	\$ 27,868,927	\$ 29,883,542
Intergovernmental	12,004,588	12,338,863	12,712,994
Other	12,938,454	13,091,848	14,379,101
Total revenues	52,811,969	53,299,638	56,975,637
Expenditures:			
Expenditures	55,790,765	57,583,003	54,903,015
Other financing sources (uses)	(99,063)	(24,472)	925,096
Total expenditures	55,889,828	57,607,475	53,977,919
Change to fund balance	\$ (3,077,859)	\$ (4,307,837)	\$ 2,997,718

*For more detailed information see page 57 for the Schedule of Revenues, Expenditures and Changes in Fund Balance-Budget and Actual.*

**Tax Revenues.** Tax revenues exceeded budgeted amounts by \$2,014,615, or than 7.2 percent. Property tax collections in 2003 totaled \$18,621,681 and were \$752,000 greater than 2002 collections. Delinquent tax collections were \$187,000 higher than last year. Interest and penalty collections on delinquent property taxes were 16 percent higher than 2002 for a total of \$1,893,154. Increased delinquent tax, interest and penalty collections can be attributed to substantial delinquency payments made as a result of the currently active real estate and refinancing market in Whatcom County.

**Intergovernmental Revenues.** The budget for intergovernmental revenues was increased \$334,275 for grant awards that were received during the year. Total intergovernmental revenue decreased \$502,000 from 2002 to 2003. Actual revenue exceeded budgeted revenue by \$374,131.

**Other.** Interest earnings were \$333,000 less than 2002 figures, and were only 88 percent of budget expectations. This was due to low interest rates. Contributions were \$321,500 greater than last year due to revenue from Alcoa grants. State timber sales revenue was \$255,000 greater than 2002 figures and was 53 percent over budget. This revenue source fluctuates significantly from year to year.

**Expenditures.** Overall expenditures for the General Fund were 95 percent of the approved budget at year end. Continuing appropriations will carry over approximately \$230,000 of spending authority into 2004 for incomplete projects and contracts.

Whatcom County ended 2003 in a financial position better than what was anticipated in the 2003 budget. This is the result of better than projected sales tax revenue, increased revenue related to development and refinancing activities, and a larger than projected lapse of appropriation at year end. The amended budget anticipated a decrease in fund balance of \$4,307,837. The actual result was an increase in fund balance of \$2,997,718. Whatcom County's General Fund fund balance is \$19,493,154 at year end. This is 36 percent of annual General Fund expenditures.

**Capital Assets**

The County's capital assets for its governmental activities as of December 31, 2003, totalled \$136.2 million (net of accumulated depreciation). This includes land, buildings, improvements, machinery and equipment, and infrastructure.

New investment in capital assets for 2003 was \$7.3. Depreciation expense in 2003 totalled 7.4 million, resulting in a small net decrease in net assets.

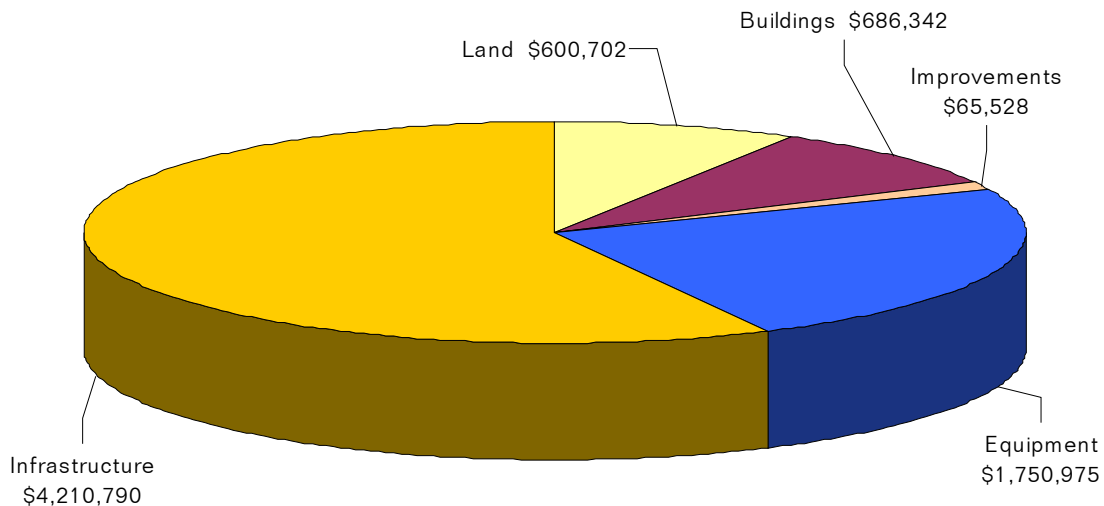
*Table MDA7 - Capital Assets*

	Governmental Activities	Governmental Activities
	2003	2002
Land	\$21,849,559	\$21,248,857
Buildings	39,506,805	40,018,574
Improvements	831,848	929,244
Equipment	7,909,963	7,628,961
Infrastructure	66,099,710	66,462,522
<b>TOTALS</b>	<b>\$136,197,885</b>	<b>\$136,288,158</b>

*For more detailed information see page 41 for Capital Asset Activity.*

*Table MDA8 - Change in Capital Assets*

**Change in Capital Assets**



The County invested 4.2 million dollars in infrastructure, which includes roads, bridges and road-related improvements. Whatcom County purchased \$601,000 of land, including \$336,919 under a grant from the Washington State Military Department. The purpose of the grant was to purchase properties within the Canyon Creek high-risk area, remove all structures from the properties and place restrictive covenants on the titles prohibiting future development. In addition, \$210,619 of land was purchased adjacent to the Central Shop on West Smith Road. Whatcom County invested \$686,000 in buildings for 2003. \$390,199 was spent for Courthouse remodels and \$184,452 was spent for the Jail booking area remodel. The County's investment in new equipment, including vehicles and road maintenance equipment increased capital assets by 1.8 million.

### Debt Administration

At year-end, the County had \$21.8 million in outstanding debt compared to \$23.6 million last year. That is a decrease of \$1.8 million, or 7.6%.

### 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 1.84 percent during the past five years. Per capita income of Whatcom County is growing at approximately 3.9 percent. Unemployment has remained consistent, averaging 6.2 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 four 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.

*Table MDA9 - Outstanding Debt*

	Governmental Activities	
	2003	2002
General Obligation Bonds	\$ 14,161,418	\$ 16,008,261
Special Assessment	282,538	422,150
Capital Leases	416,428	334,935
Estimated Self-Insurance Claims	2,633,418	2,655,310
Compensated Absences	4,082,063	3,944,731
Other Long-term Liabilities	250,000	250,000
	<u>\$ 21,825,865</u>	<u>\$ 23,615,387</u>

*For more detailed information see page 51 for Changes in Long-Term Debt.*

	Primary Government		
	Governmental Activities	Business-type Activities	Total
<b>Assets</b>			
Cash and cash equivalents	\$ 74,002,901	\$ 18,519	\$ 74,021,420
Investments	1,478,430	-	1,478,430
Receivables	2,667,906	59	2,667,965
Due from other governments	2,939,994	-	2,939,994
Internal balances	(2,264)	2,264	-
Inventories	898,337	-	898,337
Investment in joint ventures	40,769	-	40,769
Capital assets:			
Non-depreciable	21,849,560	-	21,849,560
Depreciable, net	114,348,326	-	114,348,326
<b>Total Assets</b>	<b>218,223,959</b>	<b>20,842</b>	<b>218,244,801</b>
<b>Liabilities</b>			
Accounts Payable and accrued expenses	2,787,698	1,416	2,789,114
Due to other governments	478,452	119	478,571
Deferred revenue	532,703	-	532,703
Compensated absences	4,082,063	15,150	4,097,213
Estimated claims	2,633,418	-	2,633,418
Long-term liabilities (Note 8):			
Due within one year	1,526,984	-	1,526,984
Due in more than one year	13,583,400	-	13,583,400
<b>Total Liabilities</b>	<b>25,624,718</b>	<b>16,685</b>	<b>25,641,403</b>
<b>Net Assets</b>			
Invested in capital assets, net of related debt	122,122,886	-	122,122,886
Restricted for:			
Special Revenue	15,742,130	-	15,742,130
Debt Service	68,282	-	68,282
Capital Projects	9,349,098	-	9,349,098
Unrestricted (deficit)	45,316,845	4,157	45,321,002
<b>Total net assets</b>	<b>\$ 192,599,241</b>	<b>\$ 4,157</b>	<b>\$ 192,603,398</b>

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

Functions/ Programs	Program Revenues				Net (Expense) Revenue & Changes in Net Assets - Primary Government		
	Expenses	Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Governmental Activities	Business- type Activities	Total
<b>Primary government:</b>							
Governmental activities:							
General government	\$ 19,215,312	\$ 3,031,848	\$ 4,495,759	\$ -	\$ (11,687,705)		\$ (11,687,705)
Public Safety	24,030,011	5,745,448	2,866,487	-	(15,418,076)		(15,418,076)
Physical environment	5,897,760	794,036	883,305	-	(4,220,419)		(4,220,419)
Transportation	19,011,206	2,310,752	-	5,544,945	(11,155,509)		(11,155,509)
Economic	1,430,023	446,854	66,586	-	(916,583)		(916,583)
Mental and physical health	9,236,054	1,830,631	5,558,217	-	(1,847,206)		(1,847,206)
Culture and Interest on long-term debt	3,800,758	340,336	6,000	-	(3,454,422)		(3,454,422)
	824,720	-	-	-	(824,720)		(824,720)
<b>Total government</b>	<b>83,445,844</b>	<b>14,499,905</b>	<b>13,876,354</b>	<b>5,544,945</b>	<b>(49,524,640)</b>		<b>(49,524,640)</b>
Business-type activities:							
Whatcom County Investment Pool	192,156	194,225	-	-		\$ 2,069	2,069
<b>Total business-type activities</b>	<b>192,156</b>	<b>194,225</b>	<b>-</b>	<b>-</b>		<b>2,069</b>	<b>2,069</b>
<b>Total primary government</b>	<b>\$83,638,000</b>	<b>\$14,694,130</b>	<b>\$ 13,876,354</b>	<b>\$ 5,544,945</b>	<b>(49,524,640)</b>	<b>2,069</b>	<b>(49,522,571)</b>
General Revenues:							
Taxes:							
Property taxes					32,197,138	-	32,197,138
Timber taxes					417,291	-	417,291
Retail taxes					10,924,526	-	10,924,526
Excise taxes					6,250,210	-	6,250,210
Penalties and interest					1,929,056	-	1,929,056
Unrestricted investment earnings					2,371,918	-	2,371,918
Gain/loss on sale of capital assets					1,948,251	-	1,948,251
Miscellaneous					1,574,142	-	1,574,142
Transfers					-	-	-
<b>Total general revenues, special items &amp; transfers</b>					<b>57,612,532</b>	<b>-</b>	<b>57,612,532</b>
Change in net assets					8,087,892	2,069	8,089,961
Net assets-beginning					184,511,349	2,088	184,513,437
<b>Net assets-ending</b>					<b>\$192,599,241</b>	<b>\$ 4,157</b>	<b>\$192,603,398</b>

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

	General	County Road	Flood Control Zone District	Public Utilities Improvement	Other Gov't'l Funds	Total Gov't'l Funds
<b>Assets</b>						
Cash and cash equivalents	\$19,509,667	\$ 11,958,931	\$ 8,962,003	\$ 6,940,613	\$ 11,067,065	\$ 58,438,279
Investments at cost	-	-	-	-	32,742	32,742
Taxes receivable	923,665	730,168	-	-	68,668	1,722,501
Accounts receivable	203,343	77,229	-	-	203,595	484,167
Special assessments	-	-	-	-	4,622	4,622
Interest receivable	175,901	-	-	-	64	175,965
Notes receivable	-	-	-	-	111,407	111,407
Due from other funds	29,652	8,540	10,357	-	500,059	548,608
Due from other governments	2,107,613	312,811	97,663	-	419,175	2,937,262
Employee advances	1,473	-	-	-	260	1,733
Prepayments	50,596	12,706	-	-	1,267	64,569
<b>Long-term assets</b>						
Notes receivable	93,032	-	-	-	-	93,032
Investment in joint ventures	-	-	-	-	40,769	40,769
<b>Total Assets</b>	<b>\$23,094,942</b>	<b>\$ 13,100,385</b>	<b>\$ 9,070,023</b>	<b>\$ 6,940,613</b>	<b>\$ 12,449,693</b>	<b>\$ 64,655,656</b>
<b>Liabilities and fund balance</b>						
<b>Liabilities</b>						
Accounts payable	\$ 1,177,787	\$ 252,042	\$ 48,775	\$ 9,334	\$ 214,302	\$ 1,702,240
Due to other funds	19,787	46,572	500,352	11	39,716	606,438
Revenue collected in advance	-	3,410	-	-	51	3,461
Due to other governments	432,715	22,743	-	-	13,770	469,228
Other accrued liabilities	90,418	134,392	-	-	-	224,810
Other current liabilities	-	3,825	-	-	-	3,825
Deferred revenue	1,826,002	807,398	-	-	203,658	2,837,058
Deferred credits	55,079	62,938	-	-	-	118,017
<b>Total liabilities</b>	<b>3,601,788</b>	<b>1,333,320</b>	<b>549,127</b>	<b>9,345</b>	<b>471,497</b>	<b>5,965,077</b>
<b>Fund balances</b>						
Reserved for:						
Encumbrances	229,891	3,145,951	1,148,800	155,349	376,295	5,056,286
Petty cash	48,875	1,200	-	-	-	50,075
Federal Forest Title III	323,300	-	-	-	-	323,300
Debt service	-	-	-	-	141,504	141,504
Unreserved	18,891,088	8,619,914	7,372,096	6,775,919	-	41,659,017
Unreserved, reported in nonmajor:						
Special revenue funds	-	-	-	-	9,042,524	9,042,524
Capital projects funds	-	-	-	-	2,417,873	2,417,873
<b>Total fund balance</b>	<b>19,493,154</b>	<b>11,767,065</b>	<b>8,520,896</b>	<b>6,931,268</b>	<b>11,978,196</b>	<b>58,690,579</b>
<b>Total liabilities and fund balance</b>	<b>\$23,094,942</b>	<b>\$ 13,100,385</b>	<b>\$ 9,070,023</b>	<b>\$ 6,940,613</b>	<b>\$ 12,449,693</b>	<b>\$ 64,655,656</b>

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, 2003



Fund balance - total governmental funds	\$	58,690,579
Capital assets used in governmental activities are not financial resources and therefore are not reported in the funds.		127,522,211
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.		22,467,841
Other long-term assets are not available to pay for current-period expenditures and therefore are deferred in the funds.		2,304,355
Liabilities, including \$14,693,956 of bonds payable and \$3,691,789 of compensated absences, are not due and payable in the current period and therefore are not reported in the funds.		<u>(18,385,745)</u>
Net assets of governmental activities.	\$	<u>192,599,241</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, 2003



	General	County Road	Flood Control Zone Dist	Public Utilities Improvement	Other Governmental Funds	Total Governmental Funds
<b>Revenues</b>						
Taxes	\$29,883,542	\$12,676,349	\$ 4,161,740	\$ 2,055,993	\$ 3,094,508	\$ 51,872,132
Licenses and permits	2,192,655	51,139	-	-	-	2,243,794
Intergovernmental	12,712,994	5,544,945	496,397	-	649,997	19,404,333
Charges for service	6,830,294	1,344,797	195	-	1,846,833	10,022,119
Fines and forfeits	1,582,066	-	-	-	1,093,632	2,675,698
Miscellaneous	3,774,086	(10,316)	12,650	-	87,679	3,864,099
<b>Total revenues</b>	<b>56,975,637</b>	<b>19,606,914</b>	<b>4,670,982</b>	<b>2,055,993</b>	<b>6,772,649</b>	<b>90,082,175</b>
<b>Expenditures</b>						
Current:						
General government	17,061,979	176,248	-	332,391	700,240	18,270,858
Public Safety	23,090,318	-	-	-	507,561	23,597,879
Physical environment	342,173	-	2,180,123	-	3,344,302	5,866,598
Transportation	-	14,347,112	-	-	24,544	14,371,656
Economic environment	1,253,882	-	-	-	170,370	1,424,252
Mental and physical health	9,180,782	-	-	-	-	9,180,782
Culture and recreation	3,501,514	-	-	-	138,000	3,639,514
Capital outlay	472,367	4,678,190	347,374	96,691	120,406	5,715,028
Debt service:						
Principal	-	-	-	-	1,339,612	1,339,612
Interest	-	-	-	-	761,804	761,804
<b>Total expenditures</b>	<b>54,903,015</b>	<b>19,201,550</b>	<b>2,527,497</b>	<b>429,082</b>	<b>7,106,839</b>	<b>84,167,983</b>
Excess (deficiency) of revenues over expenditures	2,072,622	405,364	2,143,485	1,626,911	(334,190)	5,914,192
<b>Other financing sources (uses)</b>						
Sales of capital assets	820,430	1,071,473	-	-	56,348	1,948,251
Transfers in	1,479,313	60,070	-	-	5,485,221	7,024,604
Transfers out	(1,374,647)	(383,635)	(2,769,476)	-	(2,788,399)	(7,316,157)
Proceeds of refunding long-term debt	-	-	-	-	4,535	4,535
Payment to refunded debt escrow agent	-	-	-	-	(700,000)	(700,000)
<b>Total other financing sources (uses)</b>	<b>925,096</b>	<b>747,908</b>	<b>(2,769,476)</b>	<b>-</b>	<b>2,057,705</b>	<b>961,233</b>
Net change in fund balances	2,997,718	1,153,272	(625,991)	1,626,911	1,723,515	6,875,425
Fund balance as of January 1	16,495,436	10,613,793	9,146,887	5,304,357	10,254,681	51,815,154
<b>Fund balance as of December 31</b>	<b>\$19,493,154</b>	<b>\$11,767,065</b>	<b>\$ 8,520,896</b>	<b>\$ 6,931,268</b>	<b>\$ 11,978,196</b>	<b>\$ 58,690,579</b>

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, 2003



Net change in fund balances-total governmental funds	\$ 6,875,425
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 depreciation expense \$(6,530,430) exceeded capital outlays \$(6,019,616) in the current period.	(510,814)
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.	483,681
Revenues in the funds that are related to prior periods are not revenues in the statement of activities.	(623,090)
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.	(172,387)
Repayment of bond principal is an expenditure in governmental funds, but the repayment reduces long-term liabilities in the statement of net assets.	<u>2,035,077</u>
Change in net assets of governmental activities	<u><u>\$ 8,087,892</u></u>

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

	Enterprise Funds Whatcom Investment Pool	Internal Service Funds
<b>Assets</b>		
Current Assets		
Cash & Equivalents	\$ 18,519	\$ 15,564,622
Investments At Cost	-	1,445,688
Accounts Receivable	-	100
Interest Receivable	-	2,831
Due From Other Funds	-	66,299
Employee Advances	-	64
Due From Other Governments	-	2,732
Inventory	-	898,337
Prepayments	59	4,827
<b>Total Current Assets</b>	<u>18,578</u>	<u>17,985,500</u>
Noncurrent Assets		
Land	-	755,331
Building & Structures (Net)	-	1,329,621
Capital Leases (Net)	-	419,300
Other Improvements (Net)	-	268,331
Machinery & Equipment (Net)	-	5,903,092
<b>Total Noncurrent Assets</b>	<u>-</u>	<u>8,675,675</u>
<b>Total Assets</b>	<u>18,578</u>	<u>26,661,175</u>
<b>Liabilities</b>		
Current Liabilities		
Accounts Payable	1,416	735,345
Claims Cost Payable	-	2,633,418
Due to Other Funds	-	8,469
Due to Other Governments	119	9,224
<b>Total Current Liabilities</b>	<u>1,535</u>	<u>3,386,456</u>
Noncurrent Liabilities		
Employee Leave Benefits	15,150	390,274
Other Long-Term Liabilities	-	416,428
<b>Total Noncurrent Liabilities</b>	<u>15,150</u>	<u>806,702</u>
<b>Total Liabilities</b>	<u>16,685</u>	<u>4,193,158</u>
<b>Net Assets</b>		
Invested in capital assets, net of related debt	-	8,675,675
Unrestricted	1,893	13,792,342
<b>Total Net Assets</b>	<u>1,893</u>	<u>\$ 22,468,017</u>

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.

**Net assets of business-type activities**

2,264  
\$ 4,157

*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, 2003



	Enterprise Funds Whatcom County Investment Pool	Internal Service Funds
<b>Operating Revenue</b>		
Intergovernmental	\$ -	\$ 468
Charges for Service	-	9,138,810
Rents and Parking	-	4,817,841
Interest Income	194,225	-
Insurance Premiums	-	5,183,557
Other Miscellaneous Revenues	-	45,321
<b>Total Operating Revenues</b>	194,225	19,185,997
General Operations	192,332	17,084,489
General Administration	-	486,285
Depreciation	-	1,502,846
<b>Total Operating Expenses</b>	192,332	19,073,620
<b>Operating Income (Loss)</b>	1,893	112,377
<b>Non-Operating Revenues (Expenses)</b>		
Gain (Loss) on Sale of Capital Assets	-	53,797
Interest Revenue	-	37,518
Interest Expense	-	(14,294)
<b>Total Non-Operating Revenues (Expenses)</b>	-	77,021
<b>Income (loss) Before Contributions and Transfers</b>	1,893	189,398
Capital Contributions		2,906
Transfers In	-	664,998
Transfers Out	-	(373,445)
<b>Changes in net assets</b>	1,893	483,857
<b>Total net assets-beginning</b>	-	21,984,160
<b>Total net assets-ending</b>		\$ 22,468,017
Some amounts reported for business-type activities in the statement of activities are different because the net revenue (expense) of certain internal service funds are reported with business-type activities.		176
<b>Change in net assets of business-type activities</b>	\$ 2,069	

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

	Enterprise Funds Whatcom County Investment Pool	Internal Service Funds
<b>Cash Flows From Operating Activities:</b>		
Cash Received From Customers	\$ 194,166	\$ 19,271,958
Cash Payments For Goods And Services	(74,152)	(13,161,013)
Cash Payments To Employees	(113,431)	(4,338,042)
<b>Net Cash Provided by Operating Activities</b>	<b>6,583</b>	<b>1,772,903</b>
<b>Cash Flows From Non-Capital Financing Activities:</b>		
Transfers In	-	629,476
Transfers Out	-	(373,445)
<b>Net Cash Provided by Non-Capital Financing Activities:</b>	<b>-</b>	<b>256,031</b>
<b>Cash Flows From Capital Financing Activities:</b>		
Interest Paid on Lease Purchase	-	(14,294)
Contributions From Other Funds	-	2,906
Proceeds From Sale of Assets	-	74,927
Transfer In (Out)	-	35,523
Payments For Capital Assets	-	(1,846,118)
<b>Net Cash Used by Capital Financing Activities:</b>	<b>-</b>	<b>(1,747,056)</b>
<b>Cash Flows From Investing Activities:</b>		
Purchase of Investment Securities	-	(37,518)
Interest on Investments	-	37,518
<b>Total Cash Flows From Investing Activities</b>	<b>-</b>	<b>-</b>
Net Increase (Decrease) in Cash and Cash Equivalents	6,583	281,878
Balances - Beginning of the Year	11,936	15,282,744
Balances - End of the Year	<b>\$ 18,519</b>	<b>\$ 15,564,622</b>
<b>Reconciliation Of Operating Income (Loss) To Net Cash Provided (Used) By Operating Activities:</b>		
Operating Income (Loss)	\$ 1,893	\$ 112,377
<b>Adjustments To Reconcile Operating Income to Net Cash Provided by Operating Activities:</b>		
Depreciation Expense	-	1,502,846
Change in Assets and Liabilities:		
Receivables, net	(59)	89,344
Inventories	-	341,373
Accounts and Other Payables	1,394	(269,696)
Accrued Expenses	3,355	(3,341)
<b>Net Cash Provided By Operating Activities</b>	<b>\$ 6,583</b>	<b>\$ 1,772,903</b>
<b>Noncash Investing &amp; Capital Financing Activities:</b>		
Lease Purchases	-	138,549
<b>Total Noncash Investing &amp; Capital Financing Activities:</b>	<b>\$ -</b>	<b>\$ 138,549</b>

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

Agency Funds

**Assets**

**Current Assets**

Cash & Equivalents	\$ 18,125,924
Deposits With Fiscal Agent	25,000
Investments At Cost	80,810,765
Accounts Receivable (Net)	(1,943)

**Total Assets** \$ 98,959,746

**Liabilities**

**Current Liabilities**

Warrants Payable	\$ 7,179,929
Accounts Payable	1,351,335
Matured Long-Term Debt	25,000
Matured Interest Payable	-
Other Accrued Liabilities	197,150
Revenue Collected in Advance	246,811
Custodial Accounts	89,959,521

**Total Liabilities** \$ 98,959,746

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

## NOTES TO THE FINANCIAL STATEMENTS

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## 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, and one blended component unit for which the County is financially accountable. Blended component units are legally separate entities, but are in substance a part of the County's operations and therefore the data from this unit is combined with the data from the primary government.

**Blended Component Unit:** The Flood Control Zone District was established in 1991 to implement and oversee the river improvement program and flood hazard management program. The current County Council serves as the entire governing body. The Flood Control Zone District is reported as a special revenue fund.

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

#### 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.

**Public Utilities Improvement Fund:** This fund accounts for the collection of a rural county sales or use tax (pursuant to RCW 82.14.370) that provides funds for financing public facilities.

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 using 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 and between departments in the General Fund. However, any revisions that alter 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 \$64 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, 2003 and 2002. 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 2003 Limited Tax General Obligation Bond Fund by \$743,859 and in the Civic Center Building Improvement Fund by \$700,000. Both of these expenditures relate to the issuance of the 2003 Limited Tax General Obligation Refunding Bonds. The issuance of these bonds was authorized by the Whatcom County Council in ordinance no. 2003-028.

### 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, 2003 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 2003, 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 &amp; Investments

	Category 1	Carrying Amount	Fair Value
Deposits:	\$ 15,265,507	\$ 15,265,507	\$ 15,265,507
Investments:			
U.S. Government Securities	\$ 6,000,000	\$ 5,999,971	\$ 6,032,820
U.S. Agency Securities	130,900,000	131,103,554	131,399,659
General Obligation Bonds	8,000,000	8,010,134	7,931,254
Total Investments	<u>\$ 144,900,000</u>	<u>\$ 145,113,659</u>	<u>\$ 145,363,733</u>
Investment in State LGIP	-	13,641,469	13,641,469
Accrued Interest Receivable	-	715,710	1,073,788
Total Deposits and Investments	<u>\$ 160,165,507</u>	<u>\$ 174,736,345</u>	<u>\$ 175,344,497</u>
Treasurer's Pooled Cash		<u>(92,447,149)</u>	<u>(92,447,149)</u>
Treasurer's Pooled Investments		<u>\$ 82,289,196</u>	<u>\$ 82,897,348</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*

Collection Year	Regular Assessed Valuation (1)	Ad Valorem Tax Levy (2)	Year of Levy Tax Collection
2003	\$12,616,676,560	\$18,328,751	96.8%
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.

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 2003 was \$1.45274 per \$1,000 on an assessed valuation of \$12.6 billion for a regular levy of \$18,328,751. This levy was used for general governmental purposes.

The road fund levied \$2.10812 per \$1,000 on an assessed value of \$6.2 billion in 2003. This resulted in a total levy of \$13,119,124 to be used for county road maintenance and construction.

## NOTE 5 – CAPITAL ASSETS AND DEPRECIATION

Capital assets activity for the year ended December 31, 2003 was as follows:

**Table FN4 - Capital Assets Activity**

Governmental activities	January 1	Increases	Decreases	December 31
Not being depreciated:				
Land	\$ 21,248,857	\$ 600,702	\$ -	\$ 21,849,559
Subtotal	21,248,857	600,702	-	21,849,559
Other capital assets:				
Buildings	53,563,019	686,342	-	54,249,361
Improvements	4,325,023	65,528	-	4,390,551
Equipment	24,188,254	2,404,884	653,909	25,939,229
Infrastructure	93,173,669	4,210,790	-	97,384,459
Subtotal	175,249,965	7,367,544	653,909	181,963,600
Accumulated depreciation				
Buildings	13,544,445	1,198,111	-	14,742,556
Improvements	3,395,779	162,924	-	3,558,703
Equipment	16,559,293	2,098,640	628,667	18,029,266
Infrastructure	26,711,147	4,573,602	-	31,284,749
Subtotal	60,210,664	8,033,277	628,667	67,615,274
Net other capital assets	115,039,301	(665,733)	25,242	114,348,326
Net capital assets	\$ 136,288,158	\$ (65,031)	\$ 25,242	\$ 136,197,885

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

**Table FN5 - Depreciation Expense**

Governmental activities:	
General governments	\$2,351,403
Public Safety	411,934
Physical environment	34,901
Transportation	5,037,847
Economic environment	3,572
Mental & physical health	45,458
Culture & recreation	148,162
Total depreciation expense	<u>\$8,033,277</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, 2, and 3**

#### **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 irrevocable option of choosing membership in either PERS Plan 2 or PERS Plan 3. The option must be exercised within 90 days of employment. An employee is reported in Plan 2 until a choice is made. Employees who fail to choose within 90 days default to PERS Plan 3. PERS defined benefit retirement benefits are financed from a combination of investment earnings and employer and employee contributions. PERS retirement benefit provisions are established in state statute and may be amended 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 1 percent of the average final compensation per year of service. The average final compensation is based on the greatest compensation during any eligible consecutive 60-month period. 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 1,167 participating employers in PERS. Membership in PERS consisted of the following as of the latest actuarial valuation date for the plans of September 30, 2002:

Retirees and Beneficiaries Receiving Benefits	63,756
Terminated Plan Members Entitled To But Not Yet Receiving Benefits	19,152
Active Plan Members Vested	98,994
Active Plan Members Nonvested	55,191
<b>TOTAL</b>	<b>237,093</b>

The County covered payroll for the year ended December 31, 2003 was \$35,222,779. The County's total current year payroll for all employees was \$39,517,595.

## Funding Policy

Each biennium, the state Pension Funding Council adopts Plan 1 employer contribution rates, Plan 2 employer and employee contribution rates, and Plan 3 employer contribution rates. Employee contribution rates for Plan 1 are established by statute at 6 percent for state agencies and local governments unit employees, and 7.5 percent for state government elected officers. 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 noncontributing plan for employers. Employees 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, 2003, were as follows:

*Table FN7 - PERS Contribution Rates*

	<b>PERS Plan 1</b>	<b>PERS Plan 2</b>	<b>PERS Plan 3</b>
Employer*	1.40%	1.40%	1.40%**
Employee	6.00%	1.18%	***

*\*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*

	<b>PERS Plan 1</b>	<b>PERS Plan 2</b>	<b>PERS Plan 3</b>
2003	\$ 57,810	\$ 346,318	\$ 74,902
2002	\$ 64,382	\$ 367,845	\$ 1,983
2001	\$ 71,160	\$ 378,271	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. Effective January 1, 2003, firefighter emergency medical technicians (EMTs) may transfer PERS Plan 1 or Plan 2 service credit to LEOFF Plan 2 if while employed for the city, town, county or district, the EMT’s job was relocated to a fire department from another city, town, county or district. LEOFF 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*

<b>Term of Service</b>	<b>Percent of Final Average</b>
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, 2002:

*Table FN10 - LEOFF Membership*

Retirees and Beneficiaries Receiving Benefits	8,231
Terminated Plan Members Entitled To But Not Yet Receiving Benefits	398
Active Plan Members Vested	11,222
Active Plan Members Nonvested	<u>3,936</u>
TOTAL	23,787

### 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 2 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, 2003 was \$4,294,816. The County's total current year payroll for all employees was \$39,517,595.

The required contribution rates expressed as a percentage of current year covered payroll, as of December 31, 2003, were:

*Table FN11 - LEOFF Contribution Rates*

	<b>LEOFF Plan 1</b>	<b>LEOFF Plan 2</b>
Employer*	0.22%	3.25%
Employee	0.00%	5.05%
State	N/A	2.02%

*\*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*

	<b>LEOFF Plan 1</b>	<b>LEOFF Plan 2</b>
2003	\$ 288	\$127,212
2002	\$ 685	\$118,225
2001	\$ 857	\$108,979

### 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, 2003, the amount of these liabilities was \$2,633,418. Changes in the balances of claims liabilities during 2002 and 2003 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
2002	\$ 2,921,855	\$ (2,777,911)	\$ 2,511,366	\$ 2,655,310
2003	\$ 2,655,310	\$ (3,173,081)	\$ 3,151,189	\$ 2,633,418

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, 2003 is presented below.

*Table FN14 - Washington Counties Risk Pool*

**Washington Counties Risk Pool  
As of September 30, 2003**

Total Assets	\$9,170,173
Total Liabilities	<u>\$10,924,174</u>
Total Retained Earnings	(\$1,754,001)
Total Revenues	\$10,416,405
Total Expenses	\$11,444,729
Total Revenues Over Expenses	<u><u>(\$1,028,324)</u></u>

## NOTE 8 - LONG-TERM DEBT AND CAPITAL LEASES

### **General Obligation Bonds**

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, 2003, bonds outstanding total \$7,940,000.

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, 2003, outstanding bonds totaled \$2,750,000.

Whatcom County issued general obligation bonds in the amount of \$3,385,000 (interest rate 2.00%-3.35%) in 2003 to refinance the 1993 issue of bonds for the addition to the Whatcom County courthouse. This debt issue matures in full in 2012. As of December 31, 2003, outstanding bonds totaled \$3,385,000. Repayment will be made from General Fund revenues.

### **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, 2003, 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 \$282,538.

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
2004	\$ 1,270,000	\$ 602,580	\$ 128,074	\$ 19,213
2005	1,310,000	546,168	136,782	10,504
2006	1,380,000	486,990	17,682	1,202
2007	1,440,000	424,452	-	-
2008	1,530,000	360,505	-	-
2009 - 2013	6,030,000	804,361	-	-
2014 - 2018	1,115,000	160,925	-	-
Total	<u>\$ 14,075,000</u>	<u>\$ 3,385,981</u>	<u>\$ 282,538</u>	<u>\$ 30,919</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, 2003, the County had \$73,245 available in debt service funds to service the general bonded debt. In addition, \$68,282 was available to service RID debt.

## Changes In Long-Term Debt

During the year ended December 31, 2003, 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	\$ 15,830,000	\$ 3,385,000	\$ 5,140,000	\$ 14,075,000	\$ 1,270,000
Special assessment debt	422,150	-	139,612	282,538	128,073
Less deferred amounts for issuance discounts/premiums	178,261	5,518	97,361	86,418	-
Total bonds payable	16,430,411	3,390,518	5,376,973	14,443,956	1,398,073
Capital leases	334,935	224,917	143,424	416,428	128,911
Estimated claims (See Note 7)	2,655,310	3,151,189	3,173,081	2,633,418	-
Compensated absences	3,944,731	494,255	356,923	4,082,063	363,147
Landfill post-closure costs	250,000	-	-	250,000	-
Total	\$ 23,615,387	\$ 7,260,879	\$ 9,050,401	\$ 21,825,865	\$ 1,890,131

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.

## Compensated Absences

The compensated absences liability will be paid from the General Fund, County Road, Election Reserve, Water Resources, Solid Waste, Victim Witness Assistance, and Emergency Management special revenue funds, and Equipment Rental and Revolving and Administrative Services internal service funds.

## Refunded Debt

Whatcom County issued \$3,385,000 of general obligation bonds to provide resources to purchase U.S. Government and State and Local Government Series securities that were placed in an irrevocable trust for the purpose of generating resources for all future debt service payments on \$3,940,000 of refunded debt. As a result, the refunded bonds are considered to be defeased and the liability has been removed from the governmental activities column of the statement of net assets. This advance refunding was undertaken to reduce total debt service payments over the next 9 years by \$630,714 and resulted in an economic gain of \$459,044.

### 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, 2003, outstanding lease payments totaled \$416,428.

The future minimum lease obligations and the net present value of these minimum lease payments as of December 31, 2003 were as follows:

*Table FN17 - Future Minimum Lease Obligations*

Year Ending December 31	Governmental Activities
2004	\$143,252
2005	121,653
2006	102,774
2007	75,176
2008	17,432
2009 and Beyond	-
Total Minimum Lease Payments	460,287
Less: Interest	43,859
Present Value of Minimum Lease Payments	\$416,428

### 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)	\$ 176,659,527
General Government (With 3/5 majority vote)	\$ 307,356,824

## 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, 2003, were as follows:

*Table FN19 - Interfund Balances*

Due To	Due From						Total
	General Fund	County Road	Flood Control Zone Dist.	Public Utilities Improvement	Internal Service	All Others	
General Fund	\$ -	\$ -	\$ 64	\$ -	\$ 673	\$ 28,915	\$ 29,652
County Road	1	-	288	11	7,795	445	8,540
Flood Control Zone Dist.	-	-	-	-	-	10,357	10,357
Internal Service	19,727	46,572	-	-	-	-	66,299
Other	59	-	500,000	-	-	-	500,059
<b>Total</b>	<b>\$ 19,787</b>	<b>\$ 46,572</b>	<b>\$ 500,352</b>	<b>\$ 11</b>	<b>\$ 8,468</b>	<b>\$ 39,717</b>	<b>\$ 614,907</b>

## 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, 2003, 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	\$ 58,361	\$ 187,137	\$ 188,606	\$ 119,372	\$ 925,837	\$ 1,479,313	
County Road	59,000	-	-	-	1,070	60,070	
Internal Service	468,500	196,498	-	-	-	664,998	
All Others	788,786	-	2,580,870	254,073	1,861,492	5,485,221	
<b>Total</b>	<b>\$ 1,374,647</b>	<b>\$ 383,635</b>	<b>\$ 2,769,476</b>	<b>\$ 373,445</b>	<b>\$ 2,788,399</b>	<b>\$ 7,689,602</b>	

## 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 \$631,271 as its share of operations in 2003. Whatcom County did not have an equity interest in What-Comm in 2003. 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, 20 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 \$115 to \$164 per month for a Medicare supplement for each retiree eligible for Medicare.

During the year, expenditures of \$125,439 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.



Schedule of Revenues, Expenditures and Changes in  
Fund Balance - Budget and Actual  
General Fund  
Year Ended December 31, 2003



	Budgeted Amounts		Actual Amounts (Budgetary Basis)	Variance with Final Budget Positive/ (Negative)
	Original	Final		
<b>Revenues</b>				
Taxes	\$ 27,868,927	\$ 27,868,927	\$ 29,883,542	\$ 2,014,615
Licenses and permits	1,724,534	1,772,489	2,192,655	420,166
Intergovernmental	12,004,588	12,338,863	12,712,994	374,131
Charges for service	5,942,482	6,018,579	6,830,294	811,715
Fines and forfeits	1,312,600	1,312,600	1,582,066	269,466
Miscellaneous	3,958,838	3,988,180	3,774,086	(214,094)
<b>Total revenues</b>	<b>52,811,969</b>	<b>53,299,638</b>	<b>56,975,637</b>	<b>3,675,999</b>
<b>Expenditures</b>				
Current:				
General government	18,243,464	17,951,858	17,061,979	889,879
Public Safety	22,914,201	23,630,965	23,090,318	540,647
Physical environment	317,489	342,489	342,173	316
Economic environment	1,131,201	1,423,158	1,253,882	169,276
Mental and physical health	9,650,691	9,992,744	9,180,782	811,962
Culture and recreation	3,362,616	3,612,886	3,501,514	111,372
Capital outlay	171,103	628,903	472,367	156,536
<b>Total expenditures</b>	<b>55,790,765</b>	<b>57,583,003</b>	<b>54,903,015</b>	<b>2,679,988</b>
Excess (deficiency) of revenues over expenditures	(2,978,796)	(4,283,365)	2,072,622	6,355,987
<b>Other financing sources (uses)</b>				
Sales of capital assets	539,000	539,000	820,430	281,430
Transfers in	1,308,564	1,388,155	1,479,313	91,158
Transfers out	(1,946,627)	(1,951,627)	(1,374,647)	576,980
<b>Total other financing sources (uses)</b>	<b>(99,063)</b>	<b>(24,472)</b>	<b>925,096</b>	<b>949,568</b>
Excess (deficiency) of revenues & other financing sources over expenditures & other uses	(3,077,859)	(4,307,837)	2,997,718	7,305,555
Fund balance as of January 1	-	1,229,979	16,495,436	15,265,457
<b>Fund balance as of December 31</b>	<b>\$ (3,077,859)</b>	<b>\$ (3,077,858)</b>	<b>\$ 19,493,154</b>	<b>\$ 22,571,012</b>

Notes to required supplemental information are an integral part of this schedule.

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

Year Ended December 31, 2003



	Budgeted Amounts		Actual Amounts (Budgetary Basis)	Variance with Final Budget Positive/ (Negative)
	Original	Final		
<b>Revenues</b>				
Taxes	\$ 12,790,000	\$ 12,790,000	\$ 12,676,349	\$ (113,651)
Licenses and permits	40,100	40,100	51,139	11,039
Intergovernmental	5,712,407	5,712,407	5,544,945	(167,462)
Charges for service	1,386,639	1,386,639	1,344,797	(41,842)
Miscellaneous	12,000	12,000	(10,316)	(22,316)
<b>Total revenues</b>	<b>19,941,146</b>	<b>19,941,146</b>	<b>19,606,914</b>	<b>(334,232)</b>
<b>Expenditures</b>				
Current:				
General government	175,000	175,000	176,248	(1,248)
Transportation	15,995,611	16,895,944	14,347,112	2,548,832
Capital outlay	8,199,800	9,175,936	4,678,190	4,497,746
<b>Total expenditures</b>	<b>24,370,411</b>	<b>26,246,880</b>	<b>19,201,550</b>	<b>7,045,330</b>
Excess (deficiency) of revenues over expenditures	(4,429,265)	(6,305,734)	405,364	6,711,098
<b>Other financing sources (uses)</b>				
Sales of capital assets	900,000	900,000	1,071,473	171,473
Transfers in	60,062	60,062	60,070	8
Transfers out	(439,635)	(439,635)	(383,635)	56,000
<b>Total other financing sources (uses)</b>	<b>520,427</b>	<b>520,427</b>	<b>747,908</b>	<b>227,481</b>
Excess (deficiency) of revenues & other financing sources over expenditures & other uses	(3,908,838)	(5,785,307)	1,153,272	6,938,579
Fund balance as of January 1	10,892,940	12,769,408	10,613,793	(2,155,615)
<b>Fund balance as of December 31</b>	<b>\$ 6,984,102</b>	<b>\$ 6,984,101</b>	<b>\$ 11,767,065</b>	<b>\$ 4,782,964</b>

Notes to required supplemental information are an integral part of this schedule.

Schedule of Revenues, Expenditures and Changes in  
Fund Balance - Budget and Actual  
Flood Control Zone District  
Year Ended December 31, 2003



	Budgeted Amounts		Actual Amounts (Budgetary Basis)	Variance with Final Budget Positive/ (Negative)
	Original	Final		
<b>Revenues</b>				
Taxes	\$ 4,058,433	\$ 4,058,433	\$ 4,161,740	\$ 103,307
Intergovernmental	1,458,000	1,458,000	496,397	(961,603)
Charges for service	199,700	199,700	195	(199,505)
Miscellaneous	-	-	12,650	12,650
<b>Total revenues</b>	<b>5,716,133</b>	<b>5,716,133</b>	<b>4,670,982</b>	<b>(1,045,151)</b>
<b>Expenditures</b>				
Current:				
Physical environment	4,526,181	5,063,219	2,180,123	2,883,096
Capital outlay	872,200	879,485	347,374	532,111
<b>Total expenditures</b>	<b>5,398,381</b>	<b>5,942,704</b>	<b>2,527,497</b>	<b>3,415,207</b>
Excess (deficiency) of revenues over expenditures	317,752	(226,571)	2,143,485	2,370,056
<b>Other financing sources (uses)</b>				
Operating transfer out	(2,598,000)	(2,598,000)	(2,769,476)	(171,476)
<b>Total other financing sources (uses)</b>	<b>(2,598,000)</b>	<b>(2,598,000)</b>	<b>(2,769,476)</b>	<b>(171,476)</b>
Excess (deficiency) of revenues & other financing sources over expenditures & other uses	(2,280,248)	(2,824,571)	(625,991)	2,198,580
Fund balance as of January 1	7,860,650	8,404,973	9,146,887	741,914
<b>Fund balance as of December 31</b>	<b>\$ 5,580,402</b>	<b>\$ 5,580,402</b>	<b>\$ 8,520,896</b>	<b>\$ 2,940,494</b>

Notes to required supplemental information are an integral part of this schedule.

**A. Budgetary Basis**

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.

**B. Material Violations**

There were no material violations of finance-related legal or contractual provisions in the general fund and special revenue funds. In addition, these fund's expenditures did not exceed legal appropriation for 2003.

## 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.

### **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
<b>Assets</b>				
Cash and cash equivalents	\$ 8,581,189	\$ 141,527	\$ 2,344,349	\$ 11,067,065
Investments at cost	-	-	32,742	32,742
Taxes receivable	68,658	10	-	68,668
Accounts receivable	203,595	-	-	203,595
Special assessments	3,231	1,391	-	4,622
Interest receivable	-	-	64	64
Notes receivable	111,407	-	-	111,407
Due from other funds	500,059	-	-	500,059
Due from other governments	419,175	-	-	419,175
Employee advances	260	-	-	260
Prepayments	1,267	-	-	1,267
<b>Long-term assets</b>				
Investment in joint ventures	-	-	40,769	40,769
<b>Total Assets</b>	<b>\$ 9,888,841</b>	<b>\$ 142,928</b>	<b>\$ 2,417,924</b>	<b>\$ 12,449,693</b>
<b>Liabilities and fund balance</b>				
<b>Liabilities</b>				
Accounts payable	\$ 214,279	\$ 23	\$ -	\$ 214,302
Due to other funds	39,716	-	-	39,716
Revenue collected in advance	-	-	51	51
Due to other governments	13,770	-	-	13,770
Deferred revenue	202,257	1,401	-	203,658
<b>Total liabilities</b>	<b>470,022</b>	<b>1,424</b>	<b>51</b>	<b>471,497</b>
<b>Fund balances</b>				
Reserved for:				
Encumbrances	376,295	-	-	376,295
Debt service	-	141,504	-	141,504
Unreserved, reported in:				
Special revenue funds	9,042,524	-	-	9,042,524
Capital projects funds	-	-	2,417,873	2,417,873
<b>Total fund balance</b>	<b>9,418,819</b>	<b>141,504</b>	<b>2,417,873</b>	<b>11,978,196</b>
<b>Total liabilities and fund balance</b>	<b>\$ 9,888,841</b>	<b>\$ 142,928</b>	<b>\$ 2,417,924</b>	<b>\$ 12,449,693</b>

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, 2003



	Special Revenue Funds	Debt Service Funds	Capital Project Funds	Total Non Major Governmental Funds
<b>Revenues</b>				
Taxes	\$ 1,643,511	\$ 1	\$ 1,450,996	\$ 3,094,508
Intergovernmental	649,997	-	-	649,997
Charges for service	1,846,833	-	-	1,846,833
Fines and forfeits	1,093,632	-	-	1,093,632
Miscellaneous	25,300	60,095	2,284	87,679
<b>Total revenues</b>	<b>5,259,273</b>	<b>60,096</b>	<b>1,453,280</b>	<b>6,772,649</b>
<b>Expenditures</b>				
Current:				
General government	700,240	-	-	700,240
Public Safety	507,561	-	-	507,561
Physical environment	3,344,302	-	-	3,344,302
Transportation	24,544	-	-	24,544
Economic environment	170,370	-	-	170,370
Culture and recreation	138,000	-	-	138,000
Capital outlay	85,975	-	34,431	120,406
Debt service:				
Principal	139,612	1,200,000	-	1,339,612
Interest	28,706	733,098	-	761,804
<b>Total expenditures</b>	<b>5,139,310</b>	<b>1,933,098</b>	<b>34,431</b>	<b>7,106,839</b>
Excess (deficiency) of revenues over expenditures	119,963	(1,873,002)	1,418,849	(334,190)
<b>Other financing sources (uses)</b>				
Sales of capital assets	56,348	-	-	56,348
Transfers in	2,852,158	2,633,063	-	5,485,221
Transfers out	(926,908)	(168,318)	(1,693,173)	(2,788,399)
Proceeds of refunding long-term debt	-	4,535	-	4,535
Payment to refunded debt escrow agent	-	(700,000)	-	(700,000)
<b>Total other financing sources (uses)</b>	<b>1,981,598</b>	<b>1,769,280</b>	<b>(1,693,173)</b>	<b>2,057,705</b>
Excess (deficiency) of revenues & other financing sources over expenditures & other uses	2,101,561	(103,722)	(274,324)	1,723,515
Fund balance as of January 1	7,317,258	245,226	2,692,197	10,254,681
<b>Fund balance as of December 31</b>	<b>\$ 9,418,819</b>	<b>\$ 141,504</b>	<b>\$ 2,417,873</b>	<b>\$ 11,978,196</b>

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



Combining Balance Sheet  
Non-Major Special Revenue Funds

December 31, 2003

Page 1 of 4

	Election Reserve	Veteran's Relief	Tax Refund	Treasurer O & M	Water Resources	Low-Income Housing	Park ORV
<b>Assets</b>							
Cash and cash equivalents	\$ 90,323	\$ 134,930	\$ 26,179	\$ 143,928	\$ 105,507	\$ 583,190	\$ -
Taxes receivable	18,168	7,010	5,503	-	-	-	-
Accounts receivable	-	-	-	-	-	-	-
Special assessments	-	-	-	-	-	-	-
Notes receivable	-	-	-	-	-	-	-
Due from other funds	59	-	-	-	500,000	-	-
Due from other governments	340,276	-	-	-	72,935	-	-
Employee advances	260	-	-	-	-	-	-
Prepayments	503	-	-	-	-	-	-
<b>Total Assets</b>	<b>\$ 449,589</b>	<b>\$ 141,940</b>	<b>\$ 31,682</b>	<b>\$ 143,928</b>	<b>\$ 678,442</b>	<b>\$ 583,190</b>	<b>\$ -</b>
<b>Liabilities and fund balance</b>							
<b>Liabilities</b>							
Accounts payable	\$ 7,984	\$ 309	\$ -	\$ 2	\$ 79,686	\$ -	\$ -
Due to other funds	-	-	-	-	-	-	-
Due to other governments	1,008	-	-	-	410	-	-
Deferred revenue	18,168	7,010	5,503	-	-	-	-
<b>Total liabilities</b>	<b>27,160</b>	<b>7,319</b>	<b>5,503</b>	<b>2</b>	<b>80,096</b>	<b>-</b>	<b>-</b>
<b>Fund balances</b>							
Reserved for:							
Encumbrances	8,491	-	-	-	127,120	-	-
Unreserved, reported in:							
Special revenue funds	413,938	134,621	26,179	143,926	471,226	583,190	-
<b>Total fund balance</b>	<b>422,429</b>	<b>134,621</b>	<b>26,179</b>	<b>143,926</b>	<b>598,346</b>	<b>583,190</b>	<b>-</b>
<b>Total liabilities &amp; fund balance</b>	<b>\$ 449,589</b>	<b>\$ 141,940</b>	<b>\$ 31,682</b>	<b>\$ 143,928</b>	<b>\$ 678,442</b>	<b>\$ 583,190</b>	<b>\$ -</b>

Solid Waste	Convention Center	Victim/Witness Assistance	CERB	Emergency Contingency Fair	Drug Task Force	Community Development	Imminent Threat Grant	Sewer Fund	Emergency Communications
\$ 1,347,945	\$ 253,902	\$ 95,697	\$ 61	\$ 5,250	\$ 16,170	\$ 18,566	\$ 3	\$ 5,066	\$ -
-	-	-	-	-	-	-	-	-	-
203,595	-	-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-	-	-
-	-	-	-	-	-	111,407	-	-	-
-	-	-	-	-	-	-	-	-	-
5,964	-	-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-	-	-
318	-	36	-	-	-	-	-	-	-
<u>\$ 1,557,822</u>	<u>\$ 253,902</u>	<u>\$ 95,733</u>	<u>\$ 61</u>	<u>\$ 5,250</u>	<u>\$ 16,170</u>	<u>\$ 129,973</u>	<u>\$ 3</u>	<u>\$ 5,066</u>	<u>\$ -</u>
\$ 33,920	\$ -	\$ 734	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
10,188	-	-	-	-	-	-	-	-	-
11,462	-	72	-	-	-	-	-	-	-
-	-	-	-	-	-	111,407	-	-	-
<u>55,570</u>	<u>-</u>	<u>806</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>111,407</u>	<u>-</u>	<u>-</u>	<u>-</u>
63,960	-	-	-	-	10,000	-	-	-	-
1,438,292	253,902	94,927	61	5,250	6,170	18,566	3	5,066	-
1,502,252	253,902	94,927	61	5,250	16,170	18,566	3	5,066	-
<u>\$ 1,557,822</u>	<u>\$ 253,902</u>	<u>\$ 95,733</u>	<u>\$ 61</u>	<u>\$ 5,250</u>	<u>\$ 16,170</u>	<u>\$ 129,973</u>	<u>\$ 3</u>	<u>\$ 5,066</u>	<u>\$ -</u>

continued on next page

Combining Balance Sheet  
 Non-Major Special Revenue Funds

December 31, 2003

Page 3 of 4

	Whatcom County Drug	Auditor's O & M	Emergency Management	Sumas Sub- Flood Control Zone District	Point Roberts Fuel Tax	Conservation Futures
<b>Assets</b>						
Cash and cash equivalents	\$ 1,193,047	\$ 655,378	\$ 108,453	\$ -	\$ 97,698	\$ 2,917,424
Taxes receivable	-	-	-	-	-	37,977
Accounts receivable	-	-	-	-	-	-
Special assessments	-	-	-	-	-	-
Notes receivable	-	-	-	-	-	-
Due from other funds	-	-	-	-	-	-
Due from other governments	-	-	-	-	-	-
Employee advances	-	-	-	-	-	-
Prepayments	-	-	410	-	-	-
<b>Total Assets</b>	<b>\$ 1,193,047</b>	<b>\$ 655,378</b>	<b>\$ 108,863</b>	<b>\$ -</b>	<b>\$ 97,698</b>	<b>\$ 2,955,401</b>
<b>Liabilities and fund balance</b>						
<b>Liabilities</b>						
Accounts payable	\$ 85,541	\$ 500	\$ 3,530	\$ -	\$ -	\$ -
Due to other funds	-	19,171	-	-	-	-
Due to other governments	-	-	818	-	-	-
Deferred revenue	-	-	18,961	-	-	37,977
<b>Total liabilities</b>	<b>85,541</b>	<b>19,671</b>	<b>23,309</b>	<b>-</b>	<b>-</b>	<b>37,977</b>
<b>Fund balances</b>						
Reserved for:						
Encumbrances	60,000	105,200	1,524	-	-	-
Unreserved, reported in:						
Special revenue funds	1,047,506	530,507	84,030	-	97,698	2,917,424
<b>Total fund balance</b>	<b>1,107,506</b>	<b>635,707</b>	<b>85,554</b>	<b>-</b>	<b>97,698</b>	<b>2,917,424</b>
<b>Total liabilities &amp; fund balance</b>	<b>\$ 1,193,047</b>	<b>\$ 655,378</b>	<b>\$ 108,863</b>	<b>\$ -</b>	<b>\$ 97,698</b>	<b>\$ 2,955,401</b>

Combining Balance Sheet  
 Non-Major Special Revenue Funds  
 December 31, 2003



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
\$ 19,588	\$ 175,777	\$ 193,669	\$ 361,753	\$ 31,685	\$ 8,581,189
-	-	-	-	-	68,658
-	-	-	-	-	203,595
-	3,231	-	-	-	3,231
-	-	-	-	-	111,407
-	-	-	-	-	500,059
-	-	-	-	-	419,175
-	-	-	-	-	260
-	-	-	-	-	1,267
<u>\$ 19,588</u>	<u>\$ 179,008</u>	<u>\$ 193,669</u>	<u>\$ 361,753</u>	<u>\$ 31,685</u>	<u>\$ 9,888,841</u>
\$ -	\$ 2,073	\$ -	\$ -	\$ -	\$ 214,279
-	-	990	9,367	-	39,716
-	-	-	-	-	13,770
-	3,231	-	-	-	202,257
-	5,304	990	9,367	-	470,022
-	-	-	-	-	376,295
19,588	173,704	192,679	352,386	31,685	9,042,524
<u>19,588</u>	<u>173,704</u>	<u>192,679</u>	<u>352,386</u>	<u>31,685</u>	<u>9,418,819</u>
<u>\$ 19,588</u>	<u>\$ 179,008</u>	<u>\$ 193,669</u>	<u>\$ 361,753</u>	<u>\$ 31,685</u>	<u>\$ 9,888,841</u>

Combining Statement of Revenues, Expenditures and  
 Changes in Fund Balance  
 Non-Major Special Revenue Funds  
 Year Ended December 31, 2003

	Election Reserve	Veteran's Relief	Tax Refund	Treasurer's O & M	Water Resources	Low-Income Housing	Park ORV
<b>Revenues</b>							
Taxes	\$ 369,685	\$ 144,989	\$ 10,545	\$ -	\$ -	\$ -	\$ -
Intergovernmental	16	6	-	-	191,858	-	-
Charges for service	346,449	-	-	122,733	-	403,418	-
Fines and forfeits	-	-	-	-	-	-	-
Miscellaneous	131	151	5	27	-	-	-
<b>Total revenues</b>	<b>716,281</b>	<b>145,146</b>	<b>10,550</b>	<b>122,760</b>	<b>191,858</b>	<b>403,418</b>	<b>-</b>
<b>Expenditures</b>							
Current:							
General government	601,249	-	-	37,202	-	-	-
Public Safety	-	-	-	-	-	-	-
Physical environment	-	-	-	-	2,464,352	-	-
Transportation	-	-	-	-	-	-	-
Economic environment	-	145,754	-	-	-	-	-
Culture and recreation	-	-	-	-	-	-	-
Capital outlay	5,953	-	-	-	3,924	-	-
Debt service:							
Principal	-	-	-	-	-	-	-
Interest	-	-	-	-	-	-	-
<b>Total expenditures</b>	<b>607,202</b>	<b>145,754</b>	<b>-</b>	<b>37,202</b>	<b>2,468,276</b>	<b>-</b>	<b>-</b>
Excess (deficiency) of revenues over expenditures	109,079	(608)	10,550	85,558	(2,276,418)	403,418	-
<b>Other financing sources (uses)</b>							
Sales of capital assets	15,441	6,034	2,298	-	-	-	-
Transfers in	-	-	-	-	2,580,870	-	-
Transfers out	-	-	-	(59,159)	(263,197)	-	-
<b>Total other financing sources (uses)</b>	<b>15,441</b>	<b>6,034</b>	<b>2,298</b>	<b>(59,159)</b>	<b>2,317,673</b>	<b>-</b>	<b>-</b>
Excess (deficiency) of revenues & other financing sources over expenditures & other uses	124,520	5,426	12,848	26,399	41,255	403,418	-
Fund balance as of January 1	297,909	129,195	13,331	117,527	557,091	179,772	-
<b>Fund balance as of Dec. 31</b>	<b>\$ 422,429</b>	<b>\$ 134,621</b>	<b>\$ 26,179</b>	<b>\$ 143,926</b>	<b>\$ 598,346</b>	<b>\$ 583,190</b>	<b>\$ -</b>

Combining Statement of Revenues, Expenditures and  
 Changes in Fund Balance  
 Non-Major Special Revenue Funds  
 Year Ended December 31, 2003



Solid Waste	Convention Center	Victim/Witness Assistance	CERB	Emergency Contingency Fair	Drug Task Force	Community Development	Imminent Threat Grant	Sewer Fund
\$ -	\$ 162,021	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
195,050	-	-	-	-	-	-	-	-
791,336	-	91,207	-	-	-	-	-	-
-	-	24,882	-	-	-	-	-	-
2,700	-	-	-	-	-	-	-	-
989,086	162,021	116,089	-	-	-	-	-	-
-	-	51,932	-	-	-	-	-	-
-	-	-	-	-	-	-	-	-
865,100	-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-	-
-	138,000	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-	-
-	-	-	139,612	-	-	-	-	-
-	-	-	28,706	-	-	-	-	-
865,100	138,000	51,932	168,318	-	-	-	-	-
123,986	24,021	64,157	(168,318)	-	-	-	-	-
-	-	-	-	-	-	-	-	-
-	-	-	168,318	-	-	-	-	-
(111,136)	-	(53,844)	-	-	-	(5,000)	-	-
(111,136)	-	(53,844)	168,318	-	-	(5,000)	-	-
12,850	24,021	10,313	-	-	-	(5,000)	-	-
1,489,402	229,881	84,614	61	5,250	16,170	23,566	3	5,066
\$ 1,502,252	\$ 253,902	\$ 94,927	\$ 61	\$ 5,250	\$ 16,170	\$ 18,566	\$ 3	\$ 5,066

continued on next page

Combining Statement of Revenues, Expenditures and  
 Changes in Fund Balance  
 Non-Major Special Revenue Funds  
 Year Ended December 31, 2003

	Emergency Communi- cations	Whatcom County Drug	Auditor's O & M	Emergency Management	Sumas Sub- Flood Control Zone Dist	Point Roberts Fuel Tax
<b>Revenues</b>						
Taxes	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 27,147
Intergovernmental	-	-	75,090	187,944	-	-
Charges for service	-	-	91,690	-	-	-
Fines and forfeits	-	1,068,750	-	-	-	-
Miscellaneous	-	16,966	-	3,975	-	-
<b>Total revenues</b>	-	1,085,716	166,780	191,919	-	27,147
<b>Expenditures</b>						
Current:						
General government	-	-	9,857	-	-	-
Public Safety	-	157,337	-	350,224	-	-
Physical environment	-	-	-	-	-	-
Transportation	-	-	-	-	-	-
Economic environment	-	-	-	-	-	-
Culture and recreation	-	-	-	-	-	-
Capital outlay	-	63,757	4,004	8,337	-	-
Debt service:						
Principal	-	-	-	-	-	-
Interest	-	-	-	-	-	-
<b>Total expenditures</b>	-	221,094	13,861	358,561	-	-
Excess (deficiency) of revenues over expenditures	-	864,622	152,919	(166,642)	-	27,147
<b>Other financing sources (uses)</b>						
Sales of capital assets	-	-	-	-	-	-
Transfers in	-	-	-	102,970	-	-
Transfers out	-	(414,331)	(19,171)	-	-	-
<b>Total other financing sources (uses)</b>	-	(414,331)	(19,171)	102,970	-	-
Excess (deficiency) of revenues & other financing sources over expenditures & other uses	-	450,291	133,748	(63,672)	-	27,147
Fund balance as of January 1	-	657,215	501,959	149,226	-	70,551
<b>Fund balance as of Dec. 31</b>	\$ -	\$ 1,107,506	\$ 635,707	\$ 85,554	\$ -	\$ 97,698

Combining Statement of Revenues, Expenditures and  
 Changes in Fund Balance  
 Non-Major Special Revenue Funds  
 Year Ended December 31, 2003

Conservation Futures	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
\$ 781,767	\$ -	\$ 25,423	\$ 33,078	\$ 74,581	\$ 14,275	\$ 1,643,511
33	-	-	-	-	-	649,997
-	-	-	-	-	-	1,846,833
-	-	-	-	-	-	1,093,632
276	-	1,069	-	-	-	25,300
<u>782,076</u>	<u>-</u>	<u>26,492</u>	<u>33,078</u>	<u>74,581</u>	<u>14,275</u>	<u>5,259,273</u>
-	-	-	-	-	-	700,240
-	-	-	-	-	-	507,561
-	4,493	-	990	9,367	-	3,344,302
-	-	24,544	-	-	-	24,544
24,616	-	-	-	-	-	170,370
-	-	-	-	-	-	138,000
-	-	-	-	-	-	85,975
-	-	-	-	-	-	139,612
-	-	-	-	-	-	28,706
<u>24,616</u>	<u>4,493</u>	<u>24,544</u>	<u>990</u>	<u>9,367</u>	<u>-</u>	<u>5,139,310</u>
<u>757,460</u>	<u>(4,493)</u>	<u>1,948</u>	<u>32,088</u>	<u>65,214</u>	<u>14,275</u>	<u>119,963</u>
32,575	-	-	-	-	-	56,348
-	-	-	-	-	-	2,852,158
-	-	(1,070)	-	-	-	(926,908)
<u>32,575</u>	<u>-</u>	<u>(1,070)</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>1,981,598</u>
<u>790,035</u>	<u>(4,493)</u>	<u>878</u>	<u>32,088</u>	<u>65,214</u>	<u>14,275</u>	<u>2,101,561</u>
<u>2,127,389</u>	<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>
<u>\$ 2,917,424</u>	<u>\$ 19,588</u>	<u>\$ 173,704</u>	<u>\$ 192,679</u>	<u>\$ 352,386</u>	<u>\$ 31,685</u>	<u>\$ 9,418,819</u>

Combining Statement of Revenues, Expenditures and  
 Changes in Fund Balance  
 Budget and Actual (GAAP Basis)  
 Election Reserve  
 Year Ended December 31, 2003  
 (With comparative totals for December 31, 2002)



	2003			2002
	Budget	Actual	Variance Favorable (Unfavorable)	Actual
<b>Revenues</b>				
Taxes	\$ 361,129	\$ 369,685	\$ 8,556	\$ 363,068
Intergovernmental	-	16	16	25
Charges for Service	77,000	346,449	269,449	296,226
Miscellaneous	-	131	131	178
<b>Total Revenues</b>	<u>438,129</u>	<u>716,281</u>	<u>278,152</u>	<u>659,497</u>
<b>Expenditures</b>				
Current:				
General Government	649,396	601,249	48,147	691,566
Capital Outlay	6,000	5,953	47	-
<b>Total Expenditures</b>	<u>655,396</u>	<u>607,202</u>	<u>48,194</u>	<u>691,566</u>
Excess (Deficiency) of Revenues Over Expenditures	(217,267)	109,079	326,346	(32,069)
<b>Other Financing Sources (Uses)</b>				
Sales of Capital Assets	-	15,441	15,441	10,857
Operating Transfer In	55,000	-	(55,000)	-
<b>Total Other Financing Sources (Uses)</b>	<u>55,000</u>	<u>15,441</u>	<u>(39,559)</u>	<u>10,857</u>
Excess (Deficiency) of Revenues & Other Financing Sources Over Expenditures & Other	(162,267)	124,520	286,787	(21,212)
Fund Balance as of January 1	4,175	297,909	293,734	319,121
<b>Fund Balance as of December 31</b>	<u>\$ (158,092)</u>	<u>\$ 422,429</u>	<u>\$ 580,521</u>	<u>\$ 297,909</u>

Combining Statement of Revenues, Expenditures and  
 Changes in Fund Balance  
 Budget and Actual (GAAP Basis)  
 Veteran's Relief  
 Year Ended December 31, 2003  
 (With comparative totals for December 31, 2002)



	2003			2002
	Budget	Actual	Variance Favorable (Unfavorable)	Actual
<b>Revenues</b>				
Taxes	\$ 143,355	\$ 144,989	\$ 1,634	\$ 137,148
Intergovernmental	-	6	6	15,232
Miscellaneous	-	151	151	67
<b>Total Revenues</b>	<u>143,355</u>	<u>145,146</u>	<u>1,791</u>	<u>152,447</u>
<b>Expenditures</b>				
Current:				
Economic Environment	146,355	145,754	601	119,596
<b>Total Expenditures</b>	<u>146,355</u>	<u>145,754</u>	<u>601</u>	<u>119,596</u>
Excess (Deficiency) of Revenues Over Expenditures	<u>(3,000)</u>	<u>(608)</u>	<u>2,392</u>	<u>32,851</u>
<b>Other Financing Sources (Uses)</b>				
Sales of Capital Assets	3,000	6,034	3,034	4,108
<b>Total Other Financing Sources (Uses)</b>	<u>3,000</u>	<u>6,034</u>	<u>3,034</u>	<u>4,108</u>
Excess (Deficiency) of Revenues & Other Financing Sources Over Expenditures & Other Uses	<u>-</u>	<u>5,426</u>	<u>5,426</u>	<u>36,959</u>
Fund Balance as of January 1	-	129,195	129,195	92,236
<b>Fund Balance as of December 31</b>	<u>\$ -</u>	<u>\$ 134,621</u>	<u>\$ 134,621</u>	<u>\$ 129,195</u>

Combining Statement of Revenues, Expenditures and  
 Changes in Fund Balance  
 Budget and Actual (GAAP Basis)  
 Tax Refund Fund  
 Year Ended December 31, 2003  
 (With comparative totals for December 31, 2002)



	2003			2002
	Budget	Actual	Variance Favorable (Unfavorable)	Actual
<b>Revenues</b>				
Taxes	\$ -	\$ 10,545	\$ 10,545	\$ 360,990
Intergovernmental	-	-	-	23
Miscellaneous	-	5	5	155
<b>Total Revenues</b>	-	10,550	10,550	361,168
<b>Expenditures</b>				
Debt service:				
Principal	-	-	-	348,526
Interest	-	-	-	10,456
<b>Total Expenditures</b>	-	-	-	358,982
Excess (Deficiency) of Revenues Over Expenditures	-	10,550	10,550	2,186
<b>Other Financing Sources (Uses)</b>				
Sales of Capital Assets	-	2,298	2,298	9,958
<b>Total Other Financing Sources (Uses)</b>	-	2,298	2,298	9,958
Excess (Deficiency) of Revenues & Other Financing Sources Over Expenditures & Other Uses	-	12,848	12,848	12,144
Fund Balance as of January 1	-	13,331	13,331	1,187
<b>Fund Balance as of December 31</b>	\$ -	\$ 26,179	\$ 26,179	\$ 13,331

Combining Statement of Revenues, Expenditures and  
 Changes in Fund Balance  
 Budget and Actual (GAAP Basis)  
 Treasurer's O & M  
 Year Ended December 31, 2003  
 (With comparative totals for December 31, 2002)



	2003			2002
	Budget	Actual	Variance Favorable (Unfavorable)	Actual
<b>Revenues</b>				
Charges for Service	\$ 218,693	\$ 122,733	\$ (95,960)	\$ 99,440
Miscellaneous	-	27	27	-
<b>Total Revenues</b>	<u>218,693</u>	<u>122,760</u>	<u>(95,933)</u>	<u>99,440</u>
<b>Expenditures</b>				
Current:				
General Government	159,595	37,202	122,393	46,721
Capital Outlay	2,049	-	2,049	-
<b>Total Expenditures</b>	<u>161,644</u>	<u>37,202</u>	<u>124,442</u>	<u>46,721</u>
Excess (Deficiency) of Revenues Over Expenditures	<u>57,049</u>	<u>85,558</u>	<u>28,509</u>	<u>52,719</u>
<b>Other Financing Sources (Uses)</b>				
Operating Transfer Out	(35,000)	(59,159)	(24,159)	(48,338)
<b>Total Other Financing Sources (Uses)</b>	<u>(35,000)</u>	<u>(59,159)</u>	<u>(24,159)</u>	<u>(48,338)</u>
Excess (Deficiency) of Revenues & Other Financing Sources Over Expenditures & Other Uses	<u>22,049</u>	<u>26,399</u>	<u>4,350</u>	<u>4,381</u>
Fund Balance as of January 1	-	117,527	117,527	113,146
<b>Fund Balance as of December 31</b>	<u>\$ 22,049</u>	<u>\$ 143,926</u>	<u>\$ 121,877</u>	<u>\$ 117,527</u>

Combining Statement of Revenues, Expenditures and  
 Changes in Fund Balance  
 Budget and Actual (GAAP Basis)  
 Water Resources  
 Year Ended December 31, 2003  
 (With comparative totals for December 31, 2002)



	2003			2002
	Budget	Actual	Variance Favorable (Unfavorable)	Actual
<b>Revenues</b>				
Intergovernmental	\$ 395,000	\$ 191,858	\$ (203,142)	\$ 116,610
<b>Total Revenues</b>	<u>395,000</u>	<u>191,858</u>	<u>(203,142)</u>	<u>116,610</u>
<b>Expenditures</b>				
Current:				
Physical Environment	3,213,929	2,464,352	749,577	3,072,271
Capital Outlay	4,080	3,924	156	-
<b>Total Expenditures</b>	<u>3,218,009</u>	<u>2,468,276</u>	<u>749,733</u>	<u>3,072,271</u>
Excess (Deficiency) of Revenues Over Expenditures	<u>(2,823,009)</u>	<u>(2,276,418)</u>	<u>546,591</u>	<u>(2,955,661)</u>
<b>Other Financing Sources (Uses)</b>				
Operating Transfer In	2,529,000	2,580,870	51,870	2,973,697
Operating Transfer Out	(220,189)	(263,197)	(43,008)	(176,903)
<b>Total Other Financing Sources (Uses)</b>	<u>2,308,811</u>	<u>2,317,673</u>	<u>8,862</u>	<u>2,796,794</u>
Excess (Deficiency) of Revenues & Other Financing Sources Over Expenditures & Other Uses	<u>(514,198)</u>	<u>41,255</u>	<u>555,453</u>	<u>(158,867)</u>
Fund Balance as of January 1	737,971	557,091	(180,880)	715,958
<b>Fund Balance as of December 31</b>	<u>\$ 223,773</u>	<u>\$ 598,346</u>	<u>\$ 374,573</u>	<u>\$ 557,091</u>

Combining Statement of Revenues, Expenditures and  
 Changes in Fund Balance  
 Budget and Actual (GAAP Basis)  
 Low-Income Housing  
 Year Ended December 31, 2003  
 (With comparative totals for December 31, 2002)



	2003			2002
	Budget	Actual	Variance Favorable (Unfavorable)	Actual
<b>Revenues</b>				
Charges for service	\$ 200,000	\$ 403,418	\$ 203,418	\$ 179,772
<b>Total Revenues</b>	200,000	403,418	203,418	179,772
Excess (Deficiency) of Revenues Over Expenditures	200,000	403,418	203,418	179,772
Fund Balance as of January 1	-	179,772	179,772	-
<b>Fund Balance as of December 31</b>	<u>\$ 200,000</u>	<u>\$ 583,190</u>	<u>\$ 383,190</u>	<u>\$ 179,772</u>

Combining Statement of Revenues, Expenditures and  
 Changes in Fund Balance  
 Budget and Actual (GAAP Basis)  
 Park ORV  
 Year Ended December 31, 2003  
 (With comparative totals for December 31, 2002)



2003			2002
Budget	Actual	Variance Favorable (Unfavorable)	Actual
\$ -	\$ -	\$ -	\$ -

**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, 2003  
 (With comparative totals for December 31, 2002)



	2003			2002
	Budget	Actual	Variance Favorable (Unfavorable)	Actual
<b>Revenues</b>				
Intergovernmental	\$ 273,500	\$ 195,050	\$ (78,450)	\$ 390,720
Charges for Service	736,100	791,336	55,236	752,511
Miscellaneous	3,000	2,700	(300)	38,443
<b>Total Revenues</b>	<u>1,012,600</u>	<u>989,086</u>	<u>(23,514)</u>	<u>1,181,674</u>
<b>Expenditures</b>				
Current:				
Physical Environment	1,145,605	865,100	280,505	930,734
<b>Total Expenditures</b>	<u>1,145,605</u>	<u>865,100</u>	<u>280,505</u>	<u>930,734</u>
Excess (Deficiency) of Revenues Over Expenditures	(133,005)	123,986	256,991	250,940
<b>Other Financing Sources (Uses)</b>				
Operating Transfer Out	(113,293)	(111,136)	2,157	(147,045)
<b>Total Other Financing Sources (Uses)</b>	<u>(113,293)</u>	<u>(111,136)</u>	<u>2,157</u>	<u>(147,045)</u>
Excess (Deficiency) of Revenues & Other Financing Sources Over Expenditures & Other Uses	(246,298)	12,850	259,148	103,895
Fund Balance as of January 1	1,427,824	1,489,402	61,578	1,385,507
<b>Fund Balance as of December 31</b>	<u>\$ 1,181,526</u>	<u>\$ 1,502,252</u>	<u>\$ 320,726</u>	<u>\$ 1,489,402</u>

Combining Statement of Revenues, Expenditures and  
 Changes in Fund Balance  
 Budget and Actual (GAAP Basis)  
 Convention Center  
 Year Ended December 31, 2003  
 (With comparative totals for December 31, 2002)



	2003			2002
	Budget	Actual	Variance Favorable (Unfavorable)	Actual
<b>Revenues</b>				
Taxes	\$ 115,000	\$ 162,021	\$ 47,021	\$ 147,306
<b>Total Revenues</b>	<u>115,000</u>	<u>162,021</u>	<u>47,021</u>	<u>147,306</u>
<b>Expenditures</b>				
Current:				
Culture & Recreation	142,000	138,000	4,000	131,500
<b>Total Expenditures</b>	<u>142,000</u>	<u>138,000</u>	<u>4,000</u>	<u>131,500</u>
Excess (Deficiency) of Revenues Over Expenditures	<u>(27,000)</u>	<u>24,021</u>	<u>51,021</u>	<u>15,806</u>
Fund Balance as of January 1	33,000	229,881	196,881	214,075
<b>Fund Balance as of December 31</b>	<u>\$ 6,000</u>	<u>\$ 253,902</u>	<u>\$ 247,902</u>	<u>\$ 229,881</u>

Combining Statement of Revenues, Expenditures and  
 Changes in Fund Balance  
 Budget and Actual (GAAP Basis)  
 Victim/Witness Assistance  
 Year Ended December 31, 2003  
 (With comparative totals for December 31, 2002)



	2003			2002
	Budget	Actual	Variance Favorable (Unfavorable)	Actual
<b>Revenues</b>				
Charges for Service	\$ 94,825	\$ 91,207	\$ (3,618)	\$ 97,800
Fines & Forfeits	24,100	24,882	782	25,941
<b>Total Revenues</b>	<b>118,925</b>	<b>116,089</b>	<b>(2,836)</b>	<b>123,741</b>
<b>Expenditures</b>				
Current:				
General Government	53,175	51,932	1,243	54,226
<b>Total Expenditures</b>	<b>53,175</b>	<b>51,932</b>	<b>1,243</b>	<b>54,226</b>
Excess (Deficiency) of Revenues Over Expenditures	65,750	64,157	(1,593)	69,515
<b>Other Financing Sources (Uses)</b>				
Operating Transfer Out	(59,623)	(53,844)	5,779	(71,651)
<b>Total Other Financing Sources (Uses)</b>	<b>(59,623)</b>	<b>(53,844)</b>	<b>5,779</b>	<b>(71,651)</b>
Excess (Deficiency) of Revenues & Other Financing Sources Over Expenditures & Other Uses	6,127	10,313	4,186	(2,136)
Fund Balance as of January 1	672	84,614	83,942	86,750
<b>Fund Balance as of December 31</b>	<b>\$ 6,799</b>	<b>\$ 94,927</b>	<b>\$ 88,128</b>	<b>\$ 84,614</b>

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



Year Ended December 31, 2003

(With comparative totals for December 31, 2002)

	2003			2002
	Budget	Actual	Variance Favorable (Unfavorable)	Actual
<b>Expenditures</b>				
Current:				
Principal	\$ 175,197	\$ 139,612	\$ 35,585	\$ 265,450
Interest	28,707	28,706	1	46,757
<b>Total Expenditures</b>	<u>203,904</u>	<u>168,318</u>	<u>35,586</u>	<u>312,207</u>
Excess (Deficiency) of Revenues Over Expenditures	(203,904)	(168,318)	35,586	(312,207)
<b>Other Financing Sources (Uses)</b>				
Operating Transfer In	203,843	168,318	(35,525)	312,207
<b>Total Other Financing Sources (Uses)</b>	<u>203,843</u>	<u>168,318</u>	<u>(35,525)</u>	<u>312,207</u>
Excess (Deficiency) of Revenues & Other Financing Sources Over Expenditures & Other Uses	(61)	-	61	-
Fund Balance as of January 1	61	61	-	61
<b>Fund Balance as of December 31</b>	<u>\$ -</u>	<u>\$ 61</u>	<u>\$ 61</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, 2003  
 (With comparative totals for December 31, 2002)



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

2003			2002
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, 2003  
 (With comparative totals for December 31, 2002)



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

2003			2002
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, 2003  
 (With comparative totals for December 31, 2002)



	2003			2002
	Budget	Actual	Variance Favorable (Unfavorable)	Actual
<b>Revenues</b>				
Miscellaneous	\$ -	\$ -	\$ -	\$ 10,000
<b>Total Revenues</b>	-	-	-	10,000
Excess (Deficiency) of Revenues Over Expenditures	-	-	-	10,000
<b>Other Financing Sources (Uses)</b>				
Operating Transfer Out	(5,000)	(5,000)	-	(5,000)
<b>Total Other Financing Sources (Uses)</b>	(5,000)	(5,000)	-	(5,000)
Excess (Deficiency) of Revenues & Other Financing Sources Over Expenditures & Other Uses	(5,000)	(5,000)	-	5,000
Fund Balance as of January 1	-	23,566	23,566	18,566
<b>Fund Balance as of December 31</b>	<b>\$ (5,000)</b>	<b>\$ 18,566</b>	<b>\$ 23,566</b>	<b>\$ 23,566</b>

Combining Statement of Revenues, Expenditures and  
 Changes in Fund Balance  
 Budget and Actual (GAAP Basis)  
 Imminent Threat Grant  
 Year Ended December 31, 2003  
 (With comparative totals for December 31, 2002)



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

2003			2002
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, 2003  
 (With comparative totals for December 31, 2002)



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

2003			2002
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, 2003  
 (With comparative totals for December 31, 2002)



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

2003			2002
Budget	Actual	Variance Favorable (Unfavorable)	Actual
\$ -	\$ -	\$ -	\$ -
<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>

Combining Statement of Revenues, Expenditures and  
Changes in Fund Balance  
Budget and Actual (GAAP Basis)  
Whatcom County Drug  
Year Ended December 31, 2003  
(With comparative totals for December 31, 2002)



	2003			2002
	Budget	Actual	Variance Favorable (Unfavorable)	Actual
<b>Revenues</b>				
Charges for Service	\$ 5,903	\$ -	\$ (5,903)	\$ -
Fines & Forfeits	350,000	1,068,750	718,750	396,921
Miscellaneous	-	16,966	16,966	26,612
<b>Total Revenues</b>	<b>355,903</b>	<b>1,085,716</b>	<b>729,813</b>	<b>423,533</b>
<b>Expenditures</b>				
Current:				
Security of Persons & Property	210,000	157,337	52,663	111,215
Capital Outlay	100,000	63,757	36,243	2,167
<b>Total Expenditures</b>	<b>310,000</b>	<b>221,094</b>	<b>88,906</b>	<b>113,382</b>
Excess (Deficiency) of Revenues Over Expenditures	45,903	864,622	818,719	310,151
<b>Other Financing Sources (Uses)</b>				
Operating Transfer Out	(410,860)	(414,331)	(3,471)	(377,403)
<b>Total Other Financing Sources (Uses)</b>	<b>(410,860)</b>	<b>(414,331)</b>	<b>(3,471)</b>	<b>(377,403)</b>
Excess (Deficiency) of Revenues & Other Financing Sources Over Expenditures & Other Uses	(364,957)	450,291	815,248	(67,252)
Fund Balance as of January 1	-	657,215	657,215	724,467
<b>Fund Balance as of December 31</b>	<b>\$ (364,957)</b>	<b>\$ 1,107,506</b>	<b>\$ 1,472,463</b>	<b>\$ 657,215</b>

Combining Statement of Revenues, Expenditures and  
 Changes in Fund Balance  
 Budget and Actual (GAAP Basis)  
 Auditor's O & M  
 Year Ended December 31, 2003  
 (With comparative totals for December 31, 2002)



	2003			2002
	Budget	Actual	Variance Favorable (Unfavorable)	Actual
<b>Revenues</b>				
Intergovernmental	\$ 45,000	\$ 75,090	\$ 30,090	\$ 60,910
Charges for Service	60,000	91,690	31,690	85,168
<b>Total Revenues</b>	<u>105,000</u>	<u>166,780</u>	<u>61,780</u>	<u>146,078</u>
<b>Expenditures</b>				
Current:				
General Government	150,950	9,857	141,093	13,790
Capital Outlay	67,000	4,004	62,996	15,256
<b>Total Expenditures</b>	<u>217,950</u>	<u>13,861</u>	<u>204,089</u>	<u>29,046</u>
Excess (Deficiency) of Revenues Over Expenditures	(112,950)	152,919	265,869	117,032
<b>Other Financing Sources (Uses)</b>				
Operating Transfer Out	(19,171)	(19,171)	-	-
<b>Total Other Financing Sources (Uses)</b>	<u>(19,171)</u>	<u>(19,171)</u>	<u>-</u>	<u>-</u>
Excess (Deficiency) of Revenues & Other Financing Sources Over Expenditures & Other Uses	(132,121)	133,748	265,869	117,032
Fund Balance as of January 1	17,171	501,959	484,788	384,927
<b>Fund Balance as of December 31</b>	<u>\$ (114,950)</u>	<u>\$ 635,707</u>	<u>\$ 750,657</u>	<u>\$ 501,959</u>

Combining Statement of Revenues, Expenditures and  
 Changes in Fund Balance  
 Budget and Actual (GAAP Basis)  
 Emergency Management  
 Year Ended December 31, 2003  
 (With comparative totals for December 31, 2002)



	2003			2002
	Budget	Actual	Variance Favorable (Unfavorable)	Actual
<b>Revenues</b>				
Intergovernmental	\$ 206,905	\$ 187,944	\$ (18,961)	\$ 218,955
Miscellaneous	5,000	3,975	(1,025)	6,025
<b>Total Revenues</b>	<u>211,905</u>	<u>191,919</u>	<u>(19,986)</u>	<u>224,980</u>
<b>Expenditures</b>				
Current:				
Public Safety	394,976	350,224	44,752	331,340
Capital Outlay	8,778	8,337	441	-
<b>Total Expenditures</b>	<u>403,754</u>	<u>358,561</u>	<u>45,193</u>	<u>331,340</u>
Excess (Deficiency) of Revenues Over Expenditures	<u>(191,849)</u>	<u>(166,642)</u>	<u>25,207</u>	<u>(106,360)</u>
<b>Other Financing Sources (Uses)</b>				
Operating Transfer In	102,970	102,970	-	127,788
<b>Total Other Financing Sources (Uses)</b>	<u>102,970</u>	<u>102,970</u>	<u>-</u>	<u>127,788</u>
Excess (Deficiency) of Revenues & Other Financing Sources Over Expenditures & Other Uses	<u>(88,879)</u>	<u>(63,672)</u>	<u>25,207</u>	<u>21,428</u>
Fund Balance as of January 1	38,000	149,226	111,226	127,798
<b>Fund Balance as of December 31</b>	<u>\$ (50,879)</u>	<u>\$ 85,554</u>	<u>\$ 136,433</u>	<u>\$ 149,226</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, 2003  
 (With comparative totals for December 31, 2002)



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

2003			2002
Budget	Actual	Variance Favorable (Unfavorable)	Actual
\$ -	\$ -	\$ -	\$ -
<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>

Combining Statement of Revenues, Expenditures and  
 Changes in Fund Balance  
 Budget and Actual (GAAP Basis)  
 Point Roberts Fuel Tax  
 Year Ended December 31, 2003  
 (With comparative totals for December 31, 2002)



	2003			2002
	Budget	Actual	Variance Favorable (Unfavorable)	Actual
<b>Revenues</b>				
Taxes	\$ 20,000	\$ 27,147	\$ 7,147	\$ 18,751
<b>Total Revenues</b>	<u>20,000</u>	<u>27,147</u>	<u>7,147</u>	<u>18,751</u>
Excess (Deficiency) of Revenues & Other Financing Sources Over Expenditures & Other Uses	<u>20,000</u>	<u>27,147</u>	<u>7,147</u>	<u>18,751</u>
Fund Balance as of January 1	71,800	70,551	(1,249)	51,800
<b>Fund Balance as of December 31</b>	<u>\$ 91,800</u>	<u>\$ 97,698</u>	<u>\$ 5,898</u>	<u>\$ 70,551</u>

Combining Statement of Revenues, Expenditures and  
 Changes in Fund Balance  
 Budget and Actual (GAAP Basis)  
 Conservation Futures  
 Year Ended December 31, 2003  
 (With comparative totals for December 31, 2002)



	2003			2002
	Budget	Actual	Variance Favorable (Unfavorable)	Actual
<b>Revenues</b>				
Taxes	\$ 782,297	\$ 781,767	\$ (530)	\$ 748,442
Intergovernmental	50	33	(17)	51
Miscellaneous	200	276	76	8,368
<b>Total Revenues</b>	<u>782,547</u>	<u>782,076</u>	<u>(471)</u>	<u>756,861</u>
<b>Expenditures</b>				
Current:				
Economic Environment	25,000	24,616	384	20,036
Capital Outlay	50,000	-	50,000	458,978
<b>Total Expenditures</b>	<u>75,000</u>	<u>24,616</u>	<u>50,384</u>	<u>479,014</u>
Excess (Deficiency) of Revenues Over Expenditures	<u>707,547</u>	<u>757,460</u>	<u>49,913</u>	<u>277,847</u>
<b>Other Financing Sources (Uses)</b>				
Sales of Capital Assets	15,000	32,575	17,575	22,411
Operating Transfer Out	(30,245)	-	30,245	(29,244)
<b>Total Other Financing Sources (Uses)</b>	<u>(15,245)</u>	<u>32,575</u>	<u>47,820</u>	<u>(6,833)</u>
Excess (Deficiency) of Revenues & Other Financing Sources Over Expenditures & Other Uses	<u>692,302</u>	<u>790,035</u>	<u>97,733</u>	<u>271,014</u>
Fund Balance as of January 1	-	2,127,389	2,127,389	1,856,375
<b>Fund Balance as of December 31</b>	<u>\$ 692,302</u>	<u>\$ 2,917,424</u>	<u>\$ 2,225,122</u>	<u>\$ 2,127,389</u>

Combining Statement of Revenues, Expenditures and  
 Changes in Fund Balance  
 Budget and Actual (GAAP Basis)  
 Lake Management District 1  
 Year Ended December 31, 2003  
 (With comparative totals for December 31, 2002)



	2003			2002
	Budget	Actual	Variance Favorable (Unfavorable)	Actual
<b>Revenues</b>				
Miscellaneous	\$ 800	\$ -	\$ (800)	\$ 901
<b>Total Revenues</b>	<u>800</u>	<u>-</u>	<u>(800)</u>	<u>901</u>
<b>Expenditures</b>				
Current:				
Physical Environment	5,563	4,493	1,070	4,034
<b>Total Expenditures</b>	<u>5,563</u>	<u>4,493</u>	<u>1,070</u>	<u>4,034</u>
Excess (Deficiency) of Revenues Over Expenditures	<u>(4,763)</u>	<u>(4,493)</u>	<u>270</u>	<u>(3,133)</u>
Fund Balance as of January 1	26,333	24,081	(2,252)	27,214
<b>Fund Balance as of December 31</b>	<u>\$ 21,570</u>	<u>\$ 19,588</u>	<u>\$ (1,982)</u>	<u>\$ 24,081</u>

Combining Statement of Revenues, Expenditures and  
 Changes in Fund Balance  
 Budget and Actual (GAAP Basis)  
 Road Improvement Districts  
 Year Ended December 31, 2003  
 (With comparative totals for December 31, 2002)



	2003			2002
	Budget	Actual	Variance Favorable (Unfavorable)	Actual
<b>Revenues</b>				
Taxes	\$ 24,412	\$ 25,423	\$ 1,011	\$ 25,076
Miscellaneous	4,462	1,069	(3,393)	2,408
<b>Total Revenues</b>	<u>28,874</u>	<u>26,492</u>	<u>(2,382)</u>	<u>27,484</u>
<b>Expenditures</b>				
Current:				
Transportation	28,200	24,544	3,656	24,628
<b>Total Expenditures</b>	<u>28,200</u>	<u>24,544</u>	<u>3,656</u>	<u>24,628</u>
Excess (Deficiency) of Revenues Over Expenditures	674	1,948	1,274	2,856
<b>Other Financing Sources (Uses)</b>				
Operating Transfer In	-	-	-	72,871
Operating Transfer Out	(118,700)	(1,070)	117,630	(1,051)
<b>Total Other Financing Sources (Uses)</b>	<u>(118,700)</u>	<u>(1,070)</u>	<u>117,630</u>	<u>71,820</u>
Excess (Deficiency) of Revenues & Other Financing Sources Over Expenditures & Other Uses	(118,026)	878	118,904	74,676
Fund Balance as of January 1	160,850	172,826	11,976	98,150
<b>Fund Balance as of December 31</b>	<u>\$ 42,824</u>	<u>\$ 173,704</u>	<u>\$ 130,880</u>	<u>\$ 172,826</u>

Combining Statement of Revenues, Expenditures and  
 Changes in Fund Balance  
 Budget and Actual (GAAP Basis)  
 Lynden/Everson Sub-Zone  
 Year Ended December 31, 2003  
 (With comparative totals for December 31, 2002)



	2003			2002
	Budget	Actual	Variance Favorable (Unfavorable)	Actual
<b>Revenues</b>				
Taxes	\$ 32,000	\$ 33,078	\$ 1,078	\$ 32,560
<b>Total Revenues</b>	<u>32,000</u>	<u>33,078</u>	<u>1,078</u>	<u>32,560</u>
<b>Expenditures</b>				
Current:				
Physical Environment	55,000	990	54,010	12,562
<b>Total Expenditures</b>	<u>55,000</u>	<u>990</u>	<u>54,010</u>	<u>12,562</u>
Excess (Deficiency) of Revenues Over Expenditures	<u>(23,000)</u>	<u>32,088</u>	<u>55,088</u>	<u>19,998</u>
Fund Balance as of January 1	(137,131)	160,591	297,722	140,593
<b>Fund Balance as of December 31</b>	<u>\$ (160,131)</u>	<u>\$ 192,679</u>	<u>\$ 352,810</u>	<u>\$ 160,591</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, 2003  
 (With comparative totals for December 31, 2002)



	2003			2002
	Budget	Actual	Variance Favorable (Unfavorable)	Actual
<b>Revenues</b>				
Taxes	\$ 71,820	\$ 74,581	\$ 2,761	\$ 72,209
<b>Total Revenues</b>	<u>71,820</u>	<u>74,581</u>	<u>2,761</u>	<u>72,209</u>
<b>Expenditures</b>				
Current:				
Physical Environment	75,000	9,367	65,633	14,809
<b>Total Expenditures</b>	<u>75,000</u>	<u>9,367</u>	<u>65,633</u>	<u>14,809</u>
Excess (Deficiency) of Revenues Over Expenditures	(3,180)	65,214	68,394	57,400
Fund Balance as of January 1	(273,567)	287,172	560,739	229,772
<b>Fund Balance as of December 31</b>	<u>\$ (276,747)</u>	<u>\$ 352,386</u>	<u>\$ 629,133</u>	<u>\$ 287,172</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, 2003  
 (With comparative totals for December 31, 2002)



	2003			2002
	Budget	Actual	Variance Favorable (Unfavorable)	Actual
<b>Revenues</b>				
Taxes	\$ 13,617	\$ 14,275	\$ 658	\$ 13,843
<b>Total Revenues</b>	<u>13,617</u>	<u>14,275</u>	<u>658</u>	<u>13,843</u>
<b>Expenditures</b>				
Current:				
Physical Environment	11,250	-	11,250	7,645
<b>Total Expenditures</b>	<u>11,250</u>	<u>-</u>	<u>11,250</u>	<u>7,645</u>
Excess (Deficiency) of Revenues Over Expenditures	<u>2,367</u>	<u>14,275</u>	<u>11,908</u>	<u>6,198</u>
Fund Balance as of January 1	(18,412)	17,410	35,822	11,212
<b>Fund Balance as of December 31</b>	<u>\$ (16,045)</u>	<u>\$ 31,685</u>	<u>\$ 47,730</u>	<u>\$ 17,410</u>

Combining Balance Sheet  
 Non-Major Debt Service Funds  
 December 31, 2003

	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
<b>Assets</b>						
Cash and cash equivalents	\$ 30,891	\$ 22,312	\$ -	\$ 8,406	\$ 5,271	\$ 219
Taxes receivable	10	-	-	-	-	-
Special assessments	-	-	-	-	-	-
<b>Total Assets</b>	<b>\$ 30,901</b>	<b>\$ 22,312</b>	<b>\$ -</b>	<b>\$ 8,406</b>	<b>\$ 5,271</b>	<b>\$ 219</b>
<b>Liabilities and fund balance</b>						
<b>Liabilities</b>						
Accounts payable	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Deferred revenue	10	-	-	-	-	-
<b>Total liabilities</b>	<b>10</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Fund balances</b>						
Reserved for:						
Debt service	30,891	22,312	-	8,406	5,271	219
<b>Total fund balance</b>	<b>30,891</b>	<b>22,312</b>	<b>-</b>	<b>8,406</b>	<b>5,271</b>	<b>219</b>
<b>Total liabilities and fund balance</b>	<b>\$ 30,901</b>	<b>\$ 22,312</b>	<b>\$ -</b>	<b>\$ 8,406</b>	<b>\$ 5,271</b>	<b>\$ 219</b>

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	2003 Ltd. Tax GO Bond	Total Non Major Debt Service Funds
\$ 14,602	\$ 5,507	\$ 47,954	\$ 1,337	\$ 208	\$ 92	\$ 343	\$ 4,385	\$ 141,527
-	-	-	-	-	-	-	-	10
1,391	-	-	-	-	-	-	-	1,391
<u>\$ 15,993</u>	<u>\$ 5,507</u>	<u>\$ 47,954</u>	<u>\$ 1,337</u>	<u>\$ 208</u>	<u>\$ 92</u>	<u>\$ 343</u>	<u>\$ 4,385</u>	<u>\$ 142,928</u>
\$ -	\$ -	\$ -	\$ -	\$ 23	\$ -	\$ -	\$ -	\$ 23
1,391	-	-	-	-	-	-	-	1,401
<u>1,391</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>23</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>1,424</u>
14,602	5,507	47,954	1,337	185	92	343	4,385	141,504
<u>14,602</u>	<u>5,507</u>	<u>47,954</u>	<u>1,337</u>	<u>185</u>	<u>92</u>	<u>343</u>	<u>4,385</u>	<u>141,504</u>
<u>\$ 15,993</u>	<u>\$ 5,507</u>	<u>\$ 47,954</u>	<u>\$ 1,337</u>	<u>\$ 208</u>	<u>\$ 92</u>	<u>\$ 343</u>	<u>\$ 4,385</u>	<u>\$ 142,928</u>

Combining Statement of Revenues, Expenditures, and  
 Changes in Fund Balance  
 Non-Major Debt Service Funds  
 Year Ended December 31, 2003

	1977 Fair GO Bond	1978 Ltd. Tax GO Bond	1981Ltd. Tax GO Bond	1982 Ltd. Tax GO Bond	1983 Ltd. Tax GO Bond	CRID No. 4 General Debt
<b>Revenues</b>						
Taxes	\$ 1	\$ -	\$ -	\$ -	\$ -	\$ -
Miscellaneous	-	-	-	-	-	-
<b>Total revenues</b>	<u>1</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<b>Expenditures</b>						
Debt service:						
Principal	-	-	-	-	-	-
Interest	-	-	-	-	-	-
<b>Total expenditures</b>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Excess (deficiency) of revenues over expenditures	<u>1</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<b>Other financing sources (uses)</b>						
Transfers in	-	-	-	-	-	-
Transfers out	-	-	-	-	-	-
Proceeds of refunding long-term debt	-	-	-	-	-	-
Payment to refunded debt escrow agent	-	-	-	-	-	-
<b>Total other financing sources (uses)</b>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Excess (deficiency) of revenues & other financing sources over expenditures & other uses	<u>1</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Fund balance as of January 1	30,890	22,312	-	8,406	5,271	219
<b>Fund balance as of December 31</b>	<u>\$ 30,891</u>	<u>\$ 22,312</u>	<u>\$ -</u>	<u>\$ 8,406</u>	<u>\$ 5,271</u>	<u>\$ 219</u>

Combining Statement of Revenues, Expenditures, and  
 Changes in Fund Balance  
 Non-Major Debt Service Funds  
 Year Ended December 31, 2003

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	2003 Ltd. Tax GO Bond	Total Non Major Debt Service Funds
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 1
-	56,948	3,147	-	-	-	-	-	60,095
-	56,948	3,147	-	-	-	-	-	60,096
-	-	-	-	325,000	745,000	130,000	-	1,200,000
-	-	-	-	126,244	439,219	123,776	43,859	733,098
-	-	-	-	451,244	1,184,219	253,776	43,859	1,933,098
-	56,948	3,147	-	(451,244)	(1,184,219)	(253,776)	(43,859)	(1,873,002)
-	-	-	-	451,365	1,183,916	254,073	743,709	2,633,063
-	(168,318)	-	-	-	-	-	-	(168,318)
-	-	-	-	-	-	-	4,535	4,535
-	-	-	-	-	-	-	(700,000)	(700,000)
-	(168,318)	-	-	451,365	1,183,916	254,073	48,244	1,769,280
-	(111,370)	3,147	-	121	(303)	297	4,385	(103,722)
14,602	116,877	44,807	1,337	64	395	46	-	245,226
\$ 14,602	\$ 5,507	\$ 47,954	\$ 1,337	\$ 185	\$ 92	\$ 343	\$ 4,385	\$ 141,504

Combining Statement of Revenues, Expenditures and  
 Changes in Fund Balance  
 Budget and Actual (GAAP Basis)  
 1977 Fair General Obligation Bond  
 Year Ended December 31, 2003  
 (With comparative totals for December 31, 2002)



	2003			2002
	Budget	Actual	Variance Favorable (Unfavorable)	Actual
<b>Revenues</b>				
Taxes	\$ -	\$ 1	\$ 1	\$ -
Miscellaneous	-	-	-	6
<b>Total Revenues</b>	-	1	1	6
<b>Expenditures</b>				
Debt Service:				
Interest	700	-	700	-
<b>Total Expenditures</b>	700	-	700	-
Excess (Deficiency) of Revenues Over Expenditures	(700)	1	(699)	6
Fund Balance as of January 1	-	30,890	30,890	30,884
<b>Fund Balance as of December 31</b>	<b>\$ (700)</b>	<b>\$ 30,891</b>	<b>\$ 30,191</b>	<b>\$ 30,890</b>

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, 2003  
 (With comparative totals for December 31, 2002)



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

	2003		2002
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, 2003  
 (With comparative totals for December 31, 2002)



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

2003			2002
Budget	Actual	Variance Favorable (Unfavorable)	Actual
\$ -	\$ -	\$ -	\$ -
<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

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, 2003  
 (With comparative totals for December 31, 2002)



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

2003			2002
Budget	Actual	Variance Favorable (Unfavorable)	Actual
-	8,406	8,406	8,406
<b>\$ -</b>	<b>\$ 8,406</b>	<b>\$ 8,406</b>	<b>\$ 8,406</b>

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, 2003  
 (With comparative totals for December 31, 2002)



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

2003			2002
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, 2003  
 (With comparative totals for December 31, 2002)



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

2003			2002
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, 2003  
 (With comparative totals for December 31, 2002)



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

2003			2002
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, 2003  
 (With comparative totals for December 31, 2002)



	2003			2002
	Budget	Actual	Variance Favorable (Unfavorable)	Actual
<b>Revenues</b>				
Miscellaneous	\$ 101,922	\$ 56,948	\$ (44,974)	\$ 116,671
<b>Total Revenues</b>	<u>101,922</u>	<u>56,948</u>	<u>(44,974)</u>	<u>116,671</u>
Excess (Deficiency) of Revenues Over Expenditures	<u>101,922</u>	<u>56,948</u>	<u>(44,974)</u>	<u>116,671</u>
<b>Other Financing Sources (Uses)</b>				
Operating Transfer In	117,638	-	117,638	-
Operating Transfer Out	(203,843)	(168,318)	35,525	(348,204)
<b>Total Other Financing Sources (Uses)</b>	<u>(86,205)</u>	<u>(168,318)</u>	<u>153,163</u>	<u>(348,204)</u>
Excess (Deficiency) of Revenues & Other Financing Sources Over Expenditures & Other Uses	<u>15,717</u>	<u>(111,370)</u>	<u>108,189</u>	<u>(231,533)</u>
Fund Balance as of January 1	-	116,877	116,877	348,410
<b>Fund Balance as of December 31</b>	<u>\$ 15,717</u>	<u>\$ 5,507</u>	<u>\$ 225,066</u>	<u>\$ 116,877</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, 2003  
 (With comparative totals for December 31, 2002)



	2003			2002
	Budget	Actual	Variance Favorable (Unfavorable)	Actual
<b>Revenues</b>				
Miscellaneous	\$ 19,909	\$ 3,147	\$ (16,762)	\$ 81,527
<b>Total Revenues</b>	<u>19,909</u>	<u>3,147</u>	<u>(16,762)</u>	<u>81,527</u>
<b>Expenditures</b>				
Debt Service:				
Principal	-	-	-	115,000
Interest	1,000	-	1,000	9,205
<b>Total Expenditures</b>	<u>1,000</u>	<u>-</u>	<u>1,000</u>	<u>124,205</u>
Excess (Deficiency) of Revenues Over Expenditures	<u>18,909</u>	<u>3,147</u>	<u>(15,762)</u>	<u>(42,678)</u>
<b>Other Financing Sources (Uses)</b>				
Operating Transfer In	-	-	-	9,366
Operating Transfer Out	-	-	-	(36,874)
<b>Total Other Financing Sources (Uses)</b>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(27,508)</u>
Excess (Deficiency) of Revenues & Other Financing Sources Over Expenditures & Other Uses	<u>18,909</u>	<u>3,147</u>	<u>(15,762)</u>	<u>(70,186)</u>
Fund Balance as of January 1	-	44,807	44,807	114,993
<b>Fund Balance as of December 31</b>	<u>\$ 18,909</u>	<u>\$ 47,954</u>	<u>\$ 29,045</u>	<u>\$ 44,807</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, 2003  
 (With comparative totals for December 31, 2002)



	2003			2002
	Budget	Actual	Variance Favorable (Unfavorable)	Actual
<b>Revenues</b>				
Miscellaneous	\$ -	\$ -	\$ -	\$ 161
<b>Total Revenues</b>	-	-	-	161
<b>Expenditures</b>				
Debt Service:				
Interest	1,000	-	1,000	-
<b>Total Expenditures</b>	1,000	-	1,000	-
Excess (Deficiency) of Revenues Over Expenditures	(1,000)	-	1,000	161
Excess (Deficiency) of Revenues & Other Financing Sources Over Expenditures & Other Uses	(1,000)	-	1,000	161
Fund Balance as of January 1	-	1,337	1,337	1,176
<b>Fund Balance as of December 31</b>	<b>\$ (1,000)</b>	<b>\$ 1,337</b>	<b>\$ 2,337</b>	<b>\$ 1,337</b>

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, 2003  
 (With comparative totals for December 31, 2002)



	2003			2002
	Budget	Actual	Variance Favorable (Unfavorable)	Actual
<b>Expenditures</b>				
Debt Service:				
Principal	\$ 325,000	\$ 325,000	\$ -	\$ 310,000
Interest	237,105	126,244	110,861	251,152
<b>Total Expenditures</b>	<u>562,105</u>	<u>451,244</u>	<u>110,861</u>	<u>561,152</u>
Excess (Deficiency) of Revenues Over Expenditures	<u>(562,105)</u>	<u>(451,244)</u>	<u>110,861</u>	<u>(561,152)</u>
<b>Other Financing Sources (Uses)</b>				
Operating Transfer In	562,105	451,365	(110,740)	560,985
<b>Total Other Financing Sources (Uses)</b>	<u>562,105</u>	<u>451,365</u>	<u>(110,740)</u>	<u>560,985</u>
Excess (Deficiency) of Revenues & Other Financing Sources Over Expenditures & Other Uses	<u>-</u>	<u>121</u>	<u>121</u>	<u>(167)</u>
Fund Balance as of January 1	-	64	64	231
<b>Fund Balance as of December 31</b>	<u>\$ -</u>	<u>\$ 185</u>	<u>\$ 185</u>	<u>\$ 64</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, 2003  
 (With comparative totals for December 31, 2002)



	2003			2002
	Budget	Actual	Variance Favorable (Unfavorable)	Actual
<b>Expenditures</b>				
Debt Service:				
Principal	\$ 745,000	\$ 745,000	\$ -	\$ 710,000
Interest	439,915	439,219	696	479,333
<b>Total Expenditures</b>	<u>1,184,915</u>	<u>1,184,219</u>	<u>696</u>	<u>1,189,333</u>
Excess (Deficiency) of Revenues Over Expenditures	<u>(1,184,915)</u>	<u>(1,184,219)</u>	<u>696</u>	<u>(1,189,333)</u>
<b>Other Financing Sources (Uses)</b>				
Operating Transfer In	1,184,915	1,183,916	(999)	1,189,428
<b>Total Other Financing Sources (Uses)</b>	<u>1,184,915</u>	<u>1,183,916</u>	<u>(999)</u>	<u>1,189,428</u>
Excess (Deficiency) of Revenues & Other Financing Sources Over Expenditures & Other Uses	<u>-</u>	<u>(303)</u>	<u>(303)</u>	<u>95</u>
Fund Balance as of January 1	-	395	395	300
<b>Fund Balance as of December 31</b>	<u>\$ -</u>	<u>\$ 92</u>	<u>\$ 92</u>	<u>\$ 395</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, 2003  
 (With comparative totals for December 31, 2002)



	2003			2002
	Budget	Actual	Variance Favorable (Unfavorable)	Actual
<b>Expenditures</b>				
Debt Service:				
Principal	\$ 130,000	\$ 130,000	\$ -	\$ 125,000
Interest	124,473	123,776	697	128,413
<b>Total Expenditures</b>	<u>254,473</u>	<u>253,776</u>	<u>697</u>	<u>253,413</u>
Excess (Deficiency) of Revenues Over Expenditures	(254,473)	(253,776)	697	(253,413)
<b>Other Financing Sources (Uses)</b>				
Operating Transfer In	254,473	254,073	(400)	253,160
<b>Total Other Financing Sources (Uses)</b>	<u>254,473</u>	<u>254,073</u>	<u>(400)</u>	<u>253,160</u>
Excess (Deficiency) of Revenues & Other Financing Sources Over Expenditures & Other Uses	-	297	297	(253)
Fund Balance as of January 1	-	46	46	299
<b>Fund Balance as of December 31</b>	<u>\$ -</u>	<u>\$ 343</u>	<u>\$ 343</u>	<u>\$ 46</u>

Combining Statement of Revenues, Expenditures and  
 Changes in Fund Balance  
 Budget and Actual (GAAP Basis)  
 2003 Ltd. Tax General Obligation Bond  
 Year Ended December 31, 2003  
 (With comparative totals for December 31, 2002)



	2003			2002
	Budget	Actual	Variance Favorable (Unfavorable)	Actual
<b>Expenditures</b>				
Debt Service:				
Interest	\$ -	\$ 43,859	\$ (43,859)	\$ -
<b>Total Expenditures</b>	-	43,859	(43,859)	-
<b>Excess (Deficiency) of Revenues Over Expenditures</b>	-	(43,859)	(43,859)	-
<b>Other Financing Sources (Uses)</b>				
Operating Transfer In	-	743,709	743,709	-
Proceeds of General Long-Term Debt	-	4,535	4,535	-
Payment to refunded debt escrow agent	-	(700,000)	(700,000)	-
<b>Total Other Financing Sources (Uses)</b>	-	48,244	48,244	-
<b>Excess (Deficiency) of Revenues &amp; Other Financing Sources Over Expenditures &amp; Other Uses</b>	-	4,385	4,385	-
Fund Balance as of January 1	-	-	-	-
<b>Fund Balance as of December 31</b>	\$ -	\$ 4,385	\$ 4,385	\$ -

Combining Balance Sheet  
 Non-Major Capital Project Funds  
 December 31, 2003

	1983 Sewer Construction	Real Estate Excise Tax	Courthouse Construction	Road Improvement Dist. No. 10 Construction	County Park Improvement
<b>Assets</b>					
Cash and cash equivalents	\$ -	\$ 2,307,204	\$ 43	\$ -	\$ 2,459
Investments at cost	-	-	-	-	32,742
Interest receivable	-	-	-	-	64
<b>Long-term assets</b>					
Investment in joint ventures	-	40,769	-	-	-
<b>Total Assets</b>	<b>\$ -</b>	<b>\$ 2,347,973</b>	<b>\$ 43</b>	<b>\$ -</b>	<b>\$ 35,265</b>
<b>Liabilities and fund balance</b>					
<b>Liabilities</b>					
Revenue collected in advance	\$ -	\$ -	\$ -	\$ -	\$ 51
<b>Total liabilities</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>51</b>
<b>Fund balances</b>					
Unreserved, reported in:					
Capital Projects	-	2,347,973	43	-	35,214
<b>Total fund balance</b>	<b>-</b>	<b>2,347,973</b>	<b>43</b>	<b>-</b>	<b>35,214</b>
<b>Total liabilities and fund balance</b>	<b>\$ -</b>	<b>\$ 2,347,973</b>	<b>\$ 43</b>	<b>\$ -</b>	<b>\$ 35,265</b>

Combining Balance Sheet  
 Non-Major Capital Project Funds  
 December 31, 2003

Civic Center Building Improvement		Total Non Major Capital Project Funds	
\$	34,643	\$	2,344,349
	-		32,742
	-		64
	-		40,769
<u>\$</u>	<u>34,643</u>	<u>\$</u>	<u>2,417,924</u>
\$	-	\$	51
	-		51
	<u>34,643</u>		<u>2,417,873</u>
	<u>34,643</u>		<u>2,417,873</u>
<u>\$</u>	<u>34,643</u>	<u>\$</u>	<u>2,417,924</u>

Combining Statement of Revenues, Expenditures and  
 Changes in Fund Balance  
 Non-Major Capital Project Funds  
 Year Ended December 31, 2003

	1983 Sewer Construction	Real Estate Excise Tax	Courthouse Construction	Road Improvement District No. 10 Construction	County Park Improvement
<b>Revenues</b>					
Taxes	\$ -	\$ 1,450,996	\$ -	\$ -	\$ -
Miscellaneous		(15)			2,299
<b>Total revenues</b>	-	1,450,981	-	-	2,299
<b>Expenditures</b>					
Current:					
Capital outlay	-	-	-	-	-
<b>Total expenditures</b>	-	-	-	-	-
Excess (deficiency) of revenues over expenditures	-	1,450,981	-	-	2,299
<b>Other financing sources (uses)</b>					
Transfers out		(993,173)			
<b>Total other financing sources (uses)</b>	-	(993,173)	-	-	-
Excess (deficiency) of revenues & other financing sources over expenditures & other uses	-	457,808	-	-	2,299
Fund balance as of January 1		1,890,165	43		32,915
<b>Fund balance as of December 31</b>	\$ -	\$ 2,347,973	\$ 43	\$ -	\$ 35,214

Combining Statement of Revenues, Expenditures and  
 Changes in Fund Balance  
 Non-Major Capital Project Funds  
 Year Ended December 31, 2003

Civic Center Building Improvement	Total Non Major Capital Project Funds
\$ -	\$ 1,450,996
-	2,284
-	1,453,280
<hr/>	
34,431	34,431
34,431	34,431
<hr/>	
(34,431)	1,418,849
<hr/>	
(700,000)	(1,693,173)
<hr/>	
(700,000)	(1,693,173)
<hr/>	
(734,431)	(274,324)
<hr/>	
769,074	2,692,197
<u>\$ 34,643</u>	<u>\$ 2,417,873</u>

Combining Statement of Revenues, Expenditures and  
 Changes in Fund Balance  
 Budget and Actual (GAAP Basis)  
 1983 Sewer Construction  
 Year Ended December 31, 2003  
 (With comparative totals for December 31, 2002)



	2003			2002
	Budget	Actual	Variance Favorable (Unfavorable)	Actual
<b>Revenues</b>				
Miscellaneous	\$ 800	\$ -	\$ (800)	\$ 36
<b>Total Revenues</b>	<u>800</u>	<u>-</u>	<u>(800)</u>	<u>36</u>
<b>Other Financing Sources (Uses)</b>				
Operating Transfer Out	-	-	-	(88)
<b>Total Other Financing Sources (Uses)</b>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(88)</u>
Excess (Deficiency) of Revenues & Other Financing Sources Over Expenditures & Other Uses	<u>800</u>	<u>-</u>	<u>(800)</u>	<u>(52)</u>
Fund Balance as of January 1	-	-	-	52
<b>Fund Balance as of December 31</b>	<u>\$ 800</u>	<u>\$ -</u>	<u>\$ (800)</u>	<u>\$ -</u>

Combining Statement of Revenues, Expenditures and  
 Changes in Fund Balance  
 Budget and Actual (GAAP Basis)  
 Real Estate Excise Tax  
 Year Ended December 31, 2003  
 (With comparative totals for December 31, 2002)



	2003			2002
	Budget	Actual	Variance Favorable (Unfavorable)	Actual
<b>Revenues</b>				
Taxes	\$ 1,000,000	\$ 1,450,996	\$ 450,996	\$ 1,192,147
Miscellaneous	-	(15)	(15)	-
<b>Total Revenues</b>	<u>1,000,000</u>	<u>1,450,981</u>	<u>450,981</u>	<u>1,192,147</u>
<b>Other Financing Sources (Uses)</b>				
Operating Transfer Out	(994,012)	(993,173)	839	(689,428)
<b>Total Other Financing Sources (Uses)</b>	<u>(994,012)</u>	<u>(993,173)</u>	<u>839</u>	<u>(689,428)</u>
Excess (Deficiency) of Revenues & Other Financing Sources Over Expenditures & Other Uses	<u>5,988</u>	<u>457,808</u>	<u>451,820</u>	<u>502,719</u>
Fund Balance as of January 1	-	1,890,165	1,890,165	1,387,446
<b>Fund Balance as of December 31</b>	<u>\$ 5,988</u>	<u>\$ 2,347,973</u>	<u>\$ 2,341,985</u>	<u>\$ 1,890,165</u>

Combining Statement of Revenues, Expenditures and  
 Changes in Fund Balance  
 Budget and Actual (GAAP Basis)  
 Courthouse Construction  
 Year Ended December 31, 2003  
 (With comparative totals for December 31, 2002)



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

2003			2002
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, 2003  
 (With comparative totals for December 31, 2002)



	2003			2002
	Budget	Actual	Variance Favorable (Unfavorable)	Actual
<b>Revenues</b>				
Miscellaneous	\$ 200	\$ -	\$ (200)	\$ 96
<b>Total Revenues</b>	200	-	(200)	96
Excess (Deficiency) of Revenues Over Expenditures	200	-	(200)	96
<b>Other Financing Sources (Uses)</b>				
Operating Transfer Out	-	-	-	(9,366)
<b>Total Other Financing Sources (Uses)</b>	-	-	-	(9,366)
Excess (Deficiency) of Revenues & Other Financing Sources Over Expenditures & Other Uses	200	-	(200)	(9,270)
Fund Balance as of January 1	-	-	-	9,270
<b>Fund Balance as of December 31</b>	<b>\$ 200</b>	<b>\$ -</b>	<b>\$ (200)</b>	<b>\$ -</b>

Combining Statement of Revenues, Expenditures and  
 Changes in Fund Balance  
 Budget and Actual (GAAP Basis)  
 County Parks Improvement  
 Year Ended December 31, 2003  
 (With comparative totals for December 31, 2002)



	2003			2002
	Budget	Actual	Variance Favorable (Unfavorable)	Actual
<b>Revenues</b>				
Miscellaneous	\$ 1,000	\$ 2,299	\$ 1,299	\$ 25,022
<b>Total Revenues</b>	<u>1,000</u>	<u>2,299</u>	<u>1,299</u>	<u>25,022</u>
<b>Expenditures</b>				
Current:				
Culture & Recreation	11,000	-	11,000	1,472
Capital Outlay	20,000	-	20,000	-
<b>Total Expenditures</b>	<u>31,000</u>	<u>-</u>	<u>31,000</u>	<u>1,472</u>
Excess (Deficiency) of Revenues Over Expenditures	<u>(30,000)</u>	<u>2,299</u>	<u>32,299</u>	<u>23,550</u>
Excess (Deficiency) of Revenues & Other Financing Sources Over Expenditures & Other Uses	<u>(30,000)</u>	<u>2,299</u>	<u>32,299</u>	<u>23,550</u>
Fund Balance as of January 1	-	32,915	32,915	9,365
<b>Fund Balance as of December 31</b>	<u><u>\$ (30,000)</u></u>	<u><u>\$ 35,214</u></u>	<u><u>\$ 65,214</u></u>	<u><u>\$ 32,915</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, 2003  
 (With comparative totals for December 31, 2002)



	2003			2002
	Budget	Actual	Variance Favorable (Unfavorable)	Actual
<b>Expenditures</b>				
Current:				
Capital Outlay	\$ 37,894	\$ 34,431	\$ 3,463	\$ -
<b>Total Expenditures</b>	<u>37,894</u>	<u>34,431</u>	<u>3,463</u>	<u>-</u>
Excess (Deficiency) of Revenues Over Expenditures	(37,894)	(34,431)	3,463	-
<b>Other Financing Sources (Uses)</b>				
Operating Transfer Out	-	(700,000)	\$ (700,000)	-
<b>Total Other Financing Sources (Uses)</b>	<u>-</u>	<u>(700,000)</u>	<u>(700,000)</u>	<u>-</u>
Excess (Deficiency) of Revenues & Other Financing Sources Over Expenditures & Other Uses	(37,894)	(734,431)	(696,537)	-
Fund Balance as of January 1	37,894	769,074	731,180	769,074
<b>Fund Balance as of December 31</b>	<u>\$ -</u>	<u>\$ 34,643</u>	<u>\$ 34,643</u>	<u>\$ 769,074</u>

Schedule of Revenues, Expenditures and Changes  
in Fund Balance - Budget and Actual  
Public Utilities Improvement  
Year Ended December 31, 2003



	Budgeted Amounts		Actual Amounts (Budgetary Basis)	Variance with Final Budget Positive/ (Negative)
	Original	Final		
<b>Revenues</b>				
Taxes	\$ 1,600,000	\$ 1,600,000	\$ 2,055,993	\$ 455,993
<b>Total revenues</b>	<u>1,600,000</u>	<u>1,600,000</u>	<u>2,055,993</u>	<u>455,993</u>
<b>Expenditures</b>				
Current:				
General government	-	358,838	332,391	26,447
Capital outlay	-	467,264	96,691	370,573
<b>Total expenditures</b>	<u>-</u>	<u>826,102</u>	<u>429,082</u>	<u>397,020</u>
Excess (deficiency) of revenues over expenditures	<u>1,600,000</u>	<u>773,898</u>	<u>1,626,911</u>	<u>853,013</u>
Excess (deficiency) of revenues & other financing sources over expenditures & other uses	<u>1,600,000</u>	<u>773,898</u>	<u>1,626,911</u>	<u>853,013</u>
Fund balance as of January 1	-	826,102	5,304,357	4,478,255
<b>Fund balance as of December 31</b>	<u>\$ 1,600,000</u>	<u>\$ 1,600,000</u>	<u>\$ 6,931,268</u>	<u>\$ 5,331,268</u>

	Equipment Rental	Whatcom County Supplemental Retirement	Administrative Services	Total
<b>Assets</b>				
Current Assets				
Cash & Equivalents	\$ 6,557,040	\$ 203,193	\$ 8,804,389	\$ 15,564,622
Investments At Cost	-	-	1,445,688	1,445,688
Accounts Receivable	100	-	-	100
Interest Receivable	-	-	2,831	2,831
Due From Other Funds	58,989	-	7,310	66,299
Due From Other Governments	2,732	-	-	2,732
Employee Advances	-	-	64	64
Inventory	877,347	-	20,990	898,337
Prepayments	1,438	-	3,389	4,827
<b>Total Current Assets</b>	<b>7,497,646</b>	<b>203,193</b>	<b>10,284,661</b>	<b>17,985,500</b>
Noncurrent Assets				
Land	755,331	-	-	755,331
Building & Structures (Net)	1,317,889	-	11,732	1,329,621
Capital Leases (Net)	-	-	419,300	419,300
Other Improvements (Net)	261,052	-	7,279	268,331
Machinery & Equipment (Net)	5,579,261	-	323,831	5,903,092
<b>Total Noncurrent Assets</b>	<b>7,913,533</b>	<b>-</b>	<b>762,142</b>	<b>8,675,675</b>
<b>Total Assets</b>	<b>15,411,179</b>	<b>203,193</b>	<b>11,046,803</b>	<b>26,661,175</b>
<b>Liabilities</b>				
Current Liabilities				
Accounts Payable	151,027	-	584,318	735,345
Claims Cost Payable	-	-	2,633,418	2,633,418
Due to Other Funds	8,469	-	-	8,469
Due to Other Governments	2,450	-	6,774	9,224
<b>Total Current Liabilities</b>	<b>161,946</b>	<b>-</b>	<b>3,224,510</b>	<b>3,386,456</b>
Noncurrent Liabilities				
Employee Leave Benefits	143,229	-	247,045	390,274
Other Long-Term Liabilities	-	-	416,428	416,428
<b>Total Noncurrent Liabilities</b>	<b>143,229</b>	<b>-</b>	<b>663,473</b>	<b>806,702</b>
<b>Total Liabilities</b>	<b>305,175</b>	<b>-</b>	<b>3,887,983</b>	<b>4,193,158</b>
<b>Net Assets</b>				
Invested in capital assets, net of related debt	7,913,533	-	762,142	8,675,675
Unrestricted	7,192,471	203,193	6,396,678	13,792,342
<b>Total Net Assets</b>	<b>\$ 15,106,004</b>	<b>\$ 203,193</b>	<b>\$ 7,158,820</b>	<b>\$ 22,468,017</b>

Combining Statement of Revenues, Expenses and  
Changes in Net Assets  
Internal Service Funds  
Year Ended December 31, 2003



	Equipment Rental	Whatcom County Supplemental Retirement	Administrative Services	Total
<b>Operating Revenue</b>				
Intergovernmental	\$ -	\$ -	\$ 468	\$ 468
Charges for Service	3,944,379	-	5,194,431	9,138,810
Rents and Parking	4,130,201	-	687,640	4,817,841
Insurance Premiums	45,277	-	5,138,280	5,183,557
Other Miscellaneous Revenues	321	-	45,000	45,321
<b>Total Operating Revenues</b>	<b>8,120,178</b>	<b>-</b>	<b>11,065,819</b>	<b>19,185,997</b>
General Operations	5,528,874	157,929	11,397,686	17,084,489
General Administration	486,285	-	-	486,285
Depreciation	1,120,020	-	382,826	1,502,846
<b>Total Operating Expenses</b>	<b>7,135,179</b>	<b>157,929</b>	<b>11,780,512</b>	<b>19,073,620</b>
<b>Operating Income (Loss)</b>	<b>984,999</b>	<b>(157,929)</b>	<b>(714,693)</b>	<b>112,377</b>
<b>Non-Operating Revenues (Expenses)</b>				
Gain (Loss) on Sale of Capital Assets	53,797	-	-	53,797
Interest Revenue	-	-	37,518	37,518
Interest Expense	-	-	(14,294)	(14,294)
<b>Total Non-Operating Revenues (Expenses)</b>	<b>53,797</b>	<b>-</b>	<b>23,224</b>	<b>77,021</b>
<b>Income (loss) Before Contributions and Transfers</b>	<b>1,038,796</b>	<b>(157,929)</b>	<b>(691,469)</b>	<b>189,398</b>
Capital Contributions	2,906	-	-	2,906
Transfers In	35,523	120,000	509,475	664,998
Transfers Out	-	-	(373,445)	(373,445)
<b>Changes in net assets</b>	<b>1,077,225</b>	<b>(37,929)</b>	<b>(555,439)</b>	<b>483,857</b>
<b>Total net assets-beginning</b>	<b>14,028,779</b>	<b>241,122</b>	<b>7,714,259</b>	<b>21,984,160</b>
<b>Total net assets-ending</b>	<b>\$ 15,106,004</b>	<b>\$ 203,193</b>	<b>\$ 7,158,820</b>	<b>\$ 22,468,017</b>

	Equipment Rental	Whatcom Co. Supplemental Retirement	Administrative Services	Total
<b>Cash Flows From Operating Activities:</b>				
Cash Received From Customers	\$ 8,086,443	\$ -	\$ 11,185,515	\$19,271,958
Cash Payments For Goods And Services	(5,006,753)	-	(8,154,260)	(13,161,013)
Cash Payments To Employees	(912,561)	(157,929)	(3,267,552)	(4,338,042)
<b>Net Cash Provided by Operating Activities</b>	<b>2,167,129</b>	<b>(157,929)</b>	<b>(236,297)</b>	<b>1,772,903</b>
<b>Cash Flows From Non-Capital Financing Activities:</b>				
Transfers In	-	120,000	509,476	629,476
Transfers Out	-	-	(373,445)	(373,445)
<b>Net Cash Provided by Non-Capital Financing Activities:</b>	<b>-</b>	<b>120,000</b>	<b>136,031</b>	<b>256,031</b>
<b>Cash Flows From Capital Financing Activities:</b>				
Interest Paid on Lease Purchase	-	-	(14,294)	(14,294)
Contributions From Other Funds	2,906	-	-	2,906
Proceeds From Sale of Assets	74,927	-	-	74,927
Transfer In (Out)	35,523	-	-	35,523
Payments For Capital Assets	(1,552,448)	-	(293,670)	(1,846,118)
<b>Net Cash Used by Capital Financing Activities:</b>	<b>(1,439,092)</b>	<b>-</b>	<b>(307,964)</b>	<b>(1,747,056)</b>
<b>Cash Flows From Investing Activities:</b>				
Purchase of Investment Securities	-	-	(37,518)	(37,518)
Interest on investments	-	-	37,518	37,518
<b>Total Cash Flows From Investing Activities</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
Net Increase (Decrease) in Cash and Cash Equivalents	728,037	(37,929)	(408,230)	281,878
Balances - Beginning of the Year	5,829,003	241,122	9,212,619	15,282,744
Balances - End of the Year	<b>\$ 6,557,040</b>	<b>\$ 203,193</b>	<b>\$ 8,804,389</b>	<b>\$15,564,622</b>
<b>Reconciliation Of Operating Income (Loss) To Net Cash Provided (Used) By Operating Activities:</b>				
Operating Income (Loss)	\$ 984,999	\$ (157,929)	\$ (714,693)	\$ 112,377
<b>Adjustments To Reconcile Operating Income to Net Cash Provided by Operating Activities:</b>				
Depreciation Expense	1,120,020	-	382,826	1,502,846
Change in Assets and Liabilities:				
Receivables	(33,735)	-	123,079	89,344
Inventories	347,627	-	(6,254)	341,373
Accounts and Other Payables	(244,586)	-	(25,110)	(269,696)
Accrued Expenses	(7,196)	-	3,855	(3,341)
<b>Net Cash Provided By Operating Activities</b>	<b>\$ 2,167,129</b>	<b>\$ (157,929)</b>	<b>\$ (236,297)</b>	<b>\$ 1,772,903</b>
<b>Noncash Investing &amp; Capital Financing Activities:</b>				
Lease Purchases	\$ -	\$ -	\$ 138,549	\$ 138,549
<b>Total Noncash Investing &amp; Capital Financing Activities:</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 138,549</b>	<b>\$ 138,549</b>

Combining Balance Sheet  
 Agency Funds  
 December 31, 2003

	Cemetery Districts	Drainage, Diking & Flood Cntr Districts	Park & Recreation Districts	Watershed Mngmt Project Joint Board	Rural Library	Northwest Regional Council
<b>Assets</b>						
<b>Current Assets</b>						
Cash & Equivalents	\$ 789,445	\$ 112,885	\$ 47,457	\$ 1,612,409	\$ 24,614	\$ 872,195
Deposits With Fiscal Agent	-	-	-	-	-	-
Investments At Cost	973,705	551,162	722,097	-	4,611,671	392,628
Accounts Receivable (Net)	-	-	-	-	-	-
<b>Total Assets</b>	<b>\$ 1,763,150</b>	<b>\$ 664,047</b>	<b>\$ 769,554</b>	<b>\$ 1,612,409</b>	<b>\$ 4,636,285</b>	<b>\$ 1,264,823</b>
<b>Liabilities</b>						
<b>Current Liabilities</b>						
Warrants Payable	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Accounts Payable	22,889	14,360	-	15,412	217,468	557,325
Matured Long-Term Debt	-	-	-	-	-	-
Other Accrued Liabilities	2,360	-	81	-	7,303	3,211
Revenue Collected in Advance	-	-	-	-	-	-
Custodial Accounts	1,737,901	649,687	769,473	1,596,997	4,411,514	704,287
<b>Total Liabilities</b>	<b>\$ 1,763,150</b>	<b>\$ 664,047</b>	<b>\$ 769,554</b>	<b>\$ 1,612,409</b>	<b>\$ 4,636,285</b>	<b>\$ 1,264,823</b>

Council of Government	Hospital Districts	Port	P. U. D. District	Whatcom Transit	School Districts	Fire Districts	Water Districts
\$ 12,197	\$ 247	\$ 93,923	\$ 33,620	\$ -	\$ 6,139,493	\$ 995,855	\$ 1,201,425
-	-	-	-	-	25,000	-	-
254,512	-	-	593,970	19,051,571	39,151,397	6,886,231	7,621,821
-	-	-	-	-	-	-	-
<u>\$ 266,709</u>	<u>\$ 247</u>	<u>\$ 93,923</u>	<u>\$ 627,590</u>	<u>\$ 19,051,571</u>	<u>\$ 45,315,890</u>	<u>\$ 7,882,086</u>	<u>\$ 8,823,246</u>
\$ -	\$ -	\$ 25	\$ -	\$ -	\$ 5,351,488	\$ -	\$ -
86,735	-	-	25,329	-	-	301,797	208,232
-	-	-	-	-	25,000	-	-
316	-	-	3,427	-	23,271	16,645	9,065
-	-	-	-	-	-	-	-
179,658	247	93,898	598,834	19,051,571	39,916,131	7,563,644	8,605,949
<u>\$ 266,709</u>	<u>\$ 247</u>	<u>\$ 93,923</u>	<u>\$ 627,590</u>	<u>\$ 19,051,571</u>	<u>\$ 45,315,890</u>	<u>\$ 7,882,086</u>	<u>\$ 8,823,246</u>

	Treasurer's Suspense	Inmate Trust Fund	Claims Fund	Salary Fund	Total
<b>Assets</b>					
<b>Current Assets</b>					
Cash & Equivalents	\$ 4,326,804	\$ 33,259	\$ 1,828,416	\$ 1,680	\$ 18,125,924
Deposits With Fiscal Agent	-	-	-	-	25,000
Investments At Cost	-	-	-	-	80,810,765
Accounts Receivable (Net)	(1,943)	-	-	-	(1,943)
<b>Total Assets</b>	<b>\$ 4,324,861</b>	<b>\$ 33,259</b>	<b>\$ 1,828,416</b>	<b>\$ 1,680</b>	<b>\$ 98,959,746</b>
<b>Liabilities</b>					
<b>Current Liabilities</b>					
Warrants Payable	\$ -	\$ -	\$ 1,828,416	\$ -	\$ 7,179,929
Accounts Payable	-	(98,212)	-	-	1,351,335
Matured Long-Term Debt	-	-	-	-	25,000
Other Accrued Liabilities	-	131,471	-	-	197,150
Revenue Collected in Advance	246,811	-	-	-	246,811
Custodial Accounts	4,078,050	-	-	1,680	89,959,521
<b>Total Liabilities</b>	<b>\$ 4,324,861</b>	<b>\$ 33,259</b>	<b>\$ 1,828,416</b>	<b>\$ 1,680</b>	<b>\$ 98,959,746</b>

Combining Statement of Changes in Assets and Liabilities  
 Agency Funds  
 Cemetery Districts  
 For the Year Ended December 31, 2003



	Balance January 1	Additions	Deletions	Balance December 31
<b>Assets</b>				
Cash & Equivalents	\$ 601,291	\$ 1,284,978	\$ 1,096,824	\$ 789,445
Investments At Cost	914,147	65,782	6,224	973,705
<b>Total Assets</b>	<b>\$ 1,515,438</b>	<b>\$ 1,350,760</b>	<b>\$ 1,103,048</b>	<b>\$ 1,763,150</b>
<b>Liabilities</b>				
Accounts Payable	\$ 15,815	\$ 245,827	\$ 238,753	\$ 22,889
Other Accrued Liabilities	(1,543)	250,905	247,002	2,360
Custodial Accounts	1,501,166	236,825	90	1,737,901
<b>Total Liabilities</b>	<b>\$ 1,515,438</b>	<b>\$ 733,557</b>	<b>\$ 485,845</b>	<b>\$ 1,763,150</b>

Combining Statement of Changes in Assets and Liabilities  
 Agency Funds  
 Drainage, Diking & Flood Control Districts  
 For the Year Ended December 31, 2003



	Balance January 1	Additions	Deletions	Balance December 31
<b>Assets</b>				
Cash & Equivalents	\$ 145,698	\$ 195,058	\$ 227,871	\$ 112,885
Investments At Cost	493,142	73,171	15,151	551,162
<b>Total Assets</b>	<b>\$ 638,840</b>	<b>\$ 268,229</b>	<b>\$ 243,022</b>	<b>\$ 664,047</b>
<b>Liabilities</b>				
Accounts Payable	\$ 5,097	\$ 79,648	\$ 70,385	\$ 14,360
Custodial Accounts	633,743	15,944	-	649,687
<b>Total Liabilities</b>	<b>\$ 638,840</b>	<b>\$ 95,592</b>	<b>\$ 70,385</b>	<b>\$ 664,047</b>

	Balance January 1	Additions	Deletions	Balance December 31
<b>Assets</b>				
<b>Current Assets</b>				
Cash & Equivalents	\$ 48,443	\$ 247,629	\$ 248,615	\$ 47,457
Investments At Cost	697,788	27,445	3,136	722,097
<b>Total Assets</b>	<b>\$ 746,231</b>	<b>\$ 275,074</b>	<b>\$ 251,751</b>	<b>\$ 769,554</b>
<b>Liabilities</b>				
<b>Current Liabilities</b>				
Accounts Payable	\$ 1,334	\$ 25,829	\$ 27,163	\$ -
Other Accrued Liabilities	-	11,059	10,978	81
Custodial Accounts	744,897	24,880	304	769,473
<b>Total Liabilities</b>	<b>\$ 746,231</b>	<b>\$ 61,768</b>	<b>\$ 38,445</b>	<b>\$ 769,554</b>

Combining Statement of Changes in Assets and Liabilities  
 Agency Funds  
 Watershed Mgmt Project Joint Board  
 For the Year Ended December 31, 2003



	Balance January 1	Additions	Deletions	Balance December 31
<b>Assets</b>				
Cash & Equivalents	\$ 1,648,448	\$ 2,308,368	\$ 2,344,407	\$ 1,612,409
<b>Total Assets</b>	<b>\$ 1,648,448</b>	<b>\$ 2,308,368</b>	<b>\$ 2,344,407</b>	<b>\$ 1,612,409</b>
<b>Liabilities</b>				
Accounts Payable	\$ 230,492	\$ 1,400,222	\$ 1,615,302	\$ 15,412
Custodial Accounts	1,417,956	179,041	-	1,596,997
<b>Total Liabilities</b>	<b>\$ 1,648,448</b>	<b>\$ 1,579,263</b>	<b>\$ 1,615,302</b>	<b>\$ 1,612,409</b>

Combining Statement of Changes in Assets and Liabilities  
 Agency Funds  
 Rural Library  
 For the Year Ended December 31, 2003



	Balance January 1	Additions	Deletions	Balance December 31
<b>Assets</b>				
Cash & Equivalents	\$ 15,837	\$ 13,625,288	\$ 13,616,511	\$ 24,614
Investments At Cost	4,790,330	2,645,815	2,824,474	4,611,671
<b>Total Assets</b>	<b>\$ 4,806,167</b>	<b>\$ 16,271,103</b>	<b>\$ 16,440,985</b>	<b>\$ 4,636,285</b>
<b>Liabilities</b>				
Accounts Payable	\$ 246,973	\$ 2,589,346	\$ 2,618,851	\$ 217,468
Other Accrued Liabilities	(7,038)	3,093,949	3,079,608	7,303
Custodial Accounts	4,566,232	-	154,718	4,411,514
<b>Total Liabilities</b>	<b>\$ 4,806,167</b>	<b>\$ 5,683,295</b>	<b>\$ 5,853,177</b>	<b>\$ 4,636,285</b>

	Balance January 1	Additions	Deletions	Balance December 31
<b>Assets</b>				
Cash & Equivalents	\$ 1,025,477	\$ 23,520,048	\$ 23,673,330	\$ 872,195
Investments At Cost	370,867	23,432	1,671	392,628
<b>Total Assets</b>	<b>\$ 1,396,344</b>	<b>\$ 23,543,480</b>	<b>\$ 23,675,001</b>	<b>\$ 1,264,823</b>
<b>Liabilities</b>				
Accounts Payable	\$ 578,526	\$ 9,112,462	\$ 9,133,663	\$ 557,325
Other Accrued Liabilities	(29,776)	2,935,166	2,902,179	3,211
Custodial Accounts	847,594	-	143,307	704,287
<b>Total Liabilities</b>	<b>\$ 1,396,344</b>	<b>\$ 12,047,628</b>	<b>\$ 12,179,149</b>	<b>\$ 1,264,823</b>

	Balance January 1	Additions	Deletions	Balance December 31
<b>Assets</b>				
Cash & Equivalents	\$ 6,339	\$ 4,729,117	\$ 4,723,259	\$ 12,197
Investments At Cost	113,015	1,289,082	1,147,585	254,512
<b>Total Assets</b>	<b>\$ 119,354</b>	<b>\$ 6,018,199</b>	<b>\$ 5,870,844</b>	<b>\$ 266,709</b>
<b>Liabilities</b>				
Accounts Payable	\$ 44,262	\$ 1,033,025	\$ 990,552	\$ 86,735
Other Accrued Liabilities	-	677,630	677,314	316
Custodial Accounts	75,092	104,566	-	179,658
<b>Total Liabilities</b>	<b>\$ 119,354</b>	<b>\$ 1,815,221</b>	<b>\$ 1,667,866</b>	<b>\$ 266,709</b>

Combining Statement of Changes in Assets and Liabilities  
 Agency Funds  
 Hospital Districts  
 For the Year Ended December 31, 2003



	Balance January 1	Additions	Deletions	Balance December 31
<b>Assets</b>				
Cash & Equivalents	\$ 221	\$ 25,570	\$ 25,544	\$ 247
<b>Total Assets</b>	<u>\$ 221</u>	<u>\$ 25,570</u>	<u>\$ 25,544</u>	<u>\$ 247</u>
<b>Liabilities</b>				
Custodial Accounts	\$ 221	\$ 25,569	\$ 25,543	\$ 247
<b>Total Liabilities</b>	<u>\$ 221</u>	<u>\$ 25,569</u>	<u>\$ 25,543</u>	<u>\$ 247</u>

Combining Statement of Changes in Assets and Liabilities  
 Agency Funds  
 Port  
 For the Year Ended December 31, 2003



	Balance January 1	Additions	Deletions	Balance December 31
<b>Assets</b>				
<b>Current Assets</b>				
Cash & Equivalents	\$ 98,680	\$ 5,183,331	\$ 5,188,088	\$ 93,923
<b>Total Assets</b>	<b>\$ 98,680</b>	<b>\$ 5,183,331</b>	<b>\$ 5,188,088</b>	<b>\$ 93,923</b>
<b>Liabilities</b>				
<b>Current Liabilities</b>				
Warrants Payable	\$ 25	\$ -	\$ -	\$ 25
Custodial Accounts	98,655	5,173,802	5,178,559	93,898
<b>Total Liabilities</b>	<b>\$ 98,680</b>	<b>\$ 5,173,802</b>	<b>\$ 5,178,559</b>	<b>\$ 93,923</b>

Combining Statement of Changes in Assets and Liabilities  
 Agency Funds  
 P.U.D. District  
 For the Year Ended December 31, 2003



	Balance January 1	Additions	Deletions	Balance December 31
<b>Assets</b>				
<b>Current Assets</b>				
Cash & Equivalents	\$ 73,468	\$ 44,567,245	\$ 44,607,093	\$ 33,620
Investments At Cost	2,961,088	16,160,630	18,527,748	593,970
<b>Total Assets</b>	<b>\$ 3,034,556</b>	<b>\$ 60,727,875</b>	<b>\$ 63,134,841</b>	<b>\$ 627,590</b>
<b>Liabilities</b>				
<b>Current Liabilities</b>				
Accounts Payable	\$ 61,976	\$ 5,541,632	\$ 5,578,279	\$ 25,329
Other Accrued Liabilities	16	1,400,893	1,397,482	3,427
Custodial Accounts	2,972,564	4,707,770	7,081,500	598,834
<b>Total Liabilities</b>	<b>\$ 3,034,556</b>	<b>\$ 11,650,295</b>	<b>\$ 14,057,261</b>	<b>\$ 627,590</b>

Combining Statement of Changes in Assets and Liabilities  
 Agency Funds  
 Whatcom Transit  
 For the Year Ended December 31, 2003



	Balance January 1	Additions	Deletions	Balance December 31
<b>Assets</b>				
Cash & Equivalents	\$ -	\$ 27,584,367	\$ 27,584,367	\$ -
Investments At Cost	17,662,987	14,795,969	13,407,385	19,051,571
<b>Total Assets</b>	<b>\$ 17,662,987</b>	<b>\$ 42,380,336</b>	<b>\$ 40,991,752</b>	<b>\$ 19,051,571</b>
<b>Liabilities</b>				
Accounts Payable	\$ -	\$ 45	\$ 45	\$ -
Custodial Accounts	17,662,987	14,173,834	12,785,250	19,051,571
<b>Total Liabilities</b>	<b>\$ 17,662,987</b>	<b>\$ 14,173,834</b>	<b>\$ 12,785,250</b>	<b>\$ 19,051,571</b>

Combining Statement of Changes in Assets and Liabilities  
 Agency Funds  
 School Districts  
 For the Year Ended December 31, 2003



	Balance January 1	Additions	Deletions	Balance December 31
<b>Assets</b>				
<b>Current Assets</b>				
Cash & Equivalents	\$ 7,229,016	\$ 278,415,381	\$ 279,504,904	\$ 6,139,493
Deposits With Fiscal Agent	14,437,519	19,912,242	34,324,761	25,000
Investments At Cost	46,583,029	55,980,874	63,412,506	39,151,397
<b>Total Assets</b>	<b>\$ 68,249,564</b>	<b>\$ 354,308,497</b>	<b>\$ 377,242,171</b>	<b>\$ 45,315,890</b>
<b>Liabilities</b>				
<b>Current Liabilities</b>				
Warrants Payable	\$ 6,643,413	\$ 116,852,625	\$ 118,144,550	\$ 5,351,488
Matured Long-Term Debt	10,121,180	12,059,250	22,155,430	25,000
Matured Interest Payable	4,316,339	8,251,340	12,567,679	-
Other Accrued Liabilities	23,271	-	-	23,271
Custodial Accounts	47,145,361	194,955,612	202,184,842	39,916,131
<b>Total Liabilities</b>	<b>\$ 68,249,564</b>	<b>\$ 332,118,827</b>	<b>\$ 355,052,501</b>	<b>\$ 45,315,890</b>

Combining Statement of Changes in Assets and Liabilities  
 Agency Funds  
 Fire Districts  
 For the Year Ended December 31, 2003



	Balance January 1	Additions	Deletions	Balance December 31
<b>Assets</b>				
<b>Current Assets</b>				
Cash & Equivalents	\$ 569,411	\$ 38,046,985	\$ 37,620,541	\$ 995,855
Investments At Cost	7,009,358	7,503,720	7,626,847	6,886,231
<b>Total Assets</b>	<b>\$ 7,578,769</b>	<b>\$ 45,550,705</b>	<b>\$ 45,247,388</b>	<b>\$ 7,882,086</b>
<b>Liabilities</b>				
<b>Current Liabilities</b>				
Accounts Payable	\$ 526,260	\$ 7,110,927	\$ 7,335,390	\$ 301,797
Other Accrued Liabilities	3,368	3,854,549	3,841,272	16,645
Custodial Accounts	7,049,141	562,555	48,052	7,563,644
<b>Total Liabilities</b>	<b>\$ 7,578,769</b>	<b>\$ 11,528,031</b>	<b>\$ 11,224,714</b>	<b>\$ 7,882,086</b>

Combining Statement of Changes in Assets and Liabilities  
 Agency Funds  
 Water Districts  
 For the Year Ended December 31, 2003



	Balance January 1	Additions	Deletions	Balance December 31
<b>Assets</b>				
<b>Current Assets</b>				
Cash & Equivalents	\$ 525,626	\$ 37,321,934	\$ 36,646,135	\$ 1,201,425
Investments At Cost	5,943,712	7,333,342	5,655,233	7,621,821
<b>Total Assets</b>	<b>\$ 6,469,338</b>	<b>\$ 44,655,276</b>	<b>\$ 42,301,368</b>	<b>\$ 8,823,246</b>
<b>Liabilities</b>				
<b>Current Liabilities</b>				
Accounts Payable	\$ 67,915	\$ 7,349,708	\$ 7,209,391	\$ 208,232
Other Accrued Liabilities	(11)	1,539,409	1,530,333	9,065
Custodial Accounts	6,401,434	2,963,203	758,688	8,605,949
<b>Total Liabilities</b>	<b>\$ 6,469,338</b>	<b>\$ 11,852,320</b>	<b>\$ 9,498,412</b>	<b>\$ 8,823,246</b>

Combining Statement of Changes in Assets and Liabilities  
 Agency Funds  
 Treasurer's Suspense  
 For the Year Ended December 31, 2003



	Balance January 1	Additions	Deletions	Balance December 31
<b>Assets</b>				
Cash & Equivalents	\$ 4,275,147	\$ 97,858,165	\$ 97,806,508	\$ 4,326,804
Accounts Receivable (Net)	1,905	2,174,446	2,178,294	(1,943)
<b>Total Assets</b>	<b>\$ 4,277,052</b>	<b>\$ 100,032,611</b>	<b>\$ 99,984,802</b>	<b>\$ 4,324,861</b>
<b>Liabilities</b>				
Revenue Collected in Advance	\$ 257,264	\$ 291,118	\$ 301,571	\$ 246,811
Custodial Accounts	4,019,788	95,277,335	95,219,073	4,078,050
<b>Total Liabilities</b>	<b>\$ 4,277,052</b>	<b>\$ 95,568,453</b>	<b>\$ 95,520,644</b>	<b>\$ 4,324,861</b>

Combining Statement of Changes in Assets and Liabilities  
 Agency Funds  
 Inmate Trust Fund  
 For the Year Ended December 31, 2003



	Balance January 1	Additions	Deletions	Balance December 31
<b>Assets</b>				
Cash & Equivalents	\$ 26,539	\$ 371,064	\$ 364,344	\$ 33,259
<b>Total Assets</b>	<b>\$ 26,539</b>	<b>\$ 371,064</b>	<b>\$ 364,344</b>	<b>\$ 33,259</b>
<b>Liabilities</b>				
Accounts Payable	\$ (49,547)	\$ 708,553	\$ 757,218	\$ (98,212)
Other Accrued Liabilities	76,086	617,280	561,895	131,471
<b>Total Liabilities</b>	<b>\$ 26,539</b>	<b>\$ 1,325,833</b>	<b>\$ 1,319,113</b>	<b>\$ 33,259</b>

Combining Statement of Changes in Assets and Liabilities  
 Agency Funds  
 Claims Fund  
 For the Year Ended December 31, 2003



	Balance January 1	Additions	Deletions	Balance December 31
<b>Assets</b>				
Cash & Equivalents	\$ 1,933,918	\$ 332,881,905	\$332,987,407	\$ 1,828,416
<b>Total Assets</b>	<b>\$ 1,933,918</b>	<b>\$ 332,881,905</b>	<b>\$332,987,407</b>	<b>\$ 1,828,416</b>
<b>Liabilities</b>				
Warrants Payable	\$ 1,933,918	\$ 85,358,240	\$ 85,463,742	\$ 1,828,416
<b>Total Liabilities</b>	<b>\$ 1,933,918</b>	<b>\$ 85,358,240</b>	<b>\$ 85,463,742</b>	<b>\$ 1,828,416</b>

Combining Statement of Changes in Assets and Liabilities  
 Agency Funds  
 Salary Fund  
 For the Year Ended December 31, 2003



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

Combining Statement of Changes in Assets and Liabilities  
 Agency Funds  
 Total Agency Funds  
 For the Year Ended December 31, 2003



	Balance January 1	Additions	Deletions	Balance December 31
<b>Assets</b>				
<b>Current Assets</b>				
Cash & Equivalents	\$18,225,239	\$ 908,166,433	\$ 908,265,748	\$18,125,924
Deposits With Fiscal Agent	14,437,519	19,912,242	34,324,761	25,000
Investments At Cost	87,539,463	105,899,262	112,627,960	80,810,765
Accounts Receivable (Net)	1,905	2,174,446	2,178,294	(1,943)
<b>Total Assets</b>	<b>\$120,204,126</b>	<b>\$1,036,152,383</b>	<b>\$1,057,396,763</b>	<b>\$98,959,746</b>
<b>Liabilities</b>				
<b>Current Liabilities</b>				
Warrants Payable	\$8,577,356	\$202,210,865	\$203,608,292	\$7,179,929
Accounts Payable	1,729,103	35,197,179	35,574,947	1,351,335
Matured Long-Term Debt	10,121,180	12,059,250	22,155,430	25,000
Matured Interest Payable	4,316,339	8,251,340	12,567,679	-
Other Accrued Liabilities	64,373	14,380,840	14,248,063	197,150
Revenue Collected in Advance	257,264	291,118	301,571	246,811
Custodial Accounts	95,138,511	318,400,936	323,579,926	89,959,521
<b>Total Liabilities</b>	<b>\$120,204,126</b>	<b>\$590,791,528</b>	<b>\$612,035,908</b>	<b>\$98,959,746</b>

Schedule of Expenditures - Budget and Actual  
 General Fund by Department  
 Year Ended December 31, 2003

	Budgeted Amounts		Actual Amounts (Budgetary Basis)	Variance with Final Budget Positive/ (Negative)
	Original	Final		
<b>Expenditures</b>				
Assessor	1,871,585	1,972,837	1,890,779	82,058
Auditor	891,769	961,942	938,145	23,797
County Council	661,732	674,118	623,882	50,236
County Executive	414,241	426,177	404,481	21,696
Planning & Development Services	3,373,626	3,813,267	3,591,597	221,670
Treasurer	1,013,883	1,145,539	1,036,649	108,890
Sheriff	8,591,225	8,850,871	8,497,915	352,956
Jail	6,776,557	7,096,344	6,973,780	122,564
District Court	1,166,734	1,242,734	1,214,422	28,312
District Court Probation	1,147,987	1,150,050	1,099,065	50,985
Hearing Examiner	149,313	153,715	131,574	22,141
Juvenile	3,358,165	3,499,041	3,428,110	70,931
Prosecuting Attorney	3,473,646	3,666,315	3,573,705	92,610
Public Defender	2,053,755	2,161,507	2,134,316	27,191
Superior Court	3,462,017	3,525,207	3,418,045	107,162
Cooperative Extension	402,584	480,005	407,383	72,622
Non-Departmental	6,665,666	5,870,243	4,952,625	917,618
Park	2,985,032	3,206,790	3,131,886	74,904
Public Health	9,277,875	9,637,928	8,829,303	808,625
<b>Total expenditures</b>	<b>57,737,392</b>	<b>59,534,630</b>	<b>56,277,662</b>	<b>3,256,968</b>

# **Statistical Section**

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

Year	General Government	Public Safety	Physical Environment	Transportation	Economic Environment	Mental & Physical Health	Culture Recreation	Intra-Governmental	Other Financing Uses
1994	\$14,879,934	\$13,288,183	\$1,681,962	\$9,870,981	\$1,298,507	\$6,662,809	\$2,603,148	\$0	\$7,704,879
1995	\$15,536,340	\$14,365,755	\$1,817,130	\$9,428,456	\$965,641	\$7,143,697	\$2,701,136	\$0	\$7,518,960
1996	\$11,770,828	\$14,133,452	\$1,907,928	\$10,703,423	\$950,057	\$6,702,229	\$2,663,466	\$0	\$4,536,564
1997	\$12,306,262	\$15,058,747	\$2,762,472	\$10,809,665	\$1,489,765	\$7,130,541	\$2,731,892	\$0	\$4,870,189
1998	\$14,227,461	\$17,003,381	\$2,366,215	\$10,990,385	\$1,183,325	\$7,730,267	\$2,911,750	\$0	\$3,911,873
1999	\$15,047,278	\$18,509,529	\$2,834,910	\$11,444,117	\$1,235,673	\$8,028,398	\$3,020,587	\$0	\$6,159,294
2000	\$15,410,234	\$19,267,342	\$4,975,846	\$13,154,686	\$1,126,322	\$8,219,522	\$3,371,446	\$0	\$6,144,861
2001	\$16,713,972	\$21,470,121	\$4,757,938	\$13,528,035	\$1,167,559	\$9,078,653	\$3,417,835	\$0	\$8,601,682
2002	\$16,863,877	\$22,879,744	\$6,544,045	\$14,126,042	\$1,322,618	\$9,194,004	\$3,363,082	\$0	\$9,234,220
2003	\$18,270,858	\$23,597,879	\$5,866,598	\$14,371,656	\$1,424,252	\$9,180,782	\$3,639,514	\$0	\$8,016,157

(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

Capital Outlays	Debt Service	Total
\$10,054,403	\$2,434,073	\$70,478,879
\$7,255,829	\$2,579,690	\$69,312,634
\$6,915,944	\$2,727,494	\$63,011,385
\$13,672,005	\$2,561,469	\$73,393,007
\$13,599,996	\$2,756,559	\$76,681,212
\$6,508,375	\$2,878,067	\$75,666,228
\$7,944,968	\$2,649,662	\$82,264,889
\$8,617,635	\$2,237,975	\$89,591,405
\$7,800,595	\$2,799,292	\$94,127,519
\$5,715,028	\$2,101,416	\$92,184,140

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

Year	Taxes	Licenses & Permits	Inter- Govern- mental	Charges for Service	Fines & Forfeits	Misc.	Intra- Govern- mental	Other Financing Sources	Total
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
2003	\$51,872,132	\$2,243,794	\$19,404,333	\$10,022,119	\$2,675,698	\$3,864,099	\$0	\$8,977,390	\$99,059,565

(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
1994	\$21,296,312	\$20,716,153	97.28%	\$465,815	\$21,181,968	95.77%	\$938,411	4.41%
1995	\$22,962,054	\$22,186,141	96.62%	\$554,689	\$22,740,830	95.15%	\$1,159,635	5.05%
1996	\$25,292,251	\$24,547,885	97.06%	\$707,630	\$25,255,515	95.48%	\$1,196,371	4.73%
1997	\$27,178,522	\$26,465,092	97.38%	\$655,200	\$27,120,292	95.58%	\$1,322,065	4.86%
1998	\$27,864,587	\$27,068,437	97.14%	\$754,999	\$27,823,436	95.33%	\$1,430,947	5.14%
1999	\$28,585,345	\$27,646,933	96.72%	\$858,703	\$28,505,636	94.97%	\$1,492,835	5.22%
2000	\$29,404,946	\$28,702,921	97.61%	\$780,380	\$29,483,301	95.42%	\$1,552,527	5.28%
2001	\$30,421,642	\$29,470,724	96.87%	\$887,132	\$30,357,857	94.94%	\$1,618,296	5.32%
2002	\$31,670,833	\$30,534,478	96.41%	\$902,820	\$31,437,298	94.44%	\$1,855,668	5.86%
2003	\$32,226,826	\$31,132,304	96.60%	\$1,181,451	\$32,313,755	94.81%	\$1,718,582	5.33%

(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
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
2003	2004	\$12,090,284,345	\$479,760,180	\$499,685,106	\$13,069,729,631

(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
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
2003	1.413	2.209	0.000	3.621	4.262	1.265	0.386	2.869	3.112

(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		
0.479	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	
0.500	0.501	0.099	0.725	0.000	0.000	0.084	13.803	17.425	

Ten Largest Taxpayers  
 December 31, 2002 for 2003 Taxes  
 Table 6



Taxpayer	Type of Business	2003 Assessed Valuation	Percentage of Total Assessed Valuation
BP West Coast Products	Petroleum Refinery	\$507,641,895	3.884%
Puget Sound Energy	Electric Energy	\$253,978,940	1.943%
Tosco Corp./ Conoco Phillips Co.	Petroleum Refinery	\$111,568,960	0.854%
Alumet Corp.	Aluminum Production	\$95,256,990	0.729%
Sumas Cogeneration Co., LP	Cogeneration	\$65,004,125	0.497%
Tenaska Washington Partners LP	Cogeneration	\$64,441,050	0.493%
Verizon Norhtwest, Inc.	Telecommunications	\$47,767,687	0.365%
Bellis Fair Partners	Shopping Mall	\$47,372,780	0.362%
Talbot Real Estate LLC	Various	\$44,020,940	0.337%
Trillium Corporation	Various	\$35,028,860	0.268%
Totals		\$1,272,082,227	9.733%
County Total 2003 Assessed Value:		\$13,069,729,631	

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
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
2003	\$4,683	\$25,233	\$25,294	\$4,622

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

(2) Includes cancellations, supplements, and adjustments.

Total Taxable Property Value:	<u>\$ 13,069,729,631</u>	
		<b>Remaining Debt Capacity</b>
2.5 % general purposes limit is allocated between:	<u>\$ 326,743,241</u>	
<i>Up to 1.5% debt without a vote</i>	<u>\$ 196,045,944</u>	
Less: outstanding debt	<u>\$ 19,459,672</u>	
Less: excess of debt with a vote	<u>\$ -</u>	
Add: available assets	<u>\$ 73,255</u>	
<b>Equals: remaining debt capacity without a vote</b>		<b><u>\$ 176,659,527</u></b>
<i>Up to 2.5% debt with a vote</i>	<u>\$ 326,743,241</u>	
Less: outstanding debt	<u>\$ 19,459,672</u>	
Add: available assets	<u>\$ 73,255</u>	
<b>Equals: remaining debt capacity with a vote</b>		<b><u>\$ 307,356,824</u></b>

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
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
2003	174,500	\$13,069,729,631	\$14,075,000	\$73,245	\$14,001,755	0.107%	80.24

(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
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%
2003	\$1,339,612	\$761,804	\$2,101,416	\$92,184,140	2.28%

(1) Does not include Agency Funds.

(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, 2003  
 Table 11



Jurisdiction	Gross Debt Outstanding	Percentage Applicable to Whatcom County	Amount Applicable to Whatcom County
Whatcom County	\$14,075,000	100%	\$14,075,000
<b>Total Direct Bonded Debt</b>	<b>\$14,075,000</b>		<b>\$14,075,000</b>
Fire Districts	\$9,478,781	100%	\$9,478,781
Water Districts	\$1,677,400	100%	\$1,677,400
School Districts	\$156,427,027	100%	\$156,427,027
Park Districts	\$1,000,000	100%	\$1,000,000
<b>Total Overlapping Bonded Debt</b>	<b>\$168,583,208</b>		<b>\$168,583,208</b>
<b>Total Direct &amp; Overlapping Bonded Debt</b>	<b>\$182,658,208</b>		<b>\$182,658,208</b>

Fiscal Year	Population (1)	Per Capita Income (2)	Public School Enrollment (3)	Unemployment Rate (4)
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	\$23,133	26,024	5.7%
2001	170,600	Not Available	26,053	6.8%
2002	172,200	Not Available	26,274	6.3%
2003	174,500	Not Available	26,637	6.1%

(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 Security Department.

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

Year	Total New Construction Value (1)	Total Property Value (2)	Total Bank Deposits (3)
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
2003	\$348,837,738	\$13,069,729,631	\$2,201,000,000

(1) Source: Whatcom County Assessor's Office

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

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

	1994	1995	1996	1997	1998	1999	2000	2001	2002	2003
<b>Miles of Road (1):</b>										
Unimproved	1.63	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	61.19	60.72	58.84	58.07	57.17	56.58	56.35	56.05	52.06	48.50
Oiled	717.32	703.17	692.72	686.44	676.57	667.01	666.72	664.01	662.2	665.38
Asphalt	171.35	173.24	178.67	186.16	196.70	203.96	205.57	209.35	215.08	220.28
Concrete	<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>	<u>15.31</u>
Total Roads	970.85	957.32	950.42	948.86	948.63	948.66	949.63	950.23	950.16	952.06
<b>Fire Protection (2):</b>										
No. of Districts	18	18	17	17	17	17	17	18	18	18
No. of Paid Firemen	15.5	21	23	30	34	49	54	51	50	51
No. of Volunteer Firemen	589	605	604	609	621	631	645	591	609	599
<b>Leisure Facilities (3):</b>										
Parks- Number	9	9	9	9	9	9	9	9	9	10
Parks- Acres	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	4,077.77
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*
<b>General Elections (4):</b>										
Number of Registered Voters	85,670	88,678	95,665	85,538	90,258	90,987	98,352	97,828	91,956	94,753
Number of Voters	48,749	45,511	65,565	50,593	57,090	53,038	74,668	44,163	55,066	45,786
Percent of Registered Voters Voting	56.9%	51.3%	68.5%	59.2%	63.3%	58.3%	75.9%	45.1%	59.9%	48.3%
<b>Public Schools/ Education (5):</b>										
Number of Schools:										
Elementary	32	32	32	33	34	35	34	36	35	35
Middle	9	9	9	9	10	10	11	11	11	11
High	8	8	8	8	9	10	12	10	10	10
Alternative or Special Education	4	5	5	5	7	8	10	10	12	16
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