

Comprehensive Annual Financial Report

Whatcom County Washington

Fiscal Year Ending December 31, 2005



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

June 2006

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Photo on Cover:
A view of Mount Baker from Gooseberry Point
by Brad Bennett

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, 2004

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.



Carla E. Perry

President

Jeffrey R. Enos

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, 2004. 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, 2006

Citizens of Whatcom County:

We are pleased to submit the Comprehensive Annual Financial Report of Whatcom County for the year ended December 31, 2005, 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.

GAAP requires that management provide a narrative introduction, overview, and analysis to accompany the basic financial statements in the form of Management's Discussion and Analysis (MD&A). This letter of transmittal is designed to complement MD&A and should be read in conjunction with it. Whatcom County's MD&A can be found immediately following the report of the independent auditors.

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 2005 is estimated at 180,800.

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 16.5% since 1996. The County's greatest employment sector is "retail trade." Whatcom County's workforce of approximately 92,500 people is distributed as follows:

Agriculture, Forestry, Fishing	4.20%
Mining	.13%
Construction	7.53%
Manufacturing	12.29%
Transport, Commun., Utilities	4.28%
Wholesale trade	4.40%
Retail trade	20.74%
Finance, Ins., Real estate	3.49%
Services	24.72%
Government	18.23%

International Transportation

Whatcom County is home to one of the highest volume border crossings 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.

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 2004 enrollment was 12,940. 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 2004.

Retail Trade

Between 1996 and 2006, annual taxable retail sales in Whatcom County grew by \$1.1 billion or a 64% increase. Currently booming construction activity is generating strong retail sales and the strong Canadian dollar makes shopping in Whatcom County attractive to residents of British Columbia.

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.

Bellingham Waterfront Redevelopment

On January 20, 2005, the Port of Bellingham acquired approximately 137 acres of waterfront property previously owned by Georgia Pacific Corporation. Georgia Pacific continues to operate a tissue mill on the site through a lease with the Port. Acquiring the Georgia Pacific property is the first step in a long-term environmental restoration and redevelopment of Bellingham's waterfront. The Port and the City are working together to create a development plan for the property. Once the plan is approved, environmental remediation is complete, and infrastructure is installed, the properties will become available for purchase. Developers will construct the property improvements (buildings) consistent with the approved plan. The estimated value of the property once developed is \$750 million to 1 billion dollars. Full development of the project is anticipated to take approximately 20 years.

MAJOR INITIATIVES

The following is a summary of the major initiatives that will be implemented in 2006 and 2007.

Preserve and Enhance Emergency Medical Service to Cities/Unincorporated Areas

A working group, composed of representatives from fire districts and cities and led by county administration, developed a plan to preserve and enhance the county wide emergency medical services (EMS). In November of 2005, voters passed a one tenth of one percent sales tax, 2/3 of which will be used to provide additional funding for EMS. In 2006 the working group and the county administration will begin implementation of the EMS plan.

Improve Courthouse Security

To increase safety for both the public and courthouse employees, Whatcom County implemented security screening in October of 2005. Screening measures are very similar to the procedures used at airports. Whatcom County also assigned a sheriff's deputy to courthouse security.

Design and Construct an Interim Jail Work Center

During 2006, Whatcom County plans to integrate a new interim jail work center into the Corrections Division of the Sheriff's Office. This will improve the effectiveness of Whatcom County's criminal justice system, which has been challenged by inadequate jail capacity. The facility is currently under construction and is scheduled for completion in September of 2006. Operations of the interim work center will be funded by a one tenth of one percent corrections sales tax passed in November of 2004.

Increase Law Enforcement Efforts

There has been an increase in the volume and complexity of child abuse and child neglect cases in Whatcom County; therefore, we have included in our budget an additional Sheriff's detective to focus on child abuse crimes. Also, we are adding additional staff in the Prosecuting Attorney's office and the Public Defender's Office to help these offices process the growing volume of cases. We are adding additional staff to the alternatives to jail program. This will enable us to increase our capacity of the Jail Alternatives Program to accommodate more offenders.

Streamline Development Permitting

The 2005 - 2006 budget adds additional resources to expedite development and permitting processes. The Planning and Development Services Department will receive additional staff to handle increasing workloads in plan review, permitting, and inspections. An additional planner is being added to focus on wetlands and forestry issues. One hundred and twenty thousand dollars has been set aside to study the availability and quality of water on Lummi Island, so that future development can be properly planned.

Increase Productivity through Technology

Whatcom County continues to leverage technology. The 2005-2006 budget includes continued investment in document imaging systems and geographic information systems. In 2004, we began implementation of the Law and Justice Data Integration Project. This project will improve information sharing among law and justice departments. This project receives additional funding in the 2005-2006 budget including \$121,000 for laptop computers in Sheriff's vehicles. The budget includes funding for software to upgrade the county's maintenance management efforts. This software will improve road, parks and facilities maintenance efforts.

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.

Protect Water Quality

Whatcom County will spend \$100,000 annually on programs to improve the water quality in Lake Whatcom. The biennial budget also includes funding for a storm water plan for Birch Bay, and \$85,000 per year for projects focusing on protection of marine environments including Drayton Harbor, Portage Bay, and Birch Bay.

Maintain Infrastructure

Annually, Whatcom County prepares a six-year capital improvement program as a component of our comprehensive plan. Beginning in 2006, capital projects will be budgeted on a project basis. Budgets will be authorized when projects are approved. Budget authorization will continue until the project is complete.

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, 2004. 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 2005-2006 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, 2005

Executive	Term Ends January, 2008	Pete Kremen
Assessor	Term Ends January, 2008	Keith Willnauer
Auditor	Term Ends January, 2008	Shirley Forslof
Prosecuting Attorney	Term Ends December, 2006	David S. McEachran
Sheriff	Term Ends January, 2008	Bill Elfo
Treasurer	Term Ends January, 2008	Barbara Cory

COUNTY COUNCIL

District No. 1, Position A	Term Ends January, 2010	Ward Nelson
District No. 1, Position B.	Term Ends January, 2008	Daniel McShane
District No. 2, Position A	Term Ends January, 2010	Laurie Caskey-Schreiber
District No. 2, Position B.	Term Ends January, 2008	Sam Crawford
District No. 3, Position A	Term Ends January, 2010	Carl Weimer
District No. 3, Position B.	Term Ends January, 2008	Barbara Brenner
Councilperson At Large	Term Ends January, 2010	Seth Fleetwood

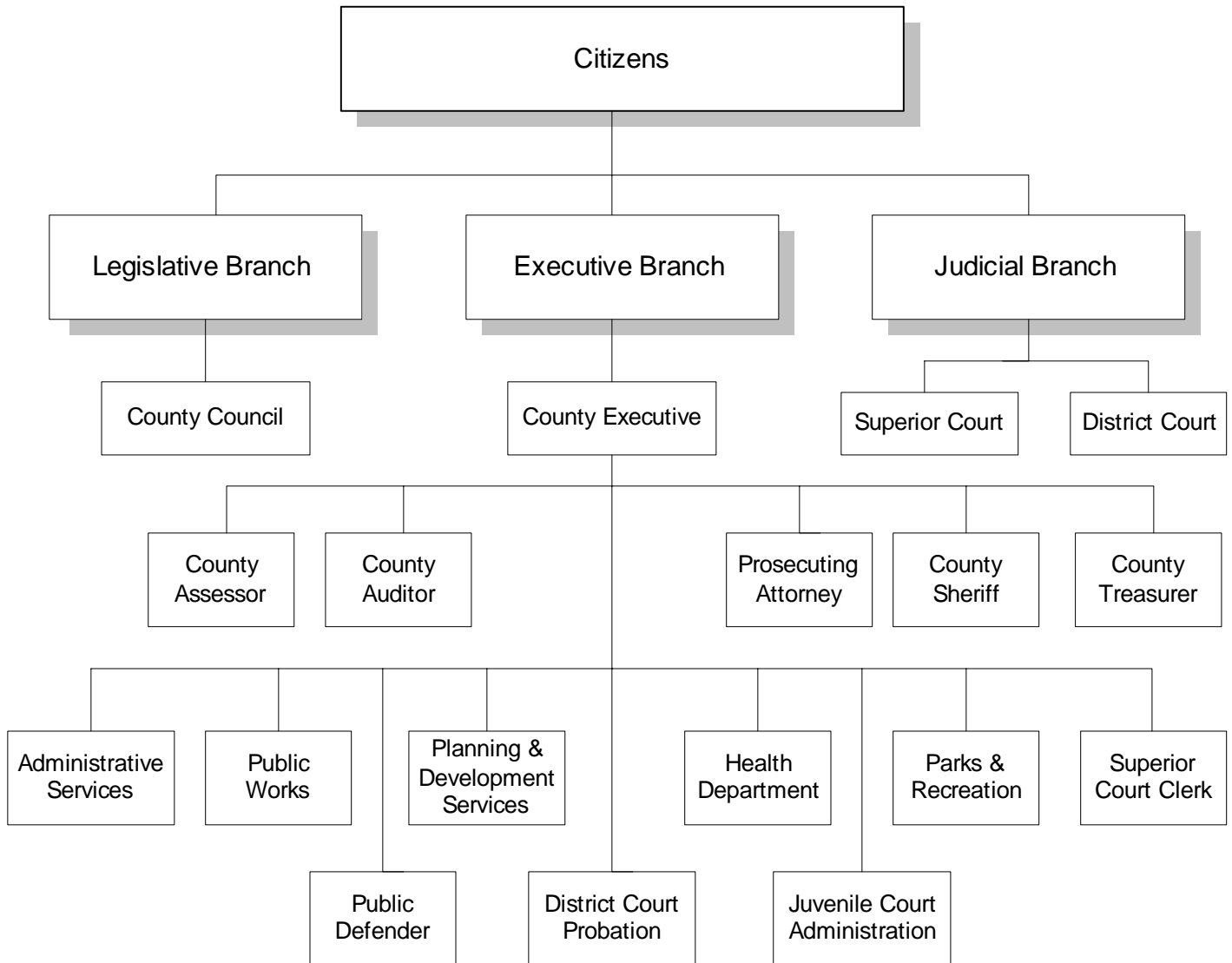
SUPERIOR COURT JUDGES

Department No. 1	Term Ends January, 2009	Ira Uhrig
Department No. 2	Term Ends January, 2009	Steven J Mura
Department No. 3	Term Ends January, 2009	Charles Synder

DISTRICT COURT JUDGES

Position No. 1	Term Ends December, 2007	David Grant
Position No. 2	Term Ends December, 2007	Matthew Elich

Whatcom County Organizational Chart





Independent Auditor's Report



Washington State Auditor Brian Sonntag

INDEPENDENT AUDITOR'S REPORT

June 16, 2006

Board of Commissioners
Whatcom County
Bellingham, 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, 2005, as listed in the table of contents. These financial statements are the responsibility of the County's management. Our responsibility is to express opinions on these financial statements based on our audit.

We conducted our audit in accordance with auditing standards generally accepted in the United States of America. 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 respective financial position of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the Whatcom County, Washington, as of December 31, 2005, 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 13 through 22 and budgetary comparison information on pages 61 through 64 are not a required part of the basic financial statements but are supplementary information required by the Governmental Accounting Standards Board. We have applied certain limited procedures, which consisted principally of inquiries of management regarding the methods of measurement and presentation of the required supplementary information. However, we did not audit the information and express no opinion on it.

Our audit was performed for the purpose of forming opinions on the financial statements that collectively comprise the County's basic financial statements. The accompanying information listed as combining financial statements and supplemental information on pages through is presented for purposes of additional analysis and is not a required part of the basic financial statements. This information has been subjected to auditing procedures applied in the audit of the basic financial statements and, in our opinion, is 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 it.

Sincerely,

A handwritten signature in black ink, appearing to read "Brian Sonntag". The signature is written in a cursive, flowing style.

BRIAN SONNTAG, CGFM
STATE AUDITOR

MANAGEMENT'S DISCUSSION AND ANALYSIS

Year Ended December 31, 2005

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, 2005. 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 2005 on a government-wide financial statement basis, Whatcom County's net assets totaled \$216,890,215. Net assets are calculated by subtracting the liabilities of the County from its total assets. \$46,750,597 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.

During 2005, the County's total long-term debt decreased by \$749,268. No new general obligation or special assessment debt was issued during the year. Under Washington State law, the County is authorized to issue approximately \$251 million in non-voted debt. At the end of 2005, the County's outstanding general obligation debt totaled \$12 million.

Whatcom County's total net assets increased by \$14,607,639, resulting primarily from the construction or purchase of capital assets. The County invested 7.3 million dollars in infrastructure, which includes roads, bridges and road related improvements. Whatcom County purchased \$2.2 million in land, including \$1.2 million for conservation easements. The County also spent \$1.2 million on the construction of the minimum security jail. The balance of the net increase was primarily cash and receivables.

Overview of the Financial Statements

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

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

The Statement of Net Assets presents information on all the County's assets and liabilities, with the difference between the two reported as net assets. Over time, increases or decreases in net assets may serve as a useful indicator of whether the financial position of the County is improving or deteriorating. However, this is just one indicator of financial health of the County. Other indicators include the condition of the County's capital assets (roads, building, bridges, etc.), changes in the property tax base, and general economic conditions within the County.

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

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

- **Governmental activities:** Most of the County's basic services are reported in this category, including general government, 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.

Table MDA1 - Net Assets

	Governmental Activities		Business-Type Activities		Total Primary Government	
	2005	2004	2005	2004	2005	2004
Current and other assets	\$ 100,382,925	\$ 89,071,987	\$ 151,327	\$ 76,426	\$ 100,534,252	\$ 89,148,413
Capital assets	146,368,463	140,527,278	-	-	146,368,463	140,527,278
Total assets	<u>246,751,388</u>	<u>229,599,265</u>	<u>151,327</u>	<u>76,426</u>	<u>246,902,715</u>	<u>229,675,691</u>
Long-term debt	21,495,902	22,245,170	2,690	1,377	21,498,592	22,246,547
Other liabilities	8,503,665	5,133,817	10,243	12,751	8,513,908	5,146,568
Total liabilities	<u>29,999,567</u>	<u>27,378,987</u>	<u>12,933</u>	<u>14,128</u>	<u>30,012,500</u>	<u>27,393,115</u>
Net assets:						
Invested in capital, net of debt	134,873,463	127,722,278	-	-	134,873,463	127,722,278
Restricted	35,266,155	28,799,551	-	-	35,266,155	28,799,551
Unrestricted	46,612,203	45,698,449	138,394	62,298	46,750,597	45,760,747
Total net assets	<u>\$ 216,751,821</u>	<u>\$ 202,220,278</u>	<u>\$ 138,394</u>	<u>\$ 62,298</u>	<u>\$ 216,890,215</u>	<u>\$ 202,282,576</u>

For more detailed information see page 23 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 \$216,890,215 at the close of the most recent fiscal year. The largest portion of Whatcom County's net assets (62 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 (16 percent) represents resources that are subject to external restrictions on how they may be used. The remaining balance of unrestricted net assets (\$46,750,597) may be used to meet the government's ongoing obligations to citizens and creditors.

Net assets reserved for capital projects increased \$4.5 million in 2005. Real Estate excise tax revenue increased significantly from 2004, resulting in net assets for REET I and II of \$3.4 million greater than 2004. Public Utilities Improvement fund revenues are \$2.4 million for 2005. However, \$2.8 million was transferred from the Public Utilities Improvement fund to the new Jail Construction Project fund to fund the construction of the minimum security jail. The net assets for the Public Utilities Improvement fund are approximately \$1.0 million less than 2004 and net assets for the Jail Construction Project fund are \$2.5 million greater than 2004.

Special revenue net assets are \$1.9 million greater than last year. The Whatcom County Jail fund accounts for \$1.7 million of this increase. This fund was created in 2005 and is funded by a juvenile criminal justice sales tax.

Total net assets for the County increased by \$14,607,639 during the current fiscal year. This increase results primarily from the construction or purchase of capital assets and an increase in cash and receivables.

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	
	2005	2004	2005	2004	2005	2004
Revenues						
Program revenue:						
Charges for services	\$ 16,571,715	\$ 14,514,182	\$ -	\$ -	\$ 16,571,715	\$ 14,514,182
Operating grants & contributions	18,765,699	16,080,469	-	-	18,765,699	16,080,469
Capital grants & contributions	7,449,734	5,952,476	-	-	7,449,734	5,952,476
General revenue:						
Property taxes	39,217,958	37,287,454	-	-	39,217,958	37,287,454
Timber taxes	165,567	166,270	-	-	165,567	166,270
Retail taxes	14,343,922	11,631,120	-	-	14,343,922	11,631,120
Excise taxes	5,363,992	4,222,852	-	-	5,363,992	4,222,852
Penalties and interest	2,016,817	1,970,312	-	-	2,016,817	1,970,312
Other	6,695,085	5,375,723	238,615	221,635	6,933,700	5,597,358
Total revenues	110,590,489	97,200,858	238,615	221,635	110,829,104	97,422,493
Expenses						
General government	23,079,350	20,640,020	-	-	23,079,350	20,640,020
Public Safety	30,495,277	27,370,451	-	-	30,495,277	27,370,451
Physical environment	4,735,305	4,241,623	-	-	4,735,305	4,241,623
Transportation	21,254,817	20,089,939	-	-	21,254,817	20,089,939
Economic environment	2,095,684	1,768,412	-	-	2,095,684	1,768,412
Mental and physical health	9,893,505	9,226,067	-	-	9,893,505	9,226,067
Culture and recreation	3,918,909	3,737,864	-	-	3,918,909	3,737,864
Interest on long-term debt	586,099	635,089	-	-	586,099	635,089
Whatcom Co. Investment Pool	-	-	162,519	163,494	162,519	163,494
Total Expenses	96,058,946	87,709,465	162,519	163,494	96,221,465	87,872,959
Change in net assets	14,531,543	9,491,393	76,096	58,141	14,607,639	9,549,534
Net assets-beginning	202,220,278	192,599,241	62,298	4,157	202,282,576	192,603,398
Prior period adjustment	-	129,644	-	-	-	129,644
Net assets-beginning (restated)	202,220,278	192,728,885	62,298	4,157	202,282,576	192,733,042
Net assets-ending	\$216,751,821	\$ 202,220,278	\$ 138,394	\$ 62,298	\$216,890,215	\$202,282,576

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

Governmental activities increased Whatcom County's net assets by \$14,531,543, thereby accounting for 99 percent of the total growth in the net assets of Whatcom County.

- Operating grants and contributions increased \$2,685,230 or (17 percent) during the year. The following grants contributed to this increase: the border prosecution project grant (\$175,474), the Birch Bay water and sewer CDBG grant (\$414,423), a HAVA grant to fund a punch card replacement election system (\$665,182), homeland security grants (\$800,918), a local jail grant (\$400,000) and a data integration grant (\$697,657).
- Property taxes are \$1,930,504, or 5 percent, higher than 2004.
- Sales tax collections are \$2,712,802 greater than last year, due to strong building activity.

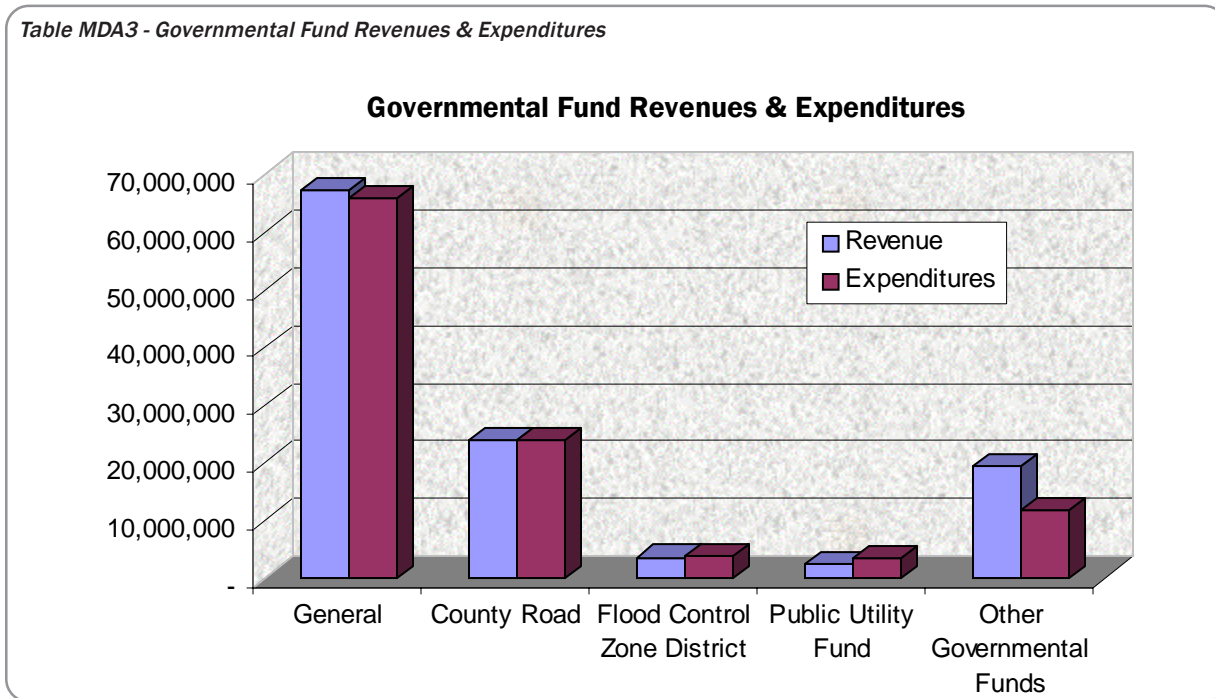
Financial Analysis of the County's Funds

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 72% of total governmental fund assets and 71% of total governmental fund balance.

As of December 31, 2005, the County's governmental funds reported combined fund balances of \$72 million. Of the total amount, nearly \$66 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 2005.

Table MDA3 - Governmental Fund Revenues & Expenditures



For the fiscal year ended December 31, 2005, governmental funds revenues totaled \$116 million and expenditures totaled \$109 million. The General Fund, County Road Fund, Flood Control Zone District Fund and Public Utilities Improvement Fund account for 83% of all governmental fund revenue and 89% of expenditures.

The net change in fund balance for all governmental funds for 2005 was an increase of \$8 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, 2005.

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

General Fund	Original Budget	Amended Budget	Actual
Revenues:			
Taxes	\$ 32,612,911	\$ 32,612,911	\$ 34,360,338
Intergovernmental	12,957,937	15,012,889	14,427,313
Other	14,640,178	15,335,265	16,479,393
Total revenues	60,211,026	62,961,065	65,267,044
Expenditures:			
Expenditures	63,510,642	67,375,783	64,088,677
Other financing sources (uses)	(907,051)	(1,051,705)	152,591
Total expenditures	64,417,693	68,427,488	63,936,086
Change to fund balance	\$ (4,206,667)	\$ (5,466,423)	\$ 1,330,958

For more detailed information see page 61 for the Schedule of Revenues, Expenditures and Changes in Fund Balance-Budget and Actual.

Tax Revenues. Tax revenues exceed budgeted amounts by \$1,747,427, or 5.4 percent. Property tax collections for 2005 totaled \$20,299,830 and are \$1,008,445 greater than 2004 collections. This increase is a result of new construction added to the tax roll. Sales tax revenues are up \$743,054 over last year due to strong construction activity and new car sales.

Intergovernmental Revenues. The budget for intergovernmental revenues was increased \$2,054,952 for grant awards that were received during the year. Total intergovernmental revenue is \$920,893 higher than the prior year. Actual revenue fell short of budgeted revenue by \$585,576.

Other. Other revenues are \$1,144,128 greater than budgeted amounts. Sub-Division review revenue is up \$109,132 from 2004 and is 40 percent over budget. Interest earning are \$855,022 greater than 2004 figures and are 113 percent of budget expectations. Franchise fees are above 2004 amounts by \$131,511 and above budgeted amounts by \$148,103. Traffic infractions are down \$114,068 from 2004 and are 88% of budget.

Expenditures. Overall expenditures for the General Fund are 95 percent of the approved budget at year-end. Continuing appropriations will carry over approximately \$1,268,000 of spending authority into 2006 for incomplete projects and contracts.

Whatcom County ended 2005 in a financial position better than what was anticipated in the 2005-2006 budget. The amended budget anticipated a decrease in fund balance of \$5,466,423. The actual result is an increase in fund balance of \$1,330,958. Whatcom County's General Fund fund balance is \$23,607,243 at year-end.

Capital Assets

The County's capital assets for its governmental activities as of December 31, 2005, totaled \$146 million (net of accumulated depreciation). This includes land, buildings, improvements, machinery and equipment, and infrastructure.

New investment in capital assets for 2005 was \$14.2 million. Depreciation expense in 2005 totaled \$8.4 million, resulting in a \$5.8 million increase in net assets.

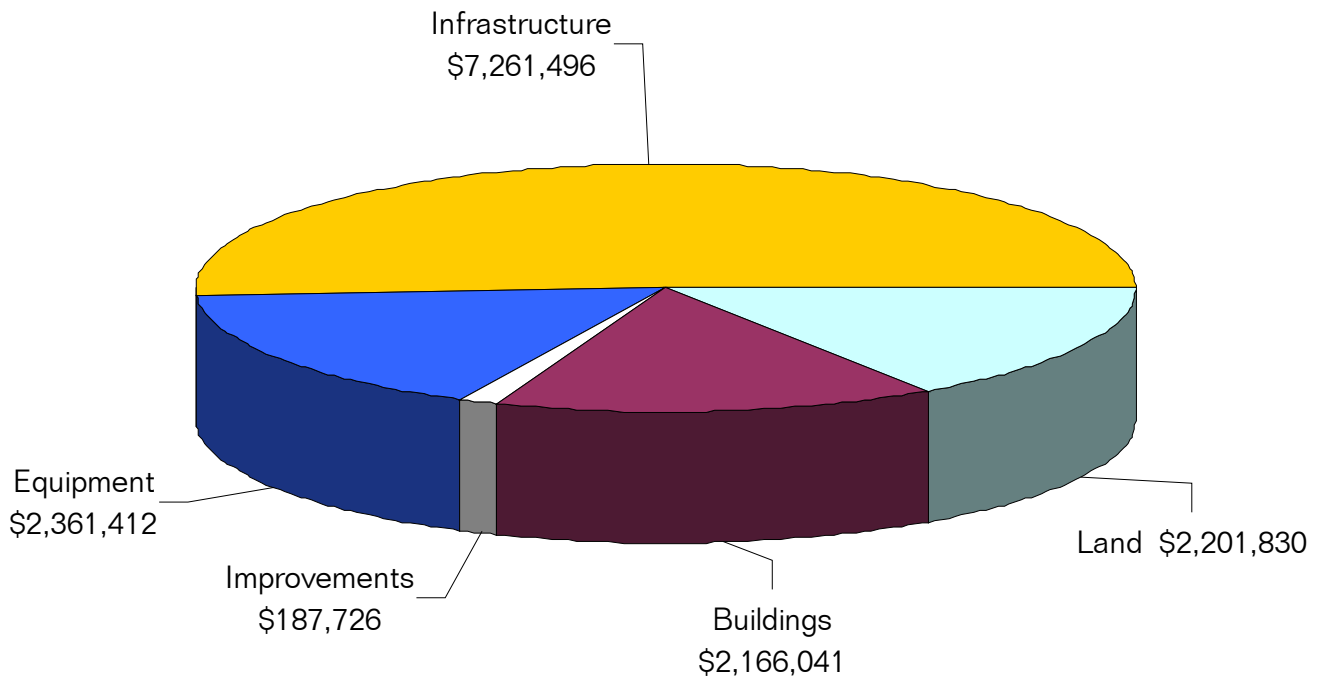
Table MDA5 - Capital Assets

	Governmental Activities <u>2005</u>	Governmental Activities <u>2004</u>
Land	\$27,026,928	\$24,825,098
Buildings	40,054,183	39,017,875
Improvements	1,254,130	1,158,039
Equipment	9,310,086	8,413,519
Infrastructure	68,723,136	67,112,747
TOTALS	\$146,368,463	\$140,527,278

For more detailed information see page 43 for Capital Asset Activity.

Table MDA6 - Change in Capital Assets

Change in Capital Assets



The County invested \$7.3 million in infrastructure, which includes roads, bridges and road-related improvements.

Whatcom County purchased \$2.2 million of land, including \$1.2 million for conservation easements and \$524,000 for property on North Shore Road to be used for park and open space purposes. Whatcom County invested \$2.2 million in buildings for 2005. \$1,167,000 was spent on construction of the minimum security jail and \$359,000 was spent on the one stop permit center. The investment in improvements totaled \$188,000. The County's investment in new equipment, including vehicles and road maintenance equipment increased capital assets by \$2.4 million.

Debt Administration

At year-end, the County had \$21.5 million in outstanding debt compared to \$22.2 million last year. That is a decrease of \$749,000, or 3.4%.

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 1.83 percent during the past five years. Per capita income of Whatcom County is growing at approximately 1.68 percent.

Table MDA7 - Outstanding Debt

	Governmental Activities	
	2005	2004
General Obligation Bonds	\$ 11,558,590	\$ 12,880,965
Special Assessment	78,013	194,482
Capital Leases	337,571	328,397
Estimated Self-Insurance		
Claims	3,598,798	3,362,795
Compensated Absences	5,375,834	4,903,849
Other Long-term Liabilities	547,096	574,682
	<u>\$ 21,495,902</u>	<u>\$ 22,245,170</u>

For more detailed information see page 54 for Changes in Long-Term Debt.

Unemployment has remained consistent, averaging 6.0 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 6.7 percent annual growth. Whatcom County is a very desirable place to live. This is reflected in the assessed valuations of property, which grew at an average rate of approximately 12 percent in 2005.

Contacting the County's Financial Management

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

	Primary Government		
	Governmental Activities	Business-type Activities	Total
Assets			
Cash and cash equivalents	\$ 90,625,589	\$ 150,229	\$ 90,775,818
Investments	34,325	-	34,325
Receivables	2,604,656	-	2,604,656
Due from other governments	6,346,869	-	6,346,869
Internal balances	(1,098)	1,098	-
Inventories	772,584	-	772,584
Capital assets:			
Non-depreciable	27,026,929	-	27,026,929
Depreciable, net	119,341,534	-	119,341,534
Total Assets	246,751,388	151,327	246,902,715
Liabilities			
Accounts Payable and accrued expenses	7,839,350	2,089	7,841,439
Due to other governments	376,144	82	376,226
Unearned revenue	288,171	-	288,171
Noncurrent liabilities(Note 8):			
Due within one year	5,432,202	-	5,432,202
Due in more than one year	16,063,700	10,762	16,074,462
Total Liabilities	29,999,567	12,933	30,012,500
Net Assets			
Invested in capital assets, net of related debt	134,873,463	-	134,873,463
Restricted for:			
Special Revenue	18,090,125	-	18,090,125
Debt Service	137,529	-	137,529
Capital Projects	17,038,501	-	17,038,501
Unrestricted (deficit)	46,612,203	138,394	46,750,597
Total net assets	\$ 216,751,821	\$ 138,394	\$ 216,890,215

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
Primary government:							
Governmental activities:							
General government	\$23,079,350	\$ 4,087,134	\$ 6,154,620	\$ -	\$ (12,837,596)	\$ -	\$ (12,837,596)
Public Safety	30,495,277	6,318,706	4,844,899	-	(19,331,672)	-	(19,331,672)
Physical environment	4,735,305	836,399	928,309	-	(2,970,597)	-	(2,970,597)
Transportation	21,254,817	2,386,724	-	7,449,734	(11,418,359)	-	(11,418,359)
Economic environment	2,095,684	515,901	976,508	-	(603,275)	-	(603,275)
Mental and physical health	9,893,505	2,092,146	5,854,118	-	(1,947,241)	-	(1,947,241)
Culture and recreation	3,918,909	334,705	7,245	-	(3,576,959)	-	(3,576,959)
Interest on long-term debt	586,099	-	-	-	(586,099)	-	(586,099)
Total government	96,058,946	16,571,715	18,765,699	7,449,734	(53,271,798)	-	(53,271,798)
Business-type activities:							
Whatcom County Investment Pool	162,519	238,615	-	-	-	76,096	76,096
Total business-type activities	162,519	238,615	-	-	-	76,096	76,096
Total primary government	\$96,221,465	\$16,810,330	\$ 18,765,699	\$ 7,449,734	(53,271,798)	76,096	(53,195,702)
General Revenues:							
Taxes:							
Property taxes					39,217,958	-	39,217,958
Timber taxes					165,567	-	165,567
Retail taxes					14,343,922	-	14,343,922
Excise taxes					5,363,992	-	5,363,992
Penalties and interest					2,016,817	-	2,016,817
Unrestricted investment earnings					3,004,248	-	3,004,248
Gain/loss on sale of capital assets					1,887,188	-	1,887,188
Miscellaneous					1,803,649	-	1,803,649
Total general revenues, special items & transfers					67,803,341	-	67,803,341
Change in net assets					14,531,543	76,096	14,607,639
Net assets-beginning					202,220,278	62,298	202,282,576
Net assets-ending					\$ 216,751,821	\$ 138,394	\$216,890,215

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/ Funds	Total Gov't/ Funds
Assets						
Cash and cash equivalents	\$ 24,392,627	\$ 11,651,143	\$ 8,690,177	\$ 7,312,990	\$ 21,505,290	\$ 73,552,227
Investments at cost	-	-	-	-	34,325	34,325
Taxes receivable	729,577	566,888	78,757	-	46,422	1,421,644
Accounts receivable	311,975	82,749	-	-	213,310	608,034
Special assessments	-	-	23,723	-	82,962	106,685
Interest receivable	293,730	-	-	-	92	293,822
Notes receivable	-	-	-	-	96,895	96,895
Due from other funds	110,957	3,027	47,928	-	85,438	247,350
Interfund loan receivable	107,000	-	-	-	-	107,000
Due from other governments	2,725,247	1,937,001	122,347	-	1,001,536	5,786,131
Employee advances	2,190	44	-	-	-	2,234
Prepayments	19,991	120	-	-	-	20,111
Long-term assets	-	-	-	-	-	-
Due from other governments	-	-	-	500,000	-	500,000
Notes receivable	8,734	-	-	-	-	8,734
Total Assets	\$ 28,702,028	\$ 14,240,972	\$ 8,962,932	\$ 7,812,990	\$ 23,066,270	\$ 82,785,192
Liabilities and fund balance						
Liabilities						
Accounts payable	\$ 1,723,488	\$ 1,760,617	\$ 119,751	\$ 40,577	\$ 1,590,017	\$ 5,234,450
Due to other funds	789,467	337,952	69,772	-	102,306	1,299,497
Interfund loans payable	-	-	-	-	107,000	107,000
Revenue collected in advance	-	6,138	-	-	51	6,189
Due to other governments	351,576	14,625	-	215	1,829	368,245
Other accrued liabilities	1,223,542	308,201	-	2,294	25,422	1,559,459
Other current liabilities	-	84,425	-	-	-	84,425
Deferred revenue	857,348	649,637	102,480	-	226,280	1,835,745
Deferred credits	149,364	44,164	-	427	2,843	196,798
Total liabilities	5,094,785	3,205,759	292,003	43,513	2,055,748	10,691,808
Fund balances						
Reserved for:						
Encumbrances	1,267,713	744,096	982,173	473,609	2,171,580	5,639,171
Petty cash	49,075	1,200	-	-	70,200	120,475
Federal Forest Title III	216,285	-	-	-	-	216,285
Debt service	-	-	-	-	206,782	206,782
Unreserved	22,074,170	10,289,917	7,688,756	7,295,868	-	47,348,711
Unreserved, reported in nonmajor:						
Special revenue funds	-	-	-	-	11,323,301	11,323,301
Capital projects funds	-	-	-	-	7,238,659	7,238,659
Total fund balance	23,607,243	11,035,213	8,670,929	7,769,477	21,010,522	72,093,384
Total liabilities & fund balance	\$ 28,702,028	\$ 14,240,972	\$ 8,962,932	\$ 7,812,990	\$ 23,066,270	\$ 82,785,192

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

Reconciliation of the Governmental Funds
 Balance Sheet
 to the Statement of Net Assets
 December 31, 2005



Fund balance - total governmental funds	\$ 72,093,384
Capital assets used in governmental activities are not financial resources and therefore are not reported in the funds.	136,388,547
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.	23,838,712
Other long-term assets are not available to pay for current-period expenditures and therefore are deferred in the funds.	1,547,574
Liabilities, including \$12,183,699 of bonds payable and \$4,932,697 of compensated absences, are not due and payable in the current period and therefore are not reported in the funds.	<u>(17,116,396)</u>
Net assets of governmental activities.	<u>\$ 216,751,821</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, 2005



	General	County Road	Flood Control Zone Dist	Public Utilities Improvement	Other Governmental Funds	Total Governmental Funds
Revenues						
Taxes	\$ 34,360,338	\$ 13,989,046	\$ 2,744,206	\$ 2,380,839	\$ 8,253,937	\$ 61,728,366
Licenses and permits	2,639,392	94,738	-	-	-	2,734,130
Intergovernmental	14,427,313	7,291,967	739,780	-	2,867,693	25,326,753
Charges for service	7,903,005	1,289,159	48	-	2,152,162	11,344,374
Fines and forfeits	1,503,971	-	-	-	738,402	2,242,373
Miscellaneous	4,433,025	87,196	6,804	7,500	340,145	4,874,670
Total revenues	65,267,044	22,752,106	3,490,838	2,388,339	14,352,339	108,250,666
Expenditures						
Current:						
General government	20,345,049	197,628	-	30,310	1,215,519	21,788,506
Public Safety	27,893,818	-	-	-	1,240,153	29,133,971
Physical environment	364,694	-	3,100,107	-	1,225,260	4,690,061
Transportation	-	15,343,996	-	-	27,678	15,371,674
Economic environment	1,747,647	-	-	-	364,508	2,112,155
Mental and physical health	9,758,671	-	-	-	-	9,758,671
Culture and recreation	3,662,030	-	-	-	160,296	3,822,326
Capital outlay	266,547	7,634,743	419,623	563,090	3,444,737	12,328,740
Debt service:						
Principal	27,586	-	-	-	1,426,468	1,454,054
Interest	22,635	-	-	-	560,303	582,938
Total expenditures	64,088,677	23,176,367	3,519,730	593,400	9,664,922	101,043,096
Excess (deficiency) of revenues over expenditures	1,178,367	(424,261)	(28,892)	1,794,939	4,687,417	7,207,570
Other financing sources (uses)						
Sales of capital assets	776,435	970,283	93,177	-	47,293	1,887,188
Transfers in	1,315,836	71,039	-	-	4,921,775	6,308,650
Transfers out	(1,939,680)	(595,902)	(207,450)	(2,762,947)	(2,145,981)	(7,651,960)
Total other financing sources (uses)	152,591	445,420	(114,273)	(2,762,947)	2,823,087	543,878
Net change in fund balances	1,330,958	21,159	(143,165)	(968,008)	7,510,504	7,751,448
Fund balance as of January 1	22,276,285	11,014,054	8,814,094	8,737,485	13,500,018	64,341,936
Fund balance as of December 31	\$ 23,607,243	\$ 11,035,213	\$ 8,670,929	\$ 7,769,477	\$ 21,010,522	\$ 72,093,384

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 Funds to the Statement of Activities
Year Ended December 31, 2005



Net change in fund balances-total governmental funds	\$ 7,751,448
<p>Governmental funds report capital outlays as expenditures. However, in the statement of activities the cost of those assets is allocated over their estimated useful lives and reported as depreciation expense. This is the amount by which capital outlays \$(12,295,170) exceeded depreciation expense \$(7,483,101) in the current period.</p>	
	4,812,069
<p>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.</p>	
	1,348,185
<p>Revenues in the funds that are related to prior periods are not revenues in the statement of activities.</p>	
	(398,241)
<p>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.</p>	
	(435,972)
<p>Repayment of bond principal is an expenditure in governmental funds, but the repayment reduces long-term liabilities in the statement of net assets.</p>	
	<u>1,454,054</u>
Change in net assets of governmental activities	<u><u>\$ 14,531,543</u></u>

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

	Enterprise Funds Whatcom Investment Pool	Internal Service Funds
Assets		
Current Assets		
Cash & Equivalents	\$ 150,229	\$ 17,073,362
Accounts Receivable	-	44,403
Due From Other Funds	-	1,055,858
Due From Other Governments	-	60,738
Inventory	-	772,584
Prepayments	-	8
Total Current Assets	150,229	19,006,953
Noncurrent Assets		
Land	-	753,131
Building & Structures (Net)	-	1,581,633
Capital Leases (Net)	-	341,120
Other Improvements (Net)	-	182,473
Machinery & Equipment (Net)	-	7,121,559
Total Noncurrent Assets	-	9,979,916
Total Assets	150,229	28,986,869
Liabilities		
Current Liabilities		
Accounts Payable	877	596,146
Claims Cost Payable	-	3,513,614
Due to Other Funds	-	3,711
Due to Other Governments	82	7,901
Other Accrued Liabilities	1,212	161,883
Total Current Liabilities	2,171	4,283,255
Noncurrent Liabilities		
Employee Leave Benefits	10,762	443,137
Other Long-Term Liabilities	-	422,755
Total Noncurrent Liabilities	10,762	865,892
Total Liabilities	12,933	5,149,147
Net Assets		
Invested in capital assets, net of related debt	-	9,979,916
Unrestricted	137,296	13,857,806
Total Net Assets	137,296	\$ 23,837,722

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

1,098
\$ 138,394

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, 2005



	Enterprise Funds Whatcom County Investment Pool	Internal Service Funds
Operating Revenue		
Intergovernmental	\$ -	\$ 697,657
Charges for Service	-	9,806,219
Rents and Parking	-	5,244,088
Interest Income	238,615	-
Fines & Foreits	-	1,883
Insurance Premiums	-	6,255,785
Other Miscellaneous Revenues	-	85,966
Total Operating Revenues	238,615	22,091,598
Operating Expenses		
General Operations	162,300	20,126,747
General Administration	-	620,317
Depreciation	-	1,496,643
Total Operating Expenses	162,300	22,243,707
Operating Income (Loss)	76,315	(152,109)
Non-Operating Revenues (Expenses)		
Gain (Loss) on Sale of Capital Assets	-	129,045
Interest Revenue	-	33,256
Interest Expense	-	(15,536)
Total Non-Operating Revenues (Expenses)	-	146,765
Income (loss) Before Contributions and Transfers	76,315	(5,344)
Capital Contributions		10,000
Transfers In	-	1,758,391
Transfers Out	-	(415,081)
Changes in net assets	76,315	1,347,966
Total net assets-beginning		22,489,756
Total net assets-ending		\$ 23,837,722

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.

	(219)
Change in net assets of business-type activities	\$ 76,096

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

	Enterprise Funds Whatcom County Investment Pool	Internal Service Funds
Cash Flows From Operating Activities:		
Cash Received From Customers	\$ 238,615	\$ 21,484,377
Cash Payments For Goods And Services	(59,153)	(15,625,772)
Cash Payments To Employees	(104,342)	(5,170,858)
Net Cash Provided by Operating Activities	75,120	687,747
Cash Flows From Non-Capital Financing Activities:		
Transfers In	-	1,299,044
Transfers Out	-	(415,081)
Net Cash Provided by Non-Capital Financing Activities:	-	883,963
Cash Flows From Capital Financing Activities:		
Interest Paid on Lease Purchase	-	(15,536)
Proceeds From Sale of Assets	-	200,740
Transfer In (Out)	-	459,347
Payments For Capital Assets	-	(2,578,281)
Net Cash Used by Capital Financing Activities:	-	(1,933,730)
Cash Flows From Investing Activities:		
Purchase of Investment Securities	-	(33,256)
Interest on Investments	-	33,256
Proceeds From Sale of Investments	-	1,511,553
Total Cash Flows From Investing Activities	-	1,511,553
Net Increase (Decrease) in Cash and Cash Equivalents	75,120	1,149,533
Balances - Beginning of the Year	75,109	15,923,829
Balances - End of the Year	\$ 150,229	\$ 17,073,362
Reconciliation Of Operating Income (Loss) To Net Cash Provided (Used) By Operating Activities:		
Operating Income (Loss)	\$ 76,315	\$ (152,109)
Adjustments To Reconcile Operating Income to Net Cash Provided by Operating Activities:		
Depreciation Expense	-	1,496,642
Change in Assets and Liabilities:		
Receivables, net	-	(603,927)
Inventories	-	(103,697)
Accounts and Other Payables	794	(100,393)
Accrued Expenses	(1,989)	151,231
Net Cash Provided By Operating Activities	\$ 75,120	\$ 687,747
Noncash Investing & Capital Financing Activities:		
Lease Purchases	\$ -	\$ 155,242
Total Noncash Investing & Capital Financing Activities:	\$ -	\$ 155,242

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

Agency Funds

Assets

Current Assets

Cash & Equivalents	\$ 21,501,138
Deposits With Fiscal Agent	60,000
Investments At Cost	91,115,825
Accounts Receivable (Net)	(11,862)
	\$ 112,665,101

Total Assets

\$ 112,665,101

Liabilities

Current Liabilities

Warrants Payable	\$ 8,747,715
Accounts Payable	1,548,720
Matured Long-Term Debt	60,000
Other Accrued Liabilities	92,749
Revenue Collected in Advance	230,573
Custodial Accounts	101,985,344
	\$ 112,665,101

Total Liabilities

\$ 112,665,101

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

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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 restricted resources first, then unrestricted 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 sixty days of the end of the current fiscal period. Property tax, franchise fees, and interest associated with the current fiscal period are all

considered to be susceptible to accrual and so have been recognized as revenue 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. The County's internal service funds are Equipment Rental and Revolving, Whatcom County Supplemental Retirement and Administrative Services.

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 enterprise funds 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 on the modified accrual basis of accounting for all funds except the following special revenue funds: Tax Refund, REET Electronic Technology, Park ORV, Whatcom County Trial Court Improvement, Emergency Contingency, Drug Task Force, Imminent Threat Grant, Sewer Improvement District 1, Emergency Communications, and Sumas Sub-Flood Control Zone District; debt service funds: 1977 Fair General Obligation Bond, 1978 Ltd. Tax General Obligation Bond, 1981 Ltd. Tax General Obligation Bond, 1982 Ltd. Tax General Obligation Bond, 1983 Ltd. Tax General Obligation Bond, CRID No. 4 General Debt, CRID No. 5 General Debt, 1991 Ltd. Tax General Obligation Bond, and 1993 Ltd. Tax General Obligation Bond; and capital project funds: 1983 Sewer Construction, Courthouse Expansion Construction, Road Improvement District No. 10 Construction and Civic Center Building Improvement, which are not budgeted. 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 \$199 million with \$109 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 receivable 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 60 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." A separate schedule of interfund loans receivable and payable is furnished in Note 11 (Interfund Balances and Transfers).

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

Capital Asset	Useful Life	Capitalization Threshold
Buildings	50 years	\$5,000
Capital Leases	3-30 years	\$5,000
Improvements	5-30 years	\$5,000
Machinery & Equipment	3-10 years	\$5,000
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 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, 2005 and 2004. 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.

Unearned 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 appropriation in Superior Court by \$ 135,769. The number of indigent criminal defendants who have a constitutional right to counsel exceeded projections and the cost of court mandated guardian ad litem services was greater than budget expectations.

NOTE 3 – DEPOSITS AND INVESTMENTS

The County's deposits and certificates of deposit 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).

Whatcom County's investment policy is to invest public funds in accordance with all federal, state and local governing statutes. Whatcom County will invest public funds in a manner which will provide maximum safety of principal, ensure adequate liquidity, and achieve the highest investment return within these parameters.

Whatcom County is authorized by RCW's 36.29.020, 39.58, 39.59.020, 39.59.030, 39.60.010, 39.60.050 and 43.84.080 to invest in the following types of securities: U.S. Treasury Obligations, U.S. Government Agency obligations and U.S. Government Sponsored Enterprises (GSE's), Banker's Acceptances (BA's) purchased through State of Washington Financial Institutions and authorized broker/dealers, Commercial Paper, Non-negotiable Certificates of Deposit, Deposit Notes of Financial Institutions, Repurchase Agreements, Bonds of the State of Washington and any local government in the State of Washington, General obligation bonds of a state other than the State of Washington and general obligation bonds of a local government of a state other than the State of Washington, registered warrants and notes for Whatcom County and those districts in Whatcom County for which the Treasurer is the ex-official Treasurer (subject to compliance with RCW 39.56.030), the Washington State Local Government Investment Pool (LGIP) and as defined in RCW 39.59.030, mutual bond funds as subject to the arbitrage provisions of Section 148 of the Federal Internal Revenue Code (if bond covenants permit investment in mutual funds).

RCW 39.58.130 authorizes the investment of municipal funds in deposits in qualified public depositories provided that the total in public deposits does not exceed the total net worth of the bank. As of December 31, 2005 the carrying amount of the County's cash demand deposits was \$112,276,954.

As of December 31, 2005, the county had the following investments:

Table FN2 - Investment Maturities

Investment Maturities (In Years)

Investment Type	Fair Value	Less Than 1	1 to 5
LGIP	\$ 15,296,370	\$ 15,296,370	\$ -
US Treasury	3,974,840	3,974,840	-
Federal Farm Credit Bank	5,978,430	5,978,430	-
Federal Home Loan Bank	39,362,141	5,950,320	33,411,821
Federal Home Loan Mortgage	58,744,648	24,579,425	34,165,223
Federal National Mortgage Assoc.	51,338,978	39,565,838	11,773,140
Government National Mortgage Assoc.	2,842,136	-	2,842,136
General Obligation Municipal Bonds	10,296,949	1,975,580	8,321,369
Housing and Urban Development	1,341,144	1,341,144	-
Certificates of Deposit	10,015,981	10,015,981	-
Total	\$ 199,191,617	\$ 108,677,928	\$ 90,513,689

More information regarding Whatcom County's investment policy can be found on the County website at <http://www.co.whatcom.wa.us/treasurer/investments/policy.jsp>.

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 an unearned 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
2005	\$14,531,776,570	\$21,301,986	97.7%
2004	13,069,729,631	20,261,087	97.5%
2003	12,616,676,560	18,328,751	96.6%
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%

(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 2005 was \$1.46589 per \$1,000 on an assessed valuation of \$14.5 billion for a regular levy of \$21,301,986. This levy was used for general governmental purposes.

The road fund levied \$2.01206 per \$1,000 on an assessed value of \$7.2 billion in 2005. This resulted in a total levy of \$14,461,845 to be used for county road maintenance and construction.

NOTE 5 – CAPITAL ASSETS AND DEPRECIATION

Capital assets activity for the year ended December 31, 2005 was as follows:

Table FN4 - Capital Assets Activity

Governmental activities	January 1	Increases	Decreases	December 31
Not being depreciated:				
Land	\$ 24,825,098	\$ 2,204,030	\$ (2,200)	\$ 27,026,928
Subtotal	24,825,098	2,204,030	(2,200)	27,026,928
Other capital assets:				
Buildings	54,819,187	2,166,041	-	56,985,228
Improvements	4,812,064	187,726	-	4,999,790
Equipment	27,008,162	3,075,649	(714,237)	29,369,574
Infrastructure	103,316,472	7,261,496	-	110,577,968
Subtotal	189,955,885	12,690,912	(714,237)	201,932,560
Accumulated depreciation				
Buildings	(15,801,312)	(1,129,733)	-	(16,931,045)
Improvements	(3,654,025)	(91,635)	-	(3,745,660)
Equipment	(18,594,643)	(2,107,269)	642,424	(20,059,488)
Infrastructure	(36,203,725)	(5,651,107)	-	(41,854,832)
Subtotal	(74,253,705)	(8,979,744)	642,424	(82,591,025)
Net other capital assets	115,702,180	3,711,168	(71,813)	119,341,535
Net capital assets	\$ 140,527,278	\$ 5,915,198	\$ (74,013)	\$ 146,368,463

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

Table FN5 - Depreciation Expense

Governmental activities:	
General governments	\$1,458,065
Public Safety	436,825
Physical environment	32,357
Transportation	6,874,252
Economic environment	5,979
Mental & physical health	90,422
Culture & recreation	81,844
Total depreciation expense	\$8,979,744

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 currently 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 benefit 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 the 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 the 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 1,169 participating employers in PERS. Membership in PERS consisted of the following as of the latest actuarial valuation date for the plans of September 30, 2004:

Table FN6 - PERS Membership

Retirees and Beneficiaries Receiving Benefits	66,846
Terminated Plan Members Entitled To But Not Yet Receiving Benefits	21,031
Active Plan Members Vested	103,039
Active Plan Members Nonvested	53,217
TOTAL	244,133

The County covered payroll for the year ended December 31, 2005 was \$41,080,205. The County’s total current year payroll for all employees was \$46,237,751.

Funding Policy

Each biennium, the state Pension Funding Council adopts Plan 1 employer contribution rates, Plan 2 employer and employee contribution rates, and Plan 3 employer contribution rates. Employee contribution rates for Plan 1 are established by statute at 6 percent for state agencies and local government unit employees, and 7.5 percent for state government elected 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 non-contributing 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, 2005, were as follows:

Table FN7 - PERS Contribution Rates

	PERS Plan 1	PERS Plan 2	PERS Plan 3
Employer*	2.44%	2.44%	2.44%**
Employee	6.00%	1.18%	***

*The employer rates include the employer administrative expense fee currently set at 0.19%.

**Plan 3 defined benefit portion only.

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

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

Table FN8 - County Contribution to PERS

	PERS Plan 1	PERS Plan 2	PERS Plan 3
2005	\$ 74,173	\$ 525,705	\$184,754
2004	\$ 55,665	\$ 359,046	\$119,126
2003	\$ 57,810	\$ 346,318	\$ 74,902

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 defined benefit plans. Membership in the system includes all full-time, fully compensated, local law enforcement officers and firefighters. LEOFF is comprised primarily of non-state employees, with the Department of Fish and Wildlife enforcement officers, who were first included prospectively effective July 27, 2003 being an exception. LEOFF participants who joined the system by September 30, 1977 are Plan 1 members. Those who joined on or after October 1, 1977 are Plan 2 members. Effective July 1, 2003, the LEOFF Plan 2 Retirement Board was established to provide governance of LEOFF Plan 2. The Board’s duties include adopting contribution rates and recommending policy changes to the Legislature for the LEOFF Plan 2 retirement plan. Effective January 1, 2003 firefighters 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 defined benefits are financed from a combination of investment earnings, employer and employee contributions, and a special funding situation in which the state pays the remainder through state legislative appropriations. LEOFF retirement benefit provisions are established in state statute and may be amended only by the State Legislature.

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

Table FN9 - LEOFF Plan 1 Benefit Calculation

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

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

Plan 2 retirement benefits are vested after an employee completes five years of eligible service. Plan 2 members may retire at the age of 50 with 20 years of service, or at the age of 53 with five years of service, with an allowance of 2 percent of the final average salary per year of service. The final average salary is based on the highest consecutive 60 months. Plan 2 retirements prior to the age of 53 are reduced 3 percent for each year that 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 369 participating employers in LEOFF. Membership in LEOFF consisted of the following as of the latest actuarial valuation date for the plans of September 30, 2004:

Table FN10 - LEOFF Membership

Retirees and Beneficiaries Receiving Benefits	8,542
Terminated Plan Members Entitled To But Not Yet Receiving Benefits	528
Active Plan Members Vested	12,079
Active Plan Members Nonvested	3,523
TOTAL	24,672

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 contribution 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 Plans 1 and 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, 2005 was \$5,157,546. The County's total current year payroll for all employees was \$46,237,751.

The required contribution rates expressed as a percentage of current-year covered payroll, as of December 31, 2005, were:

Table FN11 - LEOFF Contribution Rates

	LEOFF Plan 1	LEOFF Plan 2
Employer*	0.19%	4.39%**
Employee	0.00%	6.99%
State	N/A	2.79%

**The employer rates include the employer administrative expense fee currently set at 0.19%.*

***The employer rates for ports and universities is 7.18%.*

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

Table FN12 - County Contribution to LEOFF

	LEOFF Plan 1	LEOFF Plan 2
2005	\$ 237	\$192,250
2004	\$ 285	\$159,336
2003	\$ 288	\$127,212

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, 2005, the amount of these liabilities was \$3,598,798. Changes in the balances of claims liabilities during 2004 and 2005 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
2004	\$ 2,633,418	\$ (3,986,512)	\$ 4,715,889	\$ 3,362,795
2005	\$ 3,362,795	\$ (4,331,209)	\$ 4,567,212	\$ 3,598,798

In 2004, Whatcom County settled a claim that requires the county to pay medical coverage for a former employee from January 2004 to the employee's 65th birthday in March of 2015. As of December 31, 2005, the estimate of the present value of the future cash payments totals \$96,069.

Whatcom County is a member of the Washington Counties Risk Pool ("Pool") which was formed August 18, 1988 when several counties in the state of Washington joined together by signing an interlocal agreement to pool their self-insured losses and to jointly purchase insurance and related administrative services. The Pool is presently comprised of twenty eight counties. Chapter 48.62 RCW authorizes the governing bodies of governmental entities to form together into or join a pool or organization for the joint purchasing of insurance, joint self-insuring and/ or the 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 services. The agreement to form the Pool was made pursuant to the provisions of Chapter 39.34 RCW, the Interlocal Cooperation Act.

The Pool allows its member counties to establish a plan of self-insurance, and to jointly purchase excess insurance and obtain related services. All Pool joint self-insurance liability coverages, including public officials' errors and omissions, are on an "occurrence" basis. The Pool also provides the counties with a property insurance program with extraordinary coverage limits, and has arranged for both special events/ concessionaires and environmental insurance coverages to be purchased as group purchase options for its member counties.

The Pool is governed by a board that is comprised of one director (and one or more alternate directors) appointed by each participating member county from the county's own officials or employees. An executive committee that is responsible for overseeing the business affairs of the Pool is selected by the Pool's board of directors from its membership, including alternate directors, during each annual meeting.

Claims filed with the Pool are subject to the deductible amount selected by the filing county. Member deductibles range from \$10,000 to \$500,000 per occurrence. The Pool, which is primarily funded by annual assessments contributed by its member counties, acquires from unrelated underwriters reinsurance with a self-insured retention of \$100,000 per occurrence and excess insurance. The member counties are

responsible for amounts within their deductibles for each claim, and the Pool is responsible for any difference remaining up to the \$100,000 self-insured retention. The reinsurance and excess insurance carriers cover all losses exceeding the greater of the Pool's retention or the member county's deductible to the maximum limits of their policies, presently either \$20 million or \$25 million depending upon the member county.

Claim reserves are established for the Pool's retention layer for both reported and unreported insured events and include estimates of the undiscounted future cash payments of losses and related claim adjustment expenses. The following table presents the changes in the Pool's aggregate claim reserves:

Table FN14 - Changes in Pool's Aggregate Claim Reserves

For Years Ending September 30,	<u>2005</u>	<u>2004</u>
Unpaid claims and claim adjustment expenses at year's beginning	\$ 11,349,474	\$ 10,182,042
Incurred claims and claim adjustment expenses:		
Provision for insured events of the current year	1,327,012	1,442,149
Change in provision for insured events of prior years	(1,057,001)	1,608,619
Total incurred claim and claim adjustment expenses	\$ 11,619,485	\$ 13,232,810
Payments for claims and claim adjustment expenses:		
Attributable to insured events of the current year	-	68,432
Attributable to insured events of prior years	1,927,885	1,816,904
Total Payments	\$ 1,927,885	\$ 1,885,336
Total unpaid claims and claim adjustment expenses at year end	\$ 9,691,600	\$ 11,347,474

Member counties contract initially to remain in the Pool for five years, then annually with automatic renewals. Following the initial 5-year commitment, a county may terminate its Pool membership at the conclusion of any Pool fiscal year if the county has timely provided the required notice. Even after termination, a member county remains responsible for contributions to the Pool for any unresolved, unreported, and in-process claims from the period(s) that it was a signatory to the interlocal agreement.

Under RCW 48.62.141 and the Interlocal Agreement, contingent liability of participants in the program is established if a program's assets are insufficient to cover the program's liabilities. Deficits of the Pool are financed through retroactive assessments of the member counties. The Pool's overall reassessments receivable balance as of December 31, 2005 is \$1,621,429. Whatcom County's reassessments have been fully paid.

Summarized financial information as of September 30, 2005 is presented below.

Table FN15 - Washington Counties Risk Pool

Washington Counties Risk Pool	
As of September 30, 2005	
Total Assets	\$21,064,000
Total Liabilities	<u>\$20,303,890</u>
Total Restricted Net Assets	\$760,110
Total Revenues	\$12,042,031
Total Expenses	<u>\$10,031,988</u>
Changes in Net Assets	<u><u>\$2,010,043</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 the 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, 2005, bonds outstanding total \$6,320,000.

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, 2005, outstanding bonds totaled \$2,475,000.

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, 2005, outstanding bonds totaled \$2,700,000. 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 Road Improvement District (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, 2005, 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 \$78,013.

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

Table FN16 - GO Bonds and Special Assessment Debt

Year Ending December 31	General Obligation Bonds		Special Assessment Debt	
	Principal	Interest	Principal	Interest
2006	\$ 1,380,000	\$ 486,990	\$ 78,013	\$ 5,305
2007	1,440,000	424,453	-	-
2008	1,530,000	360,505	-	-
2009	1,600,000	293,618	-	-
2010	1,685,000	220,913	-	-
2011 - 2015	3,160,000	383,781	-	-
2016 - 2020	700,000	66,975	-	-
Total	<u>\$ 11,495,000</u>	<u>\$ 2,237,235</u>	<u>\$ 78,013</u>	<u>\$ 5,305</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, 2005, the County had \$69,254 available in debt service funds to service the general bonded debt. In addition, \$137,528 was available to service RID debt.

Changes In Long-Term Debt

During the year ended December 31, 2005, the following changes occurred in long-term liabilities:

Table FN17 - Changes in Long-Term Debt

	January 1	Additions	Reductions	December 31	Due Within One Year
Governmental Activities					
Bonds payable					
General obligation debt	\$ 12,805,000	\$ -	\$ 1,310,000	\$ 11,495,000	\$ 1,380,000
Special assessment debt	194,482		116,469	78,013	78,013
Less deferred amounts for issuance discounts/premiums	75,965		12,375	63,590	-
Total bonds payable	13,075,447	-	1,438,844	11,636,603	1,458,013
Capital leases	328,397	151,196	142,022	337,571	130,921
Claims and Judgements (See Note 7)	3,362,795	4,567,212	4,331,209	3,598,798	3,513,614
Compensated absences	4,903,849	889,333	417,348	5,375,834	300,000
Loans payable	324,682	-	27,586	297,096	29,654
Landfill post-closure costs	250,000	-	-	250,000	-
Total Governmental Activities	\$ 22,245,170	\$ 5,607,741	\$ 6,357,009	\$ 21,495,902	\$ 5,432,202
Business-Type Activities					
Compensated absences	\$ 12,751	\$ -	\$ 1,989	\$ 10,762	\$ -
Total Business-Type Activities	\$ 12,751	\$ -	\$ 1,989	\$ 10,762	\$ -

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

For governmental activities, the compensated absences liability will be paid from the General Fund, County Road, Election Reserve, Whatcom County Jail, Solid Waste, Victim Witness Assistance, and Emergency Management special revenue funds, Public Utilities Improvement capital projects fund, and Equipment Rental and Revolving and Administrative Services internal service funds.

Capital Leases

Whatcom County has 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. The assets acquired through capital leases are as follows:

Table FN18 - Capital Lease Assets

	Governmental Activities	
Asset:		
Machinery and equipment	\$	750,755
Less: Accumulated depreciation		(409,635)
Total	\$	341,120

The future minimum lease obligations and the net present value of these minimum lease payments as of December 31, 2005 were as follows:

Table FN19 - Future Minimum Lease Obligations

Year Ending December 31	Governmental Activities	
2006		\$144,976
2007		118,829
2008		61,676
2009		39,201
2010		10,656
2011 and Beyond		-
Total Minimum Lease Payments		375,338
Less: Interest		37,767
Present Value of Minimum Lease Payments		\$337,571

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 FN20 - Long-Term Debt Capacity

Purpose of Indebtedness	Remaining Capacity
General Government (No vote required)	\$ 230,117,035
General Government (With 3/5 majority vote)	\$ 397,524,533

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 expenses if they involved external organizations, such as buying goods and services or payments in lieu of taxes, and are similarly treated when they involve other funds of the county. At December 31, 2005, due to and from other funds balances were as follows:

Table FN21 - Due To / From Other Funds

Due To	Due From						Total
	General Fund	County Road	Flood Control Zone Dist.	Internal Service	All Others		
General Fund	\$ -	\$ 2,267	\$ 54,005	\$ -	\$ 54,685	\$ 110,957	
County Road	-	-	-	3,027	-	3,027	
Flood Control Zone Dist.	2,027	-	-	-	45,900	47,928	
Internal Service	717,769	335,684	-	684	1,721	1,055,858	
Other	69,671	-	15,767	-	-	85,438	
Total	\$789,467	\$337,952	\$ 69,772	\$ 3,711	\$102,306	\$1,303,208	

Interfund loans outstanding as of 12/31/05 were as follows:

Table FN22 - Interfund Loans Receivable / Payable

Interfund Loan Receivable	Interfund Loan Payable	
		Election Reserve
General Fund	\$	107,000
Total	\$	107,000

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, 2005, consisted of the following:

Table FN23 - Interfund Transfers

Transfer To	Transfers From						Total
	General Fund	County Road	Flood Control Zone Dist.	Public Utilities Improvement	Internal Service	All Others	
General Fund	\$ 61,487	\$ 90,090	\$ 190,481	\$ -	\$ 155,532	\$ 818,246	\$ 1,315,836
County Road	70,000	-	-	-	-	1,039	71,039
Internal Service	1,229,260	505,812	16,969	-	6,350	-	1,758,391
All Others	578,933	-	-	2,762,947	253,200	1,326,695	4,921,775
Total	\$1,939,680	\$ 595,902	\$ 207,450	\$ 2,762,947	\$ 415,082	\$ 2,145,980	\$ 8,067,041

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 \$664,188 as its share of operations in 2005. Whatcom County did not have an equity interest in What-Comm in 2005. 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 \$131 to \$186 per month for a Medicare supplement for each retiree eligible for Medicare.

During the year, expenditures of \$176,390 were recognized for postretirement health care.

NOTE 14 – POSTCLOSURE CARE COST

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

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

NOTE 15 - OTHER DISCLOSURES

Fund Changes

During 2005, the following funds were added: Whatcom County Jail, REET Technology, Homeless Housing, Whatcom County Trial Court Improvement and Jail Construction Project.



Schedule of Revenues, Expenditures and Changes in
Fund Balance - Budget and Actual
General Fund
Year Ended December 31, 2005



	Budgeted Amounts		Actual Amounts (Budgetary Basis)	Variance with Final Budget Positive/ (Negative)
	Original	Final		
Revenues				
Taxes	\$ 32,612,911	\$ 32,612,911	\$ 34,360,338	\$ 1,747,427
Licenses and permits	2,400,940	2,610,940	2,639,392	28,452
Intergovernmental	12,957,937	15,012,889	14,427,313	(585,576)
Charges for service	6,995,804	7,352,208	7,903,005	550,797
Fines and forfeits	1,547,983	1,547,983	1,503,971	(44,012)
Miscellaneous	3,695,451	3,824,134	4,433,025	608,891
Total revenues	60,211,026	62,961,065	65,267,044	2,305,979
Expenditures				
Current:				
General government	21,043,454	21,352,774	20,345,049	1,007,725
Public Safety	26,392,052	28,723,563	27,893,818	829,745
Physical environment	368,044	408,044	364,694	43,350
Economic environment	1,558,206	2,126,180	1,747,647	378,533
Mental and physical health	10,178,125	10,406,720	9,758,671	648,049
Culture and recreation	3,534,329	3,675,240	3,662,030	13,210
Capital outlay	436,432	683,262	266,547	416,715
Debt service:				
Principal	-	-	27,586	(27,586)
Interest	-	-	22,635	(22,635)
Total expenditures	63,510,642	67,375,783	64,088,677	3,287,106
Excess (deficiency) of revenues over expenditures	(3,299,616)	(4,414,718)	1,178,367	5,593,085
Other financing sources (uses)				
Sales of capital assets	754,000	754,000	776,435	22,435
Transfers in	1,345,433	1,433,904	1,315,836	(118,068)
Transfers out	(3,006,484)	(3,239,609)	(1,939,680)	1,299,929
Total other financing sources (uses)	(907,051)	(1,051,705)	152,591	1,204,296
Excess (deficiency) of revenues & other financing sources over expenditures & other uses	(4,206,667)	(5,466,423)	1,330,958	6,797,381
Fund balance as of January 1	-	1,259,756	22,276,285	21,016,529
Fund balance as of December 31	\$ (4,206,667)	\$ (4,206,667)	\$ 23,607,243	\$ 27,813,910

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, 2005



	Budgeted Amounts		Actual Amounts (Budgetary Basis)	Variance with Final Budget Positive/ (Negative)
	Original	Final		
Revenues				
Taxes	\$ 13,139,000	\$ 13,139,000	\$ 13,989,046	\$ 850,046
Licenses and permits	40,100	40,100	94,738	54,638
Intergovernmental	10,719,540	9,429,500	7,291,967	(2,137,533)
Charges for service	1,170,919	1,170,919	1,289,159	118,240
Miscellaneous	13,000	13,000	87,196	74,196
Total revenues	25,082,559	23,792,519	22,752,106	(1,040,413)
Expenditures				
Current:				
General government	152,300	152,300	197,628	(45,328)
Transportation	17,362,491	17,638,628	15,343,996	2,294,632
Capital outlay	14,835,650	15,142,871	7,634,743	7,508,128
Total expenditures	32,350,441	32,933,799	23,176,367	9,757,432
Excess (deficiency) of revenues over expenditures	(7,267,882)	(9,141,280)	(424,261)	8,717,019
Other financing sources (uses)				
Sales of capital assets	900,000	900,000	970,283	70,283
Transfers in	78,240	78,240	71,039	(7,201)
Transfers out	(316,907)	(555,637)	(595,902)	(40,265)
Total other financing sources (uses)	661,333	422,603	445,420	22,817
Excess (deficiency) of revenues & other financing sources over expenditures & other uses	(6,606,549)	(8,718,677)	21,159	8,739,836
Fund balance as of January 1	8,893,065	9,715,154	11,014,054	1,298,900
Fund balance as of December 31	\$ 2,286,516	\$ 996,477	\$ 11,035,213	\$ 10,038,736

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, 2005



	Budgeted Amounts		Actual Amounts (Budgetary Basis)	Variance with Final Budget Positive/ (Negative)
	Original	Final		
Revenues				
Taxes	\$ 2,500,000	\$ 2,500,000	\$ 2,744,206	\$ 244,206
Intergovernmental	939,063	939,063	739,780	(199,283)
Charges for service	87,000	87,000	48	(86,952)
Miscellaneous	2	2	6,804	6,802
Total revenues	3,526,065	3,526,065	3,490,838	(35,227)
Expenditures				
Current:				
Physical environment	4,776,169	6,072,476	3,100,107	2,972,369
Capital outlay	350,000	350,000	419,623	(69,623)
Total expenditures	5,126,169	6,422,476	3,519,730	2,902,746
Excess (deficiency) of revenues over expenditures	(1,600,104)	(2,896,411)	(28,892)	2,867,519
Other financing sources (uses)				
Sales of capital assets	-	-	93,177	93,177
Transfers in	255,000	255,000	-	(255,000)
Transfers out	(307,970)	(307,970)	(207,450)	100,520
Total other financing sources (uses)	(52,970)	(52,970)	(114,273)	(61,303)
Excess (deficiency) of revenues & other financing sources over expenditures & other uses	(1,653,074)	(2,949,381)	(143,165)	2,806,216
Fund balance as of January 1	8,610,243	9,906,550	8,814,094	(1,092,456)
Fund balance as of December 31	\$ 6,957,169	\$ 6,957,169	\$ 8,670,929	\$ 1,713,760

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 2005.

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.

Veteran's 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's 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.

Whatcom County Jail - A fund to finance the operations of the Whatcom County Jail.

REET Electronic Technology - A fund to account for a fee collected through the real estate excise tax. The funds are to be used to develop, implement, and maintain an electronic processing and reporting system for real estate excise tax affidavits.

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.

Homeless Housing - A fund used to collect a ten dollar surcharge on each recorded document. The amount collected provides funding for homeless housing programs.

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

Whatcom County Trial Court Improvement - A fund to collect funding received from Washington State to improve Superior and District Court staffing, facilities, and services.

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 hotel motel tax revenue, used to promote tourism.

Victim Witness Assistance - 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.

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.

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.

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.

Whatcom County Drug - 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 - 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.

Emergency Management - 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 District - 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 Fuel Tax - 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.

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 - 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 - 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 - 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:

Real Estate Excise Tax II - A fund to account for an additional excise tax on the sale of real property in the unincorporated portion of Whatcom County.

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 I - 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 - 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.

Jail Construction Project - A fund established to finance the construction of the minimum security jail.

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

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

Agency Funds

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



	Special Revenue Funds	Debt Service Funds	Capital Project Funds	Total Non Major Governmental Funds
Assets				
Cash and cash equivalents	\$ 11,546,484	\$ 206,782	\$ 9,752,024	\$ 21,505,290
Investments at cost	-	-	34,325	34,325
Taxes receivable	46,412	10	-	46,422
Accounts receivable	213,310	-	-	213,310
Special assessments	9,691	73,271	-	82,962
Interest receivable	-	-	92	92
Notes receivable	96,895	-	-	96,895
Due from other funds	85,438	-	-	85,438
Due from other governments	960,767	-	40,769	1,001,536
Total Assets	\$ 12,958,997	\$ 280,063	\$ 9,827,210	\$ 23,066,270
Liabilities and fund balance				
Liabilities				
Accounts payable	\$ 1,031,925	\$ -	\$ 558,092	\$ 1,590,017
Due to other funds	102,306	-	-	102,306
Interfund loans payable	107,000	-	-	107,000
Revenue collected in advance	-	-	51	51
Due to other governments	1,829	-	-	1,829
Other accrued liabilities	25,422	-	-	25,422
Deferred revenue	152,999	73,281	-	226,280
Deferred credits	2,843	-	-	2,843
Total liabilities	1,424,324	73,281	558,143	2,055,748
Fund balances				
Reserved for:				
Encumbrances	141,172	-	2,030,408	2,171,580
Petty cash	70,200	-	-	70,200
Debt service	-	206,782	-	206,782
Unreserved, reported in:				
Special revenue funds	11,323,301	-	-	11,323,301
Capital projects funds	-	-	7,238,659	7,238,659
Total fund balance	11,534,673	206,782	9,269,067	21,010,522
Total liabilities and fund balance	\$ 12,958,997	\$ 280,063	\$ 9,827,210	\$ 23,066,270

Combining Statement of Revenues, Expenditures, and
Changes in Fund Balance
Non-Major Governmental Funds
Year Ended December 31, 2005



	Special Revenue Funds	Debt Service Funds	Capital Project Funds	Total Non Major Governmental Funds
Revenues				
Taxes	\$ 3,509,575	\$ -	\$ 4,744,362	\$ 8,253,937
Intergovernmental	2,467,693	-	400,000	2,867,693
Charges for service	2,152,162	-	-	2,152,162
Fines and forfeits	738,402	-	-	738,402
Miscellaneous	56,783	211,548	71,814	340,145
Total revenues	8,924,615	211,548	5,216,176	14,352,339
Expenditures				
Current:				
General government	1,215,519	-	-	1,215,519
Public Safety	1,240,153	-	-	1,240,153
Physical environment	1,089,192	-	136,068	1,225,260
Transportation	27,678	-	-	27,678
Economic environment	364,508	-	-	364,508
Culture and recreation	160,296	-	-	160,296
Capital outlay	2,277,912	-	1,166,825	3,444,737
Debt service:				
Principal	116,468	1,310,000	-	1,426,468
Interest	13,225	547,078	-	560,303
Total expenditures	6,504,951	1,857,078	1,302,893	9,664,922
Excess (deficiency) of revenues over expenditures	2,419,664	(1,645,530)	3,913,283	4,687,417
Other financing sources (uses)				
Sales of capital assets	47,293	-	-	47,293
Transfers in	307,813	1,851,015	2,762,947	4,921,775
Transfers out	(819,286)	(150,080)	(1,176,615)	(2,145,981)
Total other financing sources (uses)	(464,180)	1,700,935	1,586,332	2,823,087
Excess (deficiency) of revenues & other financing sources over expenditures & other uses	1,955,484	55,405	5,499,615	7,510,504
Fund balance as of January 1	9,579,189	151,377	3,769,452	13,500,018
Fund balance as of December 31	\$ 11,534,673	\$ 206,782	\$ 9,269,067	\$ 21,010,522



Combining Balance Sheet
 Non-Major Special Revenue Funds

December 31, 2005

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	Election Reserve	Veteran's Relief	Tax Refund	Treasurer's O & M	Water Resources	Whatcom County Jail	REET Electronic Technology
Assets							
Cash and cash equivalents	\$ 597,856	\$ 249,514	\$ 31,392	\$ 193,660	\$ 479,506	\$ 1,700,752	\$ 23,228
Taxes receivable	12,577	5,469	162	-	-	-	-
Accounts receivable	-	-	-	-	-	-	-
Special assessments	-	-	-	-	-	-	-
Notes receivable	-	-	-	-	-	-	-
Due from other funds	-	-	-	-	15,767	49,330	-
Due from other governments	303,214	-	-	-	-	-	-
Total Assets	\$ 913,647	\$ 254,983	\$ 31,554	\$ 193,660	\$ 495,273	\$ 1,750,082	\$ 23,228
Liabilities and fund balance							
Liabilities							
Accounts payable	\$ 533,270	\$ 891	\$ -	\$ 10,351	\$ -	\$ 84,494	\$ -
Due to other funds	33	-	-	-	17,000	-	-
Interfund loans payable	107,000	-	-	-	-	-	-
Due to other governments	525	-	-	-	-	314	-
Other accrued liabilities	7,723	-	-	-	-	7,520	-
Deferred revenue	12,577	5,469	162	-	-	-	-
Deferred credits	891	-	-	-	-	751	-
Total liabilities	662,019	6,360	162	10,351	17,000	93,079	-
Fund balances							
Reserved for:							
Encumbrances	-	-	-	-	-	49,330	-
Petty cash	-	-	-	-	-	-	-
Unreserved, reported in:							
Special revenue funds	251,628	248,623	31,392	183,309	478,273	1,607,673	23,228
Total fund balance	251,628	248,623	31,392	183,309	478,273	1,657,003	23,228
Total liabilities & fund balance	\$ 913,647	\$ 254,983	\$ 31,554	\$ 193,660	\$ 495,273	\$ 1,750,082	\$ 23,228

Low-Income Housing	Homeless Housing	Park ORV	WC Trial Court Impr	Solid Waste Mgmt	Convention Center	Victim/Witness Assistance	CERB	Emergency Contingency	Drug Task Force
\$ 1,069,924	\$ 149,285	\$ -	\$ 4,221	\$ 1,387,633	\$ 263,380	\$ 82,599	\$ 61	\$ 5,250	\$ 16,170
-	-	-	-	-	-	-	-	-	-
-	-	-	-	211,278	-	-	-	-	-
-	-	-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-	-	-
-	-	-	-	8,364	-	-	-	-	-
<u>\$ 1,069,924</u>	<u>\$ 149,285</u>	<u>\$ -</u>	<u>\$ 4,221</u>	<u>\$ 1,607,275</u>	<u>\$ 263,380</u>	<u>\$ 82,599</u>	<u>\$ 61</u>	<u>\$ 5,250</u>	<u>\$ 16,170</u>
\$ 47,017	\$ 578	\$ -	\$ -	\$ 93,175	\$ 1,654	\$ 832	\$ -	\$ -	\$ -
-	-	-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-	-	-
-	-	-	-	422	-	76	-	-	-
-	-	-	-	3,290	-	1,552	-	-	-
-	-	-	-	-	-	-	-	-	-
-	-	-	-	375	-	175	-	-	-
<u>47,017</u>	<u>578</u>	<u>-</u>	<u>-</u>	<u>97,262</u>	<u>1,654</u>	<u>2,635</u>	<u>-</u>	<u>-</u>	<u>-</u>
-	-	-	-	76,824	-	-	-	-	-
-	-	-	-	-	-	-	-	-	10,000
1,022,907	148,707	-	4,221	1,433,189	261,726	79,964	61	5,250	6,170
<u>1,022,907</u>	<u>148,707</u>	<u>-</u>	<u>4,221</u>	<u>1,510,013</u>	<u>261,726</u>	<u>79,964</u>	<u>61</u>	<u>5,250</u>	<u>16,170</u>
<u>\$ 1,069,924</u>	<u>\$ 149,285</u>	<u>\$ -</u>	<u>\$ 4,221</u>	<u>\$ 1,607,275</u>	<u>\$ 263,380</u>	<u>\$ 82,599</u>	<u>\$ 61</u>	<u>\$ 5,250</u>	<u>\$ 16,170</u>

continued on next page

Combining Balance Sheet
 Non-Major Special Revenue Funds

December 31, 2005

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	Community Develop- ment	Imminent Threat Grant	Sewer Imp Dist No. 1	Emergency Commun- ications	Whatcom County Drug	Auditor's O & M	Emergency Management
Assets							
Cash and cash equivalents	\$ 23,077	\$ 3	\$ 5,066	\$ -	\$ 1,249,492	\$ 483,027	\$ 62,003
Taxes receivable	-	-	-	-	-	-	-
Accounts receivable	-	-	-	-	-	-	2,032
Special assessments	-	-	-	-	-	-	-
Notes receivable	96,895	-	-	-	-	-	-
Due from other funds	-	-	-	-	13,740	-	6,601
Due from other governments	-	-	-	-	-	-	294,189
Total Assets	\$ 119,972	\$ 3	\$ 5,066	\$ -	\$ 1,263,232	\$ 483,027	\$ 364,825
Liabilities and fund balance							
Liabilities							
Accounts payable	\$ -	\$ -	\$ -	\$ -	\$ 37,946	\$ 3,623	\$ 215,070
Due to other funds	-	-	-	-	1,721	-	37,651
Interfund loans payable	-	-	-	-	-	-	-
Due to other governments	-	-	-	-	-	-	492
Other accrued liabilities	-	-	-	-	-	-	5,337
Deferred revenue	96,895	-	-	-	-	-	-
Deferred credits	-	-	-	-	-	-	651
Total liabilities	96,895	-	-	-	39,667	3,623	259,201
Fund balances							
Reserved for:							
Encumbrances	-	-	-	-	-	10,898	-
Petty cash	-	-	-	-	60,000	-	200
Unreserved, reported in:							
Special revenue funds	23,077	3	5,066	-	1,163,565	468,506	105,424
Total fund balance	23,077	3	5,066	-	1,223,565	479,404	105,624
Total liabilities & fund balance	\$ 119,972	\$ 3	\$ 5,066	\$ -	\$ 1,263,232	\$ 483,027	\$ 364,825

Sumas Sub-Flood Control Zone Dist	Point Roberts Fuel Tax	Conser- vation 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
-	\$ 176,665	\$ 2,321,455	\$ 12,202	\$ 178,754	\$ 236,141	\$ 474,181	\$ 69,987	\$ 11,546,484
-	-	28,204	-	-	-	-	-	46,412
-	-	-	-	-	-	-	-	213,310
-	-	-	-	1,777	811	5,421	1,682	9,691
-	-	-	-	-	-	-	-	96,895
-	-	-	-	-	-	-	-	85,438
-	-	355,000	-	-	-	-	-	960,767
\$	\$ 176,665	\$ 2,704,659	\$ 12,202	\$ 180,531	\$ 236,952	\$ 479,602	\$ 71,669	\$ 12,958,997
-	\$ -	\$ -	\$ 870	\$ 2,154	\$ -	\$ -	\$ -	\$ 1,031,925
-	-	-	-	-	7,763	38,138	-	102,306
-	-	-	-	-	-	-	-	107,000
-	-	-	-	-	-	-	-	1,829
-	-	-	-	-	-	-	-	25,422
-	-	28,204	-	1,778	811	5,421	1,682	152,999
-	-	-	-	-	-	-	-	2,843
-	-	28,204	870	3,932	8,574	43,559	1,682	1,424,324
-	-	-	4,120	-	-	-	-	141,172
-	-	-	-	-	-	-	-	70,200
-	176,665	2,676,455	7,212	176,599	228,378	436,043	69,987	11,323,301
-	176,665	2,676,455	11,332	176,599	228,378	436,043	69,987	11,534,673
\$	\$ 176,665	\$ 2,704,659	\$ 12,202	\$ 180,531	\$ 236,952	\$ 479,602	\$ 71,669	\$ 12,958,997

Combining Statement of Revenues, Expenditures and
Changes in Fund Balance
Non-Major Special Revenue Funds

Year Ended December 31, 2005

Page 1 of 4

	Election Reserve	Veteran's Relief	Tax Refund	Treasurer's O & M	Water Resources	Whatcom County Jail	REET Electronic Technology
Revenues							
Taxes	\$ 367,601	\$ 165,814	\$ 2,482	\$ -	\$ -	\$ 1,767,211	\$ 10,990
Intergovernmental	665,219	17	-	-	-	-	12,238
Charges for service	511,742	-	-	90,968	-	-	-
Fines and forfeits	-	-	-	-	-	-	-
Miscellaneous	152	5,528	-	-	-	-	-
Total revenues	1,544,714	171,359	2,482	90,968	-	1,767,211	23,228
Expenditures							
Current:							
General government	1,076,249	-	-	27,416	-	-	-
Public Safety	-	-	-	-	-	159,538	-
Physical environment	-	-	-	-	-	-	-
Transportation	-	2,129	-	-	-	-	-
Economic environment	-	105,788	-	-	-	-	-
Culture and recreation	-	-	-	-	-	-	-
Capital outlay	444,463	-	-	19,470	-	-	-
Debt service:							
Principal	-	-	-	-	-	-	-
Interest	-	-	-	-	-	-	-
Total expenditures	1,520,712	107,917	-	46,886	-	159,538	-
Excess (deficiency) of revenues over expenditures	24,002	63,442	2,482	44,082	-	1,607,673	23,228
Other financing sources (uses)							
Sales of capital assets	12,680	5,688	-	-	-	-	-
Transfers in	-	-	-	-	-	49,330	-
Transfers out	-	-	-	(66,609)	(17,000)	-	-
Total other financing sources (uses)	12,680	5,688	-	(66,609)	(17,000)	49,330	-
Excess (deficiency) of revenues & other financing sources over expenditures & other uses	36,682	69,130	2,482	(22,527)	(17,000)	1,657,003	23,228
Fund balance as of January 1	214,946	179,493	28,910	205,836	495,273	-	-
Fund balance as of Dec. 31	\$ 251,628	\$ 248,623	\$ 31,392	\$ 183,309	\$ 478,273	\$ 1,657,003	\$ 23,228

Combining Statement of Revenues, Expenditures and
 Changes in Fund Balance
 Non-Major Special Revenue Funds
 Year Ended December 31, 2005

Low- Income Housing	Homeless Housing	Park ORV	WC Trial Court Improvement	Solid Waste Mgmt	Convention Center	Victim/ Witness Assistance	CERB	Emergency Contingency	Drug Task Force
\$ -	\$ -	\$ -	\$ -	\$ -	\$ 159,122	\$ -	\$ -	\$ -	\$ -
-	-	-	4,212	161,179	-	10,717	-	-	-
357,094	158,607	-	-	836,351	-	80,658	-	-	-
-	-	-	-	-	-	22,451	-	-	-
-	-	-	9	1,350	-	-	-	-	-
<u>357,094</u>	<u>158,607</u>	<u>-</u>	<u>4,221</u>	<u>998,880</u>	<u>159,122</u>	<u>113,826</u>	<u>-</u>	<u>-</u>	<u>-</u>
-	-	-	-	-	-	60,110	-	-	-
-	-	-	-	-	-	-	-	-	-
-	-	-	-	1,008,074	-	-	-	-	-
-	-	-	-	-	-	-	-	-	-
245,320	9,900	-	-	-	-	-	-	-	-
-	-	-	-	-	160,296	-	-	-	-
-	-	-	-	29,472	-	-	-	-	-
-	-	-	-	-	-	-	116,468	-	-
-	-	-	-	-	-	-	13,225	-	-
<u>245,320</u>	<u>9,900</u>	<u>-</u>	<u>-</u>	<u>1,037,546</u>	<u>160,296</u>	<u>60,110</u>	<u>129,693</u>	<u>-</u>	<u>-</u>
111,774	148,707	-	4,221	(38,666)	(1,174)	53,716	(129,693)	-	-
-	-	-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	129,693	-	-
-	-	-	-	(116,363)	-	(63,986)	-	-	-
-	-	-	-	(116,363)	-	(63,986)	129,693	-	-
111,774	148,707	-	4,221	(155,029)	(1,174)	(10,270)	-	-	-
911,133	-	-	-	1,665,042	262,900	90,234	61	5,250	16,170
<u>\$ 1,022,907</u>	<u>\$ 148,707</u>	<u>\$ -</u>	<u>\$ 4,221</u>	<u>\$ 1,510,013</u>	<u>\$ 261,726</u>	<u>\$ 79,964</u>	<u>\$ 61</u>	<u>\$ 5,250</u>	<u>\$ 16,170</u>

continued on next page

Combining Statement of Revenues, Expenditures and
Changes in Fund Balance
Non-Major Special Revenue Funds

Year Ended December 31, 2005

Page 3 of 4

	Community Develop- ment	Imminent Threat Grant	Sewer Imp Dist No. 1	Emergency Commun- ications	Whatcom County Drug	Auditor's O & M	Emergency Management
Revenues							
Taxes	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Intergovernmental	-	-	-	-	13,740	64,908	1,016,279
Charges for service	-	-	-	-	-	116,742	-
Fines and forfeits	-	-	-	-	715,951	-	-
Miscellaneous	14,511	-	-	-	29,749	-	4,120
Total revenues	14,511	-	-	-	759,440	181,650	1,020,399
Expenditures							
Current:							
General government	-	-	-	-	-	51,744	-
Public Safety	-	-	-	-	137,832	-	942,783
Physical environment	-	-	-	-	-	-	-
Transportation	-	-	-	-	-	-	-
Economic environment	-	-	-	-	-	-	-
Culture and recreation	-	-	-	-	-	-	-
Capital outlay	-	-	-	-	-	-	104,490
Debt service:							
Principal	-	-	-	-	-	-	-
Interest	-	-	-	-	-	-	-
Total expenditures	-	-	-	-	137,832	51,744	1,047,273
Excess (deficiency) of revenues over expenditures	14,511	-	-	-	621,608	129,906	(26,874)
Other financing sources (uses)							
Sales of capital assets	-	-	-	-	-	-	-
Transfers in	-	-	-	-	-	-	108,403
Transfers out	(5,000)	-	-	-	(440,472)	(71,166)	(37,651)
Total other financing sources (uses)	(5,000)	-	-	-	(440,472)	(71,166)	70,752
Excess (deficiency) of revenues & other financing sources over expenditures & other uses	9,511	-	-	-	181,136	58,740	43,878
Fund balance as of January 1	13,566	3	5,066	-	1,042,429	420,664	61,746
Fund balance as of Dec. 31	\$ 23,077	\$ 3	\$ 5,066	\$ -	\$ 1,223,565	\$ 479,404	\$ 105,624

Combining Statement of Revenues, Expenditures and
 Changes in Fund Balance
 Non-Major Special Revenue Funds
 Year Ended December 31, 2005

Sumas Sub-Flood Control Zone Dist.	Point Roberts Fuel Tax	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
\$ -	\$ 43,689	\$ 840,651	\$ -	\$ 26,845	\$ 25,893	\$ 78,251	\$ 21,026	\$ 3,509,575
-	-	519,184	-	-	-	-	-	2,467,693
-	-	-	-	-	-	-	-	2,152,162
-	-	-	-	-	-	-	-	738,402
-	-	325	-	1,039	-	-	-	56,783
-	43,689	1,360,160	-	27,884	25,893	78,251	21,026	8,924,615
-	-	-	-	-	-	-	-	1,215,519
-	-	-	-	-	-	-	-	1,240,153
-	-	-	4,837	-	14,078	62,079	124	1,089,192
-	-	-	-	25,549	-	-	-	27,678
-	-	3,500	-	-	-	-	-	364,508
-	-	-	-	-	-	-	-	160,296
-	-	1,680,017	-	-	-	-	-	2,277,912
-	-	-	-	-	-	-	-	116,468
-	-	-	-	-	-	-	-	13,225
-	-	1,683,517	4,837	25,549	14,078	62,079	124	6,504,951
-	43,689	(323,357)	(4,837)	2,335	11,815	16,172	20,902	2,419,664
-	-	28,925	-	-	-	-	-	47,293
-	-	-	-	20,387	-	-	-	307,813
-	-	-	-	(1,039)	-	-	-	(819,286)
-	-	28,925	-	19,348	-	-	-	(464,180)
-	43,689	(294,432)	(4,837)	21,683	11,815	16,172	20,902	1,955,484
-	132,976	2,970,887	16,169	154,916	216,563	419,871	49,085	9,579,189
\$ -	\$ 176,665	\$ 2,676,455	\$ 11,332	\$ 176,599	\$ 228,378	\$ 436,043	\$ 69,987	\$ 11,534,673

Combining Statement of Revenues, Expenditures and
 Changes in Fund Balance
 Budget and Actual (GAAP Basis)
 Election Reserve
 Year Ended December 31, 2005
 (With comparative totals for December 31, 2004)



	2005			2004
	Budget	Actual	Variance Favorable (Unfavorable)	Actual
Revenues				
Taxes	\$ 362,000	\$ 367,601	\$ 5,601	\$ 368,092
Intergovernmental	752,971	665,219	(87,752)	261,405
Charges for Service	444,865	511,742	66,877	306,185
Miscellaneous	-	152	152	123
Total Revenues	<u>1,559,836</u>	<u>1,544,714</u>	<u>(15,122)</u>	<u>935,805</u>
Expenditures				
Current:				
General Government	1,197,376	1,076,249	121,127	1,079,158
Capital Outlay	493,496	444,463	49,033	78,291
Total Expenditures	<u>1,690,872</u>	<u>1,520,712</u>	<u>170,160</u>	<u>1,157,449</u>
Excess (Deficiency) of Revenues Over Expenditures	<u>(131,036)</u>	<u>24,002</u>	<u>155,038</u>	<u>(221,644)</u>
Other Financing Sources (Uses)				
Sales of Capital Assets	12,000	12,680	680	14,161
Total Other Financing Sources (Uses)	<u>12,000</u>	<u>12,680</u>	<u>680</u>	<u>14,161</u>
Excess (Deficiency) of Revenues & Other Financing Sources Over Expenditures & Other	<u>(119,036)</u>	<u>36,682</u>	<u>155,718</u>	<u>(207,483)</u>
Fund Balance as of January 1	28,132	214,946	186,814	422,429
Fund Balance as of December 31	<u>\$ (90,904)</u>	<u>\$ 251,628</u>	<u>\$ 342,532</u>	<u>\$ 214,946</u>

Combining Statement of Revenues, Expenditures and
 Changes in Fund Balance
 Budget and Actual (GAAP Basis)
 Veteran's Relief
 Year Ended December 31, 2005
 (With comparative totals for December 31, 2004)



	2005			2004
	Budget	Actual	Variance Favorable (Unfavorable)	Actual
Revenues				
Taxes	\$ 153,749	\$ 165,814	\$ 12,065	\$ 149,604
Intergovernmental	-	17	17	5
Miscellaneous	-	5,528	5,528	50
Total Revenues	<u>153,749</u>	<u>171,359</u>	<u>17,610</u>	<u>149,659</u>
Expenditures				
Current:				
Transportation	-	2,129	(2,129)	-
Economic Environment	157,674	105,788	51,886	110,543
Total Expenditures	<u>157,674</u>	<u>107,917</u>	<u>49,757</u>	<u>110,543</u>
Excess (Deficiency) of Revenues Over Expenditures	<u>(3,925)</u>	<u>63,442</u>	<u>67,367</u>	<u>39,116</u>
Other Financing Sources (Uses)				
Sales of Capital Assets	3,925	5,688	1,763	5,756
Total Other Financing Sources (Uses)	<u>3,925</u>	<u>5,688</u>	<u>1,763</u>	<u>5,756</u>
Excess (Deficiency) of Revenues & Other Financing Sources Over Expenditures & Other Uses	<u>-</u>	<u>69,130</u>	<u>69,130</u>	<u>44,872</u>
Fund Balance as of January 1	-	179,493	179,493	134,621
Fund Balance as of December 31	<u>\$ -</u>	<u>\$ 248,623</u>	<u>\$ 248,623</u>	<u>\$ 179,493</u>

Combining Statement of Revenues, Expenditures and
 Changes in Fund Balance
 Budget and Actual (GAAP Basis)
 Treasurer's O & M
 Year Ended December 31, 2005
 (With comparative totals for December 31, 2004)



	2005			2004
	Budget	Actual	Variance Favorable (Unfavorable)	Actual
Revenues				
Charges for Service	\$ 218,693	\$ 90,968	\$ (127,725)	\$ 154,877
Miscellaneous	-	-	-	150
Total Revenues	<u>218,693</u>	<u>90,968</u>	<u>(127,725)</u>	<u>155,027</u>
Expenditures				
Current:				
General Government	162,314	27,416	134,898	36,948
Capital Outlay	2,049	19,470	(17,421)	-
Total Expenditures	<u>164,363</u>	<u>46,886</u>	<u>117,477</u>	<u>36,948</u>
Excess (Deficiency) of Revenues Over Expenditures	<u>54,330</u>	<u>44,082</u>	<u>(10,248)</u>	<u>118,079</u>
Other Financing Sources (Uses)				
Transfers out	(35,000)	(66,609)	(31,609)	(56,169)
Total Other Financing Sources (Uses)	<u>(35,000)</u>	<u>(66,609)</u>	<u>(31,609)</u>	<u>(56,169)</u>
Excess (Deficiency) of Revenues & Other Financing Sources Over Expenditures & Other Uses	<u>19,330</u>	<u>(22,527)</u>	<u>(41,857)</u>	<u>61,910</u>
Fund Balance as of January 1	-	205,836	205,836	143,926
Fund Balance as of December 31	<u>\$ 19,330</u>	<u>\$ 183,309</u>	<u>\$ 163,979</u>	<u>\$ 205,836</u>

Combining Statement of Revenues, Expenditures and
 Changes in Fund Balance
 Budget and Actual (GAAP Basis)
 Water Resources
 Year Ended December 31, 2005
 (With comparative totals for December 31, 2004)



	2005			2004
	Budget	Actual	Variance Favorable (Unfavorable)	Actual
Revenues				
Miscellaneous	\$ -	\$ -	\$ -	\$ (5,350)
Total Revenues	-	-	-	(5,350)
Expenditures				
Current:				
Physical Environment	155,000	-	155,000	95,391
Capital Outlay	-	-	-	2,332
Total Expenditures	155,000	-	155,000	97,723
Excess (Deficiency) of Revenues Over Expenditures	(155,000)	-	155,000	(103,073)
Other Financing Sources (Uses)				
Transfers out	(17,000)	(17,000)	-	-
Total Other Financing Sources (Uses)	(17,000)	(17,000)	-	-
Excess (Deficiency) of Revenues & Other Financing Sources Over Expenditures & Other Uses	(172,000)	(17,000)	155,000	(103,073)
Fund Balance as of January 1	172,000	495,273	323,273	598,346
Fund Balance as of December 31	\$ -	\$ 478,273	\$ 478,273	\$ 495,273

Combining Statement of Revenues, Expenditures and
 Changes in Fund Balance
 Budget and Actual (GAAP Basis)
 Whatcom County Jail
 Year Ended December 31, 2005
 (With comparative totals for December 31, 2004)



	2005			2004
	Budget	Actual	Variance Favorable (Unfavorable)	Actual
Revenues				
Taxes	\$ 275,046	\$ 1,767,211	\$ 1,492,165	\$ -
Total Revenues	<u>275,046</u>	<u>1,767,211</u>	<u>1,492,165</u>	<u>-</u>
Expenditures				
Current:				
Public Safety	275,046	159,538	115,508	-
Total Expenditures	<u>275,046</u>	<u>159,538</u>	<u>115,508</u>	<u>-</u>
Excess (Deficiency) of Revenues Over Expenditures	-	1,607,673	1,607,673	-
Other Financing Sources (Uses)				
Transfers in	-	49,330	49,330	-
Total Other Financing Sources (Uses)	<u>-</u>	<u>49,330</u>	<u>49,330</u>	<u>-</u>
Excess (Deficiency) of Revenues & Other Financing Sources Over Expenditures & Other Uses	-	1,657,003	1,657,003	-
Fund Balance as of January 1	-	-	-	-
Fund Balance as of December 31	<u>\$ -</u>	<u>\$ 1,657,003</u>	<u>\$ 1,657,003</u>	<u>\$ -</u>

Combining Statement of Revenues, Expenditures and
 Changes in Fund Balance
 Budget and Actual (GAAP Basis)
 Low-Income Housing
 Year Ended December 31, 2005
 (With comparative totals for December 31, 2004)



	2005			2004
	Budget	Actual	Variance Favorable (Unfavorable)	Actual
Revenues				
Charges for service	\$ 335,000	\$ 357,094	\$ 22,094	\$ 341,943
Total Revenues	<u>335,000</u>	<u>357,094</u>	<u>22,094</u>	<u>341,943</u>
Expenditures				
Current:				
Economic Environment	370,578	245,320	125,258	14,000
Total Expenditures	<u>370,578</u>	<u>245,320</u>	<u>125,258</u>	<u>14,000</u>
Excess (Deficiency) of Revenues Over Expenditures	(35,578)	111,774	147,352	327,943
Fund Balance as of January 1	35,578	911,133	875,555	583,190
Fund Balance as of December 31	<u>\$ -</u>	<u>\$ 1,022,907</u>	<u>\$ 1,022,907</u>	<u>\$ 911,133</u>

Combining Statement of Revenues, Expenditures and
 Changes in Fund Balance
 Budget and Actual (GAAP Basis)
 Homeless Housing
 Year Ended December 31, 2005
 (With comparative totals for December 31, 2004)



	2005			2004
	Budget	Actual	Variance Favorable (Unfavorable)	Actual
Revenues				
Charges for service	\$ 133,000	\$ 158,607	\$ 25,607	\$ -
Total Revenues	<u>133,000</u>	<u>158,607</u>	<u>25,607</u>	<u>-</u>
Expenditures				
Current:				
Economic Environment	10,000	9,900	100	-
Total Expenditures	<u>10,000</u>	<u>9,900</u>	<u>100</u>	<u>-</u>
Excess (Deficiency) of Revenues Over Expenditures	123,000	148,707	25,707	-
Fund Balance as of January 1	(123,000)	-	123,000	-
Fund Balance as of December 31	<u>\$ -</u>	<u>\$ 148,707</u>	<u>\$ 148,707</u>	<u>\$ -</u>

Combining Statement of Revenues, Expenditures and
 Changes in Fund Balance
 Budget and Actual (GAAP Basis)
 Solid Waste Management
 Year Ended December 31, 2005
 (With comparative totals for December 31, 2004)



	2005			2004
	Budget	Actual	Variance Favorable (Unfavorable)	Actual
Revenues				
Intergovernmental	\$ 264,200	\$ 161,179	\$ (103,021)	\$ 403,564
Charges for Service	780,000	836,351	56,351	818,550
Miscellaneous	1,800	1,350	(450)	2,253
Total Revenues	<u>1,046,000</u>	<u>998,880</u>	<u>(47,120)</u>	<u>1,224,367</u>
Expenditures				
Current:				
Physical Environment	1,263,552	1,008,074	255,478	949,440
Capital Outlay	-	29,472	(29,472)	-
Total Expenditures	<u>1,263,552</u>	<u>1,037,546</u>	<u>226,006</u>	<u>949,440</u>
Excess (Deficiency) of Revenues Over Expenditures	<u>(217,552)</u>	<u>(38,666)</u>	<u>178,886</u>	<u>274,927</u>
Other Financing Sources (Uses)				
Transfers out	(113,293)	(116,363)	(3,070)	(112,137)
Total Other Financing Sources (Uses)	<u>(113,293)</u>	<u>(116,363)</u>	<u>(3,070)</u>	<u>(112,137)</u>
Excess (Deficiency) of Revenues & Other Financing Sources Over Expenditures & Other Uses	<u>(330,845)</u>	<u>(155,029)</u>	<u>175,816</u>	<u>162,790</u>
Fund Balance as of January 1	1,522,170	1,665,042	142,872	1,502,252
Fund Balance as of December 31	<u>\$ 1,191,325</u>	<u>\$ 1,510,013</u>	<u>\$ 318,688</u>	<u>\$ 1,665,042</u>

Combining Statement of Revenues, Expenditures and
 Changes in Fund Balance
 Budget and Actual (GAAP Basis)
 Convention Center
 Year Ended December 31, 2005
 (With comparative totals for December 31, 2004)



	2005			2004
	Budget	Actual	Variance Favorable (Unfavorable)	Actual
Revenues				
Taxes	\$ 150,000	\$ 159,122	\$ 9,122	\$ 145,336
Total Revenues	<u>150,000</u>	<u>159,122</u>	<u>9,122</u>	<u>145,336</u>
Expenditures				
Current:				
Culture & Recreation	161,584	160,296	1,288	136,338
Total Expenditures	<u>161,584</u>	<u>160,296</u>	<u>1,288</u>	<u>136,338</u>
Excess (Deficiency) of Revenues Over Expenditures	(11,584)	(1,174)	10,410	8,998
Fund Balance as of January 1	-	262,900	262,900	253,902
Fund Balance as of December 31	<u>\$ (11,584)</u>	<u>\$ 261,726</u>	<u>\$ 273,310</u>	<u>\$ 262,900</u>

Combining Statement of Revenues, Expenditures and
 Changes in Fund Balance
 Budget and Actual (GAAP Basis)
 Victim/Witness Assistance
 Year Ended December 31, 2005
 (With comparative totals for December 31, 2004)



	2005			2004
	Budget	Actual	Variance Favorable (Unfavorable)	Actual
Revenues				
Intergovernmental	\$ 10,717	\$ 10,717	\$ -	\$ 12,041
Charges for Service	77,000	80,658	3,658	75,519
Fines & Forfeits	25,000	22,451	(2,549)	24,586
Total Revenues	112,717	113,826	1,109	112,146
Expenditures				
Current:				
General Government	60,110	60,110	-	56,024
Total Expenditures	60,110	60,110	-	56,024
Excess (Deficiency) of Revenues Over Expenditures	52,607	53,716	1,109	56,122
Other Financing Sources (Uses)				
Transfers out	(63,986)	(63,986)	-	(60,815)
Total Other Financing Sources (Uses)	(63,986)	(63,986)	-	(60,815)
Excess (Deficiency) of Revenues & Other Financing Sources Over Expenditures & Other Uses	(11,379)	(10,270)	1,109	(4,693)
Fund Balance as of January 1	-	90,234	90,234	94,927
Fund Balance as of December 31	\$ (11,379)	\$ 79,964	\$ 91,343	\$ 90,234

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

Year Ended December 31, 2005

(With comparative totals for December 31, 2004)



	2005			2004
	Budget	Actual	Variance Favorable (Unfavorable)	Actual
Expenditures				
Current:				
Principal	\$ 176,135	\$ 116,468	\$ 59,667	\$ 88,056
Interest	13,225	13,225	-	19,212
Total Expenditures	<u>189,360</u>	<u>129,693</u>	<u>59,667</u>	<u>107,268</u>
Excess (Deficiency) of Revenues Over Expenditures	(189,360)	(129,693)	59,667	(107,268)
Other Financing Sources (Uses)				
Transfers in	189,360	129,693	(59,667)	107,268
Total Other Financing Sources (Uses)	<u>189,360</u>	<u>129,693</u>	<u>(59,667)</u>	<u>107,268</u>
Excess (Deficiency) of Revenues & Other Financing Sources Over Expenditures & Other Uses	-	-	-	-
Fund Balance as of January 1	61	61	-	61
Fund Balance as of December 31	<u>\$ 61</u>	<u>\$ 61</u>	<u>\$ -</u>	<u>\$ 61</u>

Combining Statement of Revenues, Expenditures and
 Changes in Fund Balance
 Budget and Actual (GAAP Basis)
 Community Development
 Year Ended December 31, 2005
 (With comparative totals for December 31, 2004)



	2005			2004
	Budget	Actual	Variance Favorable (Unfavorable)	Actual
Revenues				
Miscellaneous	\$ -	\$ 14,511	\$ 14,511	\$ -
Total Revenues	-	14,511	14,511	-
Excess (Deficiency) of Revenues Over Expenditures	-	14,511	14,511	-
Other Financing Sources (Uses)				
Transfers out	(5,000)	(5,000)	-	(5,000)
Total Other Financing Sources (Uses)	(5,000)	(5,000)	-	(5,000)
Excess (Deficiency) of Revenues & Other Financing Sources Over Expenditures & Other Uses	(5,000)	9,511	14,511	(5,000)
Fund Balance as of January 1	-	13,566	13,566	18,566
Fund Balance as of December 31	\$ (5,000)	\$ 23,077	\$ 28,077	\$ 13,566

Combining Statement of Revenues, Expenditures and
 Changes in Fund Balance
 Budget and Actual (GAAP Basis)
 Whatcom County Drug
 Year Ended December 31, 2005
 (With comparative totals for December 31, 2004)



	2005			2004
	Budget	Actual	Variance Favorable (Unfavorable)	Actual
Revenues				
Intergovernmental	\$ -	\$ 13,740	\$ 13,740	\$ -
Fines & Forfeits	305,000	715,951	410,951	484,819
Miscellaneous	25,000	29,749	4,749	29,387
Total Revenues	330,000	759,440	429,440	514,206
Expenditures				
Current:				
Public Safety	247,000	137,832	109,168	135,484
Capital Outlay	50,000	-	50,000	19,399
Total Expenditures	297,000	137,832	159,168	154,883
Excess (Deficiency) of Revenues Over Expenditures	33,000	621,608	588,608	359,323
Other Financing Sources (Uses)				
Transfers out	(440,472)	(440,472)	-	(424,400)
Total Other Financing Sources (Uses)	(440,472)	(440,472)	-	(424,400)
Excess (Deficiency) of Revenues & Other Financing Sources Over Expenditures & Other Uses	(407,472)	181,136	588,608	(65,077)
Fund Balance as of January 1	-	1,042,429	1,042,429	1,107,506
Fund Balance as of December 31	\$ (407,472)	\$ 1,223,565	\$ 1,631,037	\$ 1,042,429

Combining Statement of Revenues, Expenditures and
 Changes in Fund Balance
 Budget and Actual (GAAP Basis)
 Auditor's O & M
 Year Ended December 31, 2005
 (With comparative totals for December 31, 2004)



	2005			2004
	Budget	Actual	Variance Favorable (Unfavorable)	Actual
Revenues				
Intergovernmental	\$ 55,000	\$ 64,908	\$ 9,908	\$ 88,492
Charges for Service	70,400	116,742	46,342	74,661
Total Revenues	<u>125,400</u>	<u>181,650</u>	<u>56,250</u>	<u>163,153</u>
Expenditures				
Current:				
General Government	64,727	51,744	12,983	211,356
Capital Outlay	21,789	-	21,789	136,737
Total Expenditures	<u>86,516</u>	<u>51,744</u>	<u>34,772</u>	<u>348,093</u>
Excess (Deficiency) of Revenues Over Expenditures	<u>38,884</u>	<u>129,906</u>	<u>91,022</u>	<u>(184,940)</u>
Other Financing Sources (Uses)				
Transfers out	(74,712)	(71,166)	3,546	(30,103)
Total Other Financing Sources (Uses)	<u>(74,712)</u>	<u>(71,166)</u>	<u>3,546</u>	<u>(30,103)</u>
Excess (Deficiency) of Revenues & Other Financing Sources Over Expenditures & Other Uses	<u>(35,828)</u>	<u>58,740</u>	<u>94,568</u>	<u>(215,043)</u>
Fund Balance as of January 1	41,299	420,664	379,365	635,707
Fund Balance as of December 31	<u>\$ 5,471</u>	<u>\$ 479,404</u>	<u>\$ 473,933</u>	<u>\$ 420,664</u>

Combining Statement of Revenues, Expenditures and
 Changes in Fund Balance
 Budget and Actual (GAAP Basis)
 Emergency Management
 Year Ended December 31, 2005
 (With comparative totals for December 31, 2004)



	2005			2004
	Budget	Actual	Variance Favorable (Unfavorable)	Actual
Revenues				
Intergovernmental	\$ 1,337,314	\$ 1,016,279	\$ (321,035)	\$ 279,636
Miscellaneous	5,000	4,120	(880)	1,397
Total Revenues	<u>1,342,314</u>	<u>1,020,399</u>	<u>(321,915)</u>	<u>281,033</u>
Expenditures				
Current:				
Public Safety	844,219	942,783	(98,564)	400,497
Capital Outlay	629,856	104,490	525,366	7,645
Total Expenditures	<u>1,474,075</u>	<u>1,047,273</u>	<u>426,802</u>	<u>408,142</u>
Excess (Deficiency) of Revenues Over Expenditures	<u>(131,761)</u>	<u>(26,874)</u>	<u>104,887</u>	<u>(127,109)</u>
Other Financing Sources (Uses)				
Transfers in	108,403	108,403	-	103,301
Transfers out	(152,007)	(37,651)	114,356	-
Total Other Financing Sources (Uses)	<u>(43,604)</u>	<u>70,752</u>	<u>114,356</u>	<u>103,301</u>
Excess (Deficiency) of Revenues & Other Financing Sources Over Expenditures & Other Uses	<u>(175,365)</u>	<u>43,878</u>	<u>219,243</u>	<u>(23,808)</u>
Fund Balance as of January 1	4,752	61,746	56,994	85,554
Fund Balance as of December 31	<u>\$ (170,613)</u>	<u>\$ 105,624</u>	<u>\$ 276,237</u>	<u>\$ 61,746</u>

Combining Statement of Revenues, Expenditures and
 Changes in Fund Balance
 Budget and Actual (GAAP Basis)
 Point Roberts Fuel Tax
 Year Ended December 31, 2005
 (With comparative totals for December 31, 2004)



	2005			2004
	Budget	Actual	Variance Favorable (Unfavorable)	Actual
Revenues				
Taxes	\$ 30,000	\$ 43,689	\$ 13,689	\$ 35,278
Total Revenues	<u>30,000</u>	<u>43,689</u>	<u>13,689</u>	<u>35,278</u>
Expenditures				
Current:				
Transportation	79,849	-	79,849	-
Total Expenditures	<u>79,849</u>	<u>-</u>	<u>79,849</u>	<u>-</u>
Excess (Deficiency) of Revenues Over Expenditures	(49,849)	43,689	93,538	35,278
Fund Balance as of January 1	129,698	132,976	3,278	97,698
Fund Balance as of December 31	<u>\$ 79,849</u>	<u>\$ 176,665</u>	<u>\$ 96,816</u>	<u>\$ 132,976</u>

Combining Statement of Revenues, Expenditures and
 Changes in Fund Balance
 Budget and Actual (GAAP Basis)
 Conservation Futures
 Year Ended December 31, 2005
 (With comparative totals for December 31, 2004)



	2005			2004
	Budget	Actual	Variance Favorable (Unfavorable)	Actual
Revenues				
Taxes	\$ 836,762	\$ 840,651	\$ 3,889	\$ 801,162
Intergovernmental	519,148	519,184	36	240,026
Miscellaneous	341	325	(16)	269
Total Revenues	<u>1,356,251</u>	<u>1,360,160</u>	<u>3,909</u>	<u>1,041,457</u>
Expenditures				
Current:				
Economic Environment	25,000	3,500	21,500	40,825
Capital Outlay	1,740,929	1,680,017	60,912	977,988
Total Expenditures	<u>1,765,929</u>	<u>1,683,517</u>	<u>82,412</u>	<u>1,018,813</u>
Excess (Deficiency) of Revenues Over Expenditures	<u>(409,678)</u>	<u>(323,357)</u>	<u>86,321</u>	<u>22,644</u>
Other Financing Sources (Uses)				
Sales of Capital Assets	25,214	28,925	3,711	30,819
Total Other Financing Sources (Uses)	<u>25,214</u>	<u>28,925</u>	<u>3,711</u>	<u>30,819</u>
Excess (Deficiency) of Revenues & Other Financing Sources Over Expenditures & Other Uses	<u>(384,464)</u>	<u>(294,432)</u>	<u>90,032</u>	<u>53,463</u>
Fund Balance as of January 1	1,171,829	2,970,887	1,799,058	2,917,424
Fund Balance as of December 31	<u>\$ 787,365</u>	<u>\$ 2,676,455</u>	<u>\$ 1,889,090</u>	<u>\$ 2,970,887</u>

Combining Statement of Revenues, Expenditures and
 Changes in Fund Balance
 Budget and Actual (GAAP Basis)
 Lake Management District No. 1
 Year Ended December 31, 2005
 (With comparative totals for December 31, 2004)



	2005			2004
	Budget	Actual	Variance Favorable (Unfavorable)	Actual
Expenditures				
Current:				
Physical Environment	\$ 11,000	\$ 4,837	\$ 6,163	\$ 3,419
Total Expenditures	<u>11,000</u>	<u>4,837</u>	<u>6,163</u>	<u>3,419</u>
<u>Excess (Deficiency) of Revenues Over Expenditures</u>	<u>(11,000)</u>	<u>(4,837)</u>	<u>6,163</u>	<u>(3,419)</u>
Fund Balance as of January 1	18,588	16,169	(2,419)	19,588
Fund Balance as of December 31	<u>\$ 7,588</u>	<u>\$ 11,332</u>	<u>\$ 3,744</u>	<u>\$ 16,169</u>

Combining Statement of Revenues, Expenditures and
 Changes in Fund Balance
 Budget and Actual (GAAP Basis)
 Road Improvement Districts
 Year Ended December 31, 2005
 (With comparative totals for December 31, 2004)



	2005			2004
	Budget	Actual	Variance Favorable (Unfavorable)	Actual
Revenues				
Taxes	\$ 25,595	\$ 26,845	\$ 1,250	\$ 26,553
Miscellaneous	1,039	1,039	-	1,049
Total Revenues	<u>26,634</u>	<u>27,884</u>	<u>1,250</u>	<u>27,602</u>
Expenditures				
Current:				
Transportation	28,500	25,549	2,951	24,955
Total Expenditures	<u>28,500</u>	<u>25,549</u>	<u>2,951</u>	<u>24,955</u>
Excess (Deficiency) of Revenues Over Expenditures	(1,866)	2,335	4,201	2,647
Other Financing Sources (Uses)				
Transfers in	-	20,387	20,387	-
Transfers out	(114,775)	(1,039)	113,736	(21,435)
Total Other Financing Sources (Uses)	<u>(114,775)</u>	<u>19,348</u>	<u>134,123</u>	<u>(21,435)</u>
Excess (Deficiency) of Revenues & Other Financing Sources Over Expenditures & Other Uses	(116,641)	21,683	138,324	(18,788)
Fund Balance as of January 1	161,341	154,916	(6,425)	173,704
Fund Balance as of December 31	<u>\$ 44,700</u>	<u>\$ 176,599</u>	<u>\$ 131,899</u>	<u>\$ 154,916</u>

Combining Statement of Revenues, Expenditures and
 Changes in Fund Balance
 Budget and Actual (GAAP Basis)
 Lynden/Everson Sub-Zone
 Year Ended December 31, 2005
 (With comparative totals for December 31, 2004)



	2005			2004
	Budget	Actual	Variance Favorable (Unfavorable)	Actual
Revenues				
Taxes	\$ 23,730	\$ 25,893	\$ 2,163	\$ 23,884
Total Revenues	<u>23,730</u>	<u>25,893</u>	<u>2,163</u>	<u>23,884</u>
Expenditures				
Current:				
Physical Environment	58,000	14,078	43,922	-
Total Expenditures	<u>58,000</u>	<u>14,078</u>	<u>43,922</u>	<u>-</u>
Excess (Deficiency) of Revenues Over Expenditures	<u>(34,270)</u>	<u>11,815</u>	<u>46,085</u>	<u>23,884</u>
Fund Balance as of January 1	190,409	216,563	26,154	192,679
Fund Balance as of December 31	<u>\$ 156,139</u>	<u>\$ 228,378</u>	<u>\$ 72,239</u>	<u>\$ 216,563</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, 2005
 (With comparative totals for December 31, 2004)



	2005			2004
	Budget	Actual	Variance Favorable (Unfavorable)	Actual
Revenues				
Taxes	\$ 68,841	\$ 78,251	\$ 9,410	\$ 69,786
Miscellaneous	-	-	-	6
Total Revenues	<u>68,841</u>	<u>78,251</u>	<u>9,410</u>	<u>69,792</u>
Expenditures				
Current:				
Physical Environment	<u>277,792</u>	<u>62,079</u>	<u>215,713</u>	<u>2,307</u>
Total Expenditures	<u>277,792</u>	<u>62,079</u>	<u>215,713</u>	<u>2,307</u>
Excess (Deficiency) of Revenues Over Expenditures	<u>(208,951)</u>	<u>16,172</u>	<u>225,123</u>	<u>67,485</u>
Fund Balance as of January 1	<u>528,269</u>	<u>419,871</u>	<u>(108,398)</u>	<u>352,386</u>
Fund Balance as of December 31	<u>\$ 319,318</u>	<u>\$ 436,043</u>	<u>\$ 116,725</u>	<u>\$ 419,871</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, 2005
 (With comparative totals for December 31, 2004)



	2005			2004
	Budget	Actual	Variance Favorable (Unfavorable)	Actual
Revenues				
Taxes	\$ 13,617	\$ 21,026	\$ 7,409	\$ 17,400
Total Revenues	<u>13,617</u>	<u>21,026</u>	<u>7,409</u>	<u>17,400</u>
Expenditures				
Current:				
Physical Environment	25,000	124	24,876	-
Total Expenditures	<u>25,000</u>	<u>124</u>	<u>24,876</u>	<u>-</u>
Excess (Deficiency) of Revenues Over Expenditures	<u>(11,383)</u>	<u>20,902</u>	<u>32,285</u>	<u>17,400</u>
Fund Balance as of January 1	41,756	49,085	7,329	31,685
Fund Balance as of December 31	<u>\$ 30,373</u>	<u>\$ 69,987</u>	<u>\$ 39,614</u>	<u>\$ 49,085</u>

Combining Balance Sheet
 Non-Major Debt Service Funds
 December 31, 2005

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

CRID No. 5 General Debt	CRID No. 9 General Debt	LRID No. 10 General Debt	1991 Ltd. Tax GO Bond	1993 Ltd. Tax GO Bond	1997 Ltd. Tax GO Bond	1998 Ltd. Tax GO Bond	2003 Ltd. Tax GO Bond	Total Non Major Debt Service Funds
\$ 14,602	\$ 12,276	\$ 110,431	\$ 1,337	\$ 188	\$ 85	\$ 401	\$ 363	\$ 206,782
-	-	-	-	-	-	-	-	10
-	73,271	-	-	-	-	-	-	73,271
<u>\$ 14,602</u>	<u>\$ 85,547</u>	<u>\$ 110,431</u>	<u>\$ 1,337</u>	<u>\$ 188</u>	<u>\$ 85</u>	<u>\$ 401</u>	<u>\$ 363</u>	<u>\$ 280,063</u>
\$ -	\$ 73,271	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 73,281
-	73,271	-	-	-	-	-	-	73,281
14,602	12,276	110,431	1,337	188	85	401	363	206,782
<u>14,602</u>	<u>12,276</u>	<u>110,431</u>	<u>1,337</u>	<u>188</u>	<u>85</u>	<u>401</u>	<u>363</u>	<u>206,782</u>
<u>\$ 14,602</u>	<u>\$ 85,547</u>	<u>\$ 110,431</u>	<u>\$ 1,337</u>	<u>\$ 188</u>	<u>\$ 85</u>	<u>\$ 401</u>	<u>\$ 363</u>	<u>\$ 280,063</u>

Combining Statement of Revenues, Expenditures, and
 Changes in Fund Balance
 Non-Major Debt Service Funds
 Year Ended December 31, 2005

	1977 Fair GO Bond	1978 Ltd. Tax GO Bond	1981 Ltd. Tax GO Bond	1982 Ltd. Tax GO Bond	1983 Ltd. Tax GO Bond	CRID No. 4 General Debt
Revenues						
Miscellaneous	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Total revenues	-	-	-	-	-	-
Expenditures						
Debt service:						
Principal	-	-	-	-	-	-
Interest	-	-	-	-	-	-
Total expenditures	-	-	-	-	-	-
Excess (deficiency) of revenues over expenditures	-	-	-	-	-	-
Other financing sources (uses)						
Transfers in	-	-	-	-	-	-
Transfers out	-	-	-	-	-	-
Total other financing sources (uses)	-	-	-	-	-	-
Excess (deficiency) of revenues & other financing sources over expenditures & other uses	-	-	-	-	-	-
Fund balance as of January 1	30,891	22,312	-	8,406	5,271	219
Fund balance as of December 31	\$ 30,891	\$ 22,312	\$ -	\$ 8,406	\$ 5,271	\$ 219

Combining Statement of Revenues, Expenditures, and
 Changes in Fund Balance
 Non-Major Debt Service Funds
 Year Ended December 31, 2005

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
\$ -	\$ 157,767	\$ 53,781	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 211,548
-	157,767	53,781	-	-	-	-	-	211,548
-	-	-	-	-	825,000	140,000	345,000	1,310,000
-	-	-	-	-	352,318	113,839	80,921	547,078
-	-	-	-	-	1,177,318	253,839	425,921	1,857,078
-	157,767	53,781	-	-	(1,177,318)	(253,839)	(425,921)	(1,645,530)
-	-	-	-	-	1,176,615	253,200	421,200	1,851,015
-	(150,080)	-	-	-	-	-	-	(150,080)
-	(150,080)	-	-	-	1,176,615	253,200	421,200	1,700,935
-	7,687	53,781	-	-	(703)	(639)	(4,721)	55,405
14,602	4,589	56,650	1,337	188	788	1,040	5,084	151,377
\$ 14,602	\$ 12,276	\$ 110,431	\$ 1,337	\$ 188	\$ 85	\$ 401	\$ 363	\$ 206,782

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, 2005
 (With comparative totals for December 31, 2004)



	2005			2004
	Budget	Actual	Variance Favorable (Unfavorable)	Actual
Revenues				
Miscellaneous	\$ 75,625	\$ 157,767	\$ 82,142	\$ 85,963
Total Revenues	<u>75,625</u>	<u>157,767</u>	<u>82,142</u>	<u>85,963</u>
Excess (Deficiency) of Revenues Over Expenditures	75,625	157,767	82,142	85,963
Other Financing Sources (Uses)				
Transfers in	113,735	-	(113,735)	20,387
Transfers out	(189,360)	(150,080)	39,280	(107,268)
Total Other Financing Sources (Uses)	<u>(75,625)</u>	<u>(150,080)</u>	<u>(74,455)</u>	<u>(86,881)</u>
Excess (Deficiency) of Revenues & Other Financing Sources Over Expenditures & Other Uses	-	7,687	7,687	(918)
Fund Balance as of January 1	-	4,589	4,589	5,507
Fund Balance as of December 31	<u>\$ -</u>	<u>\$ 12,276</u>	<u>\$ 12,276</u>	<u>\$ 4,589</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, 2005
 (With comparative totals for December 31, 2004)



	2005			2004
	Budget	Actual	Variance Favorable (Unfavorable)	Actual
Revenues				
Miscellaneous	\$ 14,641	\$ 53,781	\$ 39,140	\$ 8,696
Total Revenues	<u>14,641</u>	<u>53,781</u>	<u>39,140</u>	<u>8,696</u>
Excess (Deficiency) of Revenues Over Expenditures	<u>14,641</u>	<u>53,781</u>	<u>39,140</u>	<u>8,696</u>
Fund Balance as of January 1	-	56,650	56,650	47,954
Fund Balance as of December 31	<u>\$ 14,641</u>	<u>\$ 110,431</u>	<u>\$ 95,790</u>	<u>\$ 56,650</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, 2005
 (With comparative totals for December 31, 2004)



	2005			2004
	Budget	Actual	Variance Favorable (Unfavorable)	Actual
Expenditures				
Debt Service:				
Principal	\$ 825,000	\$ 825,000	\$ -	\$ 795,000
Interest	353,015	352,318	697	396,869
Total Expenditures	<u>1,178,015</u>	<u>1,177,318</u>	<u>697</u>	<u>1,191,869</u>
Excess (Deficiency) of Revenues Over Expenditures	<u>(1,178,015)</u>	<u>(1,177,318)</u>	<u>697</u>	<u>(1,191,869)</u>
Other Financing Sources (Uses)				
Transfers in	1,178,015	1,176,615	(1,400)	1,192,565
Total Other Financing Sources (Uses)	<u>1,178,015</u>	<u>1,176,615</u>	<u>(1,400)</u>	<u>1,192,565</u>
Excess (Deficiency) of Revenues & Other Financing Sources Over Expenditures & Other Uses	<u>-</u>	<u>(703)</u>	<u>(703)</u>	<u>696</u>
Fund Balance as of January 1	-	788	788	92
Fund Balance as of December 31	<u>\$ -</u>	<u>\$ 85</u>	<u>\$ 85</u>	<u>\$ 788</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, 2005
 (With comparative totals for December 31, 2004)



	2005			2004
	Budget	Actual	Variance Favorable (Unfavorable)	Actual
Expenditures				
Debt Service:				
Principal	\$ 140,000	\$ 140,000	\$ -	\$ 135,000
Interest	114,535	113,839	696	118,901
Total Expenditures	<u>254,535</u>	<u>253,839</u>	<u>696</u>	<u>253,901</u>
Excess (Deficiency) of Revenues Over Expenditures	<u>(254,535)</u>	<u>(253,839)</u>	<u>696</u>	<u>(253,901)</u>
Other Financing Sources (Uses)				
Transfers in	254,535	253,200	(1,335)	254,598
Total Other Financing Sources (Uses)	<u>254,535</u>	<u>253,200</u>	<u>(1,335)</u>	<u>254,598</u>
Excess (Deficiency) of Revenues & Other Financing Sources Over Expenditures & Other Uses	<u>-</u>	<u>(639)</u>	<u>(639)</u>	<u>697</u>
Fund Balance as of January 1	-	1,040	1,040	343
Fund Balance as of December 31	<u>\$ -</u>	<u>\$ 401</u>	<u>\$ 401</u>	<u>\$ 1,040</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, 2005
 (With comparative totals for December 31, 2004)



	2005			2004
	Budget	Actual	Variance Favorable (Unfavorable)	Actual
Expenditures				
Debt Service:				
Principal	\$ 345,000	\$ 345,000	\$ -	\$ 340,000
Interest	81,618	80,921	697	87,719
Total Expenditures	<u>426,618</u>	<u>425,921</u>	<u>697</u>	<u>427,719</u>
Excess (Deficiency) of Revenues Over Expenditures	(426,618)	(425,921)	697	(427,719)
Other Financing Sources (Uses)				
Transfers in	426,618	421,200	(5,418)	428,418
Total Other Financing Sources (Uses)	<u>426,618</u>	<u>421,200</u>	<u>(5,418)</u>	<u>428,418</u>
Excess (Deficiency) of Revenues & Other Financing Sources Over Expenditures & Other Uses	-	(4,721)	(4,721)	699
Fund Balance as of January 1	-	5,084	5,084	4,385
Fund Balance as of December 31	<u>\$ -</u>	<u>\$ 363</u>	<u>\$ 363</u>	<u>\$ 5,084</u>



Combining Balance Sheet
 Non-Major Capital Project Funds
 December 31, 2005

	Real Estate Excise Tax II	1983 Sewer Construction	Real Estate Excise Tax I	Courthouse Expansion Construction	Road Improvement Dist. No. 10 Construction
Assets					
Cash and cash equivalents	\$ 3,777,921	\$ -	\$ 3,319,426	\$ 43	\$ -
Investments at cost	-	-	-	-	-
Interest receivable	-	-	-	-	-
Due from other governments	-	-	40,769	-	-
Total Assets	\$ 3,777,921	\$ -	\$ 3,360,195	\$ 43	\$ -
Liabilities and fund balance					
Liabilities					
Accounts payable	\$ -	\$ -	\$ 6,700	\$ -	\$ -
Revenue collected in advance	-	-	-	-	-
Total liabilities	-	-	6,700	-	-
Fund balances					
Reserved for:					
Encumbrances	15,621	-	-	-	-
Unreserved, reported in:					
Capital Projects	3,762,300	-	3,353,495	43	-
Total fund balance	3,777,921	-	3,353,495	43	-
Total liabilities and fund balance	\$ 3,777,921	\$ -	\$ 3,360,195	\$ 43	\$ -

Combining Balance Sheet
 Non-Major Capital Project Funds
 December 31, 2005

County Park Improvement	Civic Center Building Improvement	Jail Construction Project	Total Non Major Capital Project Funds
\$ 74,909	\$ 32,211	\$ 2,547,514	\$ 9,752,024
34,325	-		34,325
92	-		92
-	-	-	40,769
<u>\$ 109,326</u>	<u>\$ 32,211</u>	<u>\$ 2,547,514</u>	<u>\$ 9,827,210</u>
\$ -	\$ -	\$ 551,392	\$ 558,092
51	-	-	51
<u>51</u>	<u>-</u>	<u>551,392</u>	<u>558,143</u>
-	-	2,014,787	2,030,408
109,275	32,211	(18,665)	7,238,659
<u>109,275</u>	<u>32,211</u>	<u>1,996,122</u>	<u>9,269,067</u>
<u>\$ 109,326</u>	<u>\$ 32,211</u>	<u>\$ 2,547,514</u>	<u>\$ 9,827,210</u>

Combining Statement of Revenues, Expenditures and
 Changes in Fund Balance
 Non-Major Capital Project Funds
 Year Ended December 31, 2005

	Real Estate Excise Tax II	1983 Sewer Construction	Real Estate Excise Tax I	Courthouse Expansion Construction	Road Improvement District No. 10 Construction
Revenues					
Taxes	\$ 2,367,326	\$ -	\$ 2,377,036	\$ -	\$ -
Intergovernmental					
Miscellaneous	-	-	(100)	-	-
Total revenues	<u>2,367,326</u>	<u>-</u>	<u>2,376,936</u>	<u>-</u>	<u>-</u>
Expenditures					
Current:					
Physical environment	129,368	-	6,700	-	-
Capital outlay	-	-	-	-	-
Total expenditures	<u>129,368</u>	<u>-</u>	<u>6,700</u>	<u>-</u>	<u>-</u>
Excess (deficiency) of revenues over expenditures	<u>2,237,958</u>	<u>-</u>	<u>2,370,236</u>	<u>-</u>	<u>-</u>
Other financing sources (uses)					
Transfers in					
Transfers out	-	-	(1,176,615)	-	-
Total other financing sources (uses)	<u>-</u>	<u>-</u>	<u>(1,176,615)</u>	<u>-</u>	<u>-</u>
Excess (deficiency) of revenues & other financing sources over expenditures & other uses	<u>2,237,958</u>	<u>-</u>	<u>1,193,621</u>	<u>-</u>	<u>-</u>
Fund balance as of January 1	<u>1,539,963</u>	<u>-</u>	<u>2,159,874</u>	<u>43</u>	<u>-</u>
Fund balance as of December 31	<u>\$ 3,777,921</u>	<u>\$ -</u>	<u>\$ 3,353,495</u>	<u>\$ 43</u>	<u>\$ -</u>

Combining Statement of Revenues, Expenditures and
 Changes in Fund Balance
 Non-Major Capital Project Funds
 Year Ended December 31, 2005

County Park Improvement	Civic Center Building Improvement	Jail Construction Project	Total Non Major Capital Project Funds
\$ -	\$ -	\$ -	\$ 4,744,362
		400,000	400,000
71,914	-	-	71,814
<u>71,914</u>	<u>-</u>	<u>400,000</u>	<u>5,216,176</u>
-	-	-	136,068
-	-	1,166,825	1,166,825
-	-	1,166,825	1,302,893
<u>71,914</u>	<u>-</u>	<u>(766,825)</u>	<u>3,913,283</u>
		2,762,947	2,762,947
-	-	-	(1,176,615)
-	-	2,762,947	1,586,332
<u>71,914</u>	<u>-</u>	<u>1,996,122</u>	<u>5,499,615</u>
<u>37,361</u>	<u>32,211</u>	<u>-</u>	<u>3,769,452</u>
<u>\$ 109,275</u>	<u>\$ 32,211</u>	<u>\$ 1,996,122</u>	<u>\$ 9,269,067</u>

Combining Statement of Revenues, Expenditures and
 Changes in Fund Balance
 Budget and Actual (GAAP Basis)
 Real Estate Excise Tax II
 Year Ended December 31, 2005
 (With comparative totals for December 31, 2004)



	2005			2004
	Budget	Actual	Variance Favorable (Unfavorable)	Actual
Revenues				
Taxes	\$ 1,505,172	\$ 2,367,326	\$ 862,154	\$ 1,550,885
Total Revenues	<u>1,505,172</u>	<u>2,367,326</u>	<u>862,154</u>	<u>1,550,885</u>
Expenditures				
Current:				
Physical Environment	184,989	129,368	55,621	10,922
Total Expenditures	<u>184,989</u>	<u>129,368</u>	<u>55,621</u>	<u>10,922</u>
Excess (Deficiency) of Revenues Over Expenditures	<u>1,320,183</u>	<u>2,237,958</u>	<u>917,775</u>	<u>1,539,963</u>
Fund Balance as of January 1	144,989	1,539,963	1,394,974	-
Fund Balance as of December 31	<u>\$ 1,465,172</u>	<u>\$ 3,777,921</u>	<u>\$ 2,312,749</u>	<u>\$ 1,539,963</u>

Combining Statement of Revenues, Expenditures and
 Changes in Fund Balance
 Budget and Actual (GAAP Basis)
 Real Estate Excise Tax I
 Year Ended December 31, 2005
 (With comparative totals for December 31, 2004)



	2005			2004
	Budget	Actual	Variance Favorable (Unfavorable)	Actual
Revenues				
Taxes	\$ 1,505,172	\$ 2,377,036	\$ 871,864	\$ 1,880,283
Miscellaneous	-	(100)	(100)	-
Total Revenues	<u>1,505,172</u>	<u>2,376,936</u>	<u>871,764</u>	<u>1,880,283</u>
Expenditures				
Current:				
Physical environment	-	6,700	(6,700)	-
Capital Outlay	100,000	-	100,000	875,817
Total Expenditures	<u>100,000</u>	<u>6,700</u>	<u>93,300</u>	<u>875,817</u>
Excess (Deficiency) of Revenues Over Expenditures	<u>1,405,172</u>	<u>2,370,236</u>	<u>965,064</u>	<u>1,004,466</u>
Other Financing Sources (Uses)				
Transfers out	(1,178,015)	(1,176,615)	1,400	(1,192,565)
Total Other Financing Sources (Uses)	<u>(1,178,015)</u>	<u>(1,176,615)</u>	<u>1,400</u>	<u>(1,192,565)</u>
Excess (Deficiency) of Revenues & Other Financing Sources Over Expenditures & Other Uses	<u>227,157</u>	<u>1,193,621</u>	<u>966,464</u>	<u>(188,099)</u>
Fund Balance as of January 1	-	2,159,874	2,159,874	2,347,973
Fund Balance as of December 31	<u>\$ 227,157</u>	<u>\$ 3,353,495</u>	<u>\$ 3,126,338</u>	<u>\$ 2,159,874</u>

Combining Statement of Revenues, Expenditures and
 Changes in Fund Balance
 Budget and Actual (GAAP Basis)
 County Parks Improvement
 Year Ended December 31, 2005
 (With comparative totals for December 31, 2004)



	2005			2004
	Budget	Actual	Variance Favorable (Unfavorable)	Actual
Revenues				
Miscellaneous	\$ 1,000	\$ 71,914	\$ 70,914	\$ 2,147
Total Revenues	<u>1,000</u>	<u>71,914</u>	<u>70,914</u>	<u>2,147</u>
Expenditures				
Current:				
Culture & Recreation	19,414	-	19,414	-
Capital Outlay	20,000	-	20,000	-
Total Expenditures	<u>39,414</u>	<u>-</u>	<u>39,414</u>	<u>-</u>
Excess (Deficiency) of Revenues Over Expenditures	<u>(38,414)</u>	<u>71,914</u>	<u>110,328</u>	<u>2,147</u>
Excess (Deficiency) of Revenues & Other Financing Sources Over Expenditures & Other Uses	<u>(38,414)</u>	<u>71,914</u>	<u>110,328</u>	<u>2,147</u>
Fund Balance as of January 1	-	37,361	37,361	35,214
Fund Balance as of December 31	<u><u>\$ (38,414)</u></u>	<u><u>\$ 109,275</u></u>	<u><u>\$ 147,689</u></u>	<u><u>\$ 37,361</u></u>

Combining Statement of Revenues, Expenditures and
 Changes in Fund Balance
 Budget and Actual (GAAP Basis)
 Jail Construction Project
 Year Ended December 31, 2005
 (With comparative totals for December 31, 2004)



	2005			2004
	Budget	Actual	Variance Favorable (Unfavorable)	Actual
Revenues				
Intergovernmental Revenues	\$ 400,000	\$ 400,000	\$ -	\$ -
Total Revenues	400,000	400,000	-	-
Expenditures				
Current:				
Capital Outlay	3,162,947	1,166,825	1,996,122	-
Total Expenditures	3,162,947	1,166,825	1,996,122	-
Excess (Deficiency) of Revenues Over Expenditures	(2,762,947)	(766,825)	1,996,122	-
Other Financing Sources (Uses)				
Transfers in	2,762,947	2,762,947	-	-
Total Other Financing Sources (Uses)	2,762,947	2,762,947	-	-
Excess (Deficiency) of Revenues & Other Financing Sources Over Expenditures & Other Uses	-	1,996,122	1,996,122	-
Fund Balance as of January 1	-	-	-	-
Fund Balance as of December 31	\$ -	\$ 1,996,122	\$ 1,996,122	\$ -

Schedule of Revenues, Expenditures and Changes
in Fund Balance - Budget and Actual
Public Utilities Improvement
Year Ended December 31, 2005



	Budgeted Amounts		Actual Amounts (Budgetary Basis)	Variance with Final Budget Positive/ (Negative)
	Original	Final		
Revenues				
Taxes	\$ 2,293,425	\$ 2,293,425	\$ 2,380,839	\$ 87,414
Miscellaneous	-	-	7,500	7,500
Total revenues	<u>2,293,425</u>	<u>2,293,425</u>	<u>2,388,339</u>	<u>94,914</u>
Expenditures				
Current:				
General government	25,000	86,572	30,310	56,262
Capital outlay	884,023	1,592,512	563,090	1,029,422
Total expenditures	<u>909,023</u>	<u>1,679,084</u>	<u>593,400</u>	<u>1,085,684</u>
Excess (deficiency) of revenues over expenditures	<u>1,384,402</u>	<u>614,341</u>	<u>1,794,939</u>	<u>1,180,598</u>
Other financing sources (uses)				
Transfer out	-	(2,762,947)	(2,762,947)	-
Total other financing sources (uses)	<u>-</u>	<u>(2,762,947)</u>	<u>(2,762,947)</u>	<u>-</u>
Excess (deficiency) of revenues & other financing sources over expenditures & other uses	<u>1,384,402</u>	<u>(2,148,606)</u>	<u>(968,008)</u>	<u>1,180,598</u>
Fund balance as of January 1	-	4,406,339	8,737,485	4,331,146
Fund balance as of December 31	<u>\$ 1,384,402</u>	<u>\$ 2,257,733</u>	<u>\$ 7,769,477</u>	<u>\$ 5,511,744</u>

	Equipment Rental	Whatcom County Supplemental Retirement	Administrative Services	Total
Assets				
Current Assets				
Cash & Equivalents	\$ 7,881,401	\$ 203,193	\$ 8,988,768	\$ 17,073,362
Accounts Receivable	43,642	-	761	44,403
Due From Other Funds	343,356	-	712,502	1,055,858
Due From Other Governments	1,700	-	59,038	60,738
Inventory	722,467	-	50,117	772,584
Prepayments	-	-	8	8
Total Current Assets	8,992,566	203,193	9,811,194	19,006,953
Noncurrent Assets				
Land	753,131	-	-	753,131
Building & Structures (Net)	1,572,301	-	9,332	1,581,633
Capital Leases (Net)	-	-	341,120	341,120
Other Improvements (Net)	182,473	-	-	182,473
Machinery & Equipment (Net)	6,537,760	-	583,799	7,121,559
Total Noncurrent Assets	9,045,665	-	934,251	9,979,916
Total Assets	18,038,231	203,193	10,745,445	28,986,869
Liabilities				
Current Liabilities				
Accounts Payable	257,284	-	338,862	596,146
Claims Cost Payable	-	-	3,513,614	3,513,614
Due to Other Funds	3,027	-	684	3,711
Due to Other Governments	1,607	-	6,294	7,901
Other Accrued Liabilities	30,287	-	131,596	161,883
Total Current Liabilities	292,205	-	3,991,050	4,283,255
Noncurrent Liabilities				
Employee Leave Benefits	164,664	-	278,473	443,137
Other Long-Term Liabilities	-	-	422,755	422,755
Total Noncurrent Liabilities	164,664	-	701,228	865,892
Total Liabilities	456,869	-	4,692,278	5,149,147
Net Assets				
Invested in capital assets, net of related debt	9,045,665	-	934,251	9,979,916
Unrestricted	8,535,697	203,193	5,118,916	13,857,806
Total Net Assets	\$ 17,581,362	\$ 203,193	\$ 6,053,167	\$ 23,837,722

Combining Statement of Revenues, Expenses and
Changes in Net Assets
Internal Service Funds
Year Ended December 31, 2005



	Equipment Rental	Whatcom County Supplemental Retirement	Administrative Services	Total
Operating Revenue				
Intergovernmental	\$ -	\$ -	\$ 697,657	\$ 697,657
Charges for Service	4,274,357	-	5,531,862	9,806,219
Rents and Parking	4,549,638	-	694,450	5,244,088
Fines & Forfeits	-	-	1,883	1,883
Insurance Premiums	8,242	-	6,247,543	6,255,785
Other Miscellaneous Revenues	-	-	85,966	85,966
Total Operating Revenues	8,832,237	-	13,259,361	22,091,598
General Operations	6,392,702	-	13,734,045	20,126,747
General Administration	620,317	-	-	620,317
Depreciation	1,144,459	-	352,184	1,496,643
Total Operating Expenses	8,157,478	-	14,086,229	22,243,707
Operating Income (Loss)	674,759	-	(826,868)	(152,109)
Non-Operating Revenues (Expenses)				
Gain (Loss) on Sale of Capital Assets	129,045	-	-	129,045
Interest Revenue	-	-	33,256	33,256
Interest Expense	-	-	(15,536)	(15,536)
Total Non-Operating Revenues (Expenses)	129,045	-	17,720	146,765
Income (loss) Before Contributions and Transfers	803,804	-	(809,148)	(5,344)
Capital Contributions	10,000	-	-	10,000
Transfers In	459,347	-	1,299,044	1,758,391
Transfers Out	(6,349)	-	(408,732)	(415,081)
Changes in net assets	1,266,802	-	81,164	1,347,966
Total net assets-beginning	16,314,560	203,193	5,972,003	22,489,756
Total net assets-ending	\$ 17,581,362	\$ 203,193	\$ 6,053,167	\$ 23,837,722

	Equipment Rental	Whatcom Co. Supplemental Retirement	Administrative Services	Total
Cash Flows From Operating Activities:				
Cash Received From Customers	\$ 8,604,048	\$ -	\$ 12,880,329	\$ 21,484,377
Cash Payments For Goods And Services	(6,147,530)	-	(9,478,242)	(15,625,772)
Cash Payments To Employees	(1,015,209)	-	(4,155,649)	(5,170,858)
Net Cash Provided by Operating Activities	1,441,309	-	(753,562)	687,747
Cash Flows From Non-Capital Financing Activities:				
Transfers In	-	-	1,299,044	1,299,044
Transfers Out	(6,349)	-	(408,732)	(415,081)
Net Cash Provided by Non-Capital Financing Activities:	(6,349)	-	890,312	883,963
Cash Flows From Capital Financing Activities:				
Interest Paid on Lease Purchase	-	-	(15,536)	(15,536)
Proceeds From Sale of Assets	200,740	-	-	200,740
Transfer In (Out)	459,347	-	-	459,347
Payments For Capital Assets	(2,057,449)	-	(520,832)	(2,578,281)
Net Cash Used by Capital Financing Activities:	(1,397,362)	-	(536,368)	(1,933,730)
Cash Flows From Investing Activities:				
Purchase of Investment Securities	-	-	(33,256)	(33,256)
Interest on investments	-	-	33,256	33,256
Proceeds From Sale of Investments	-	-	1,511,553	1,511,553
Total Cash Flows From Investing Activities	-	-	1,511,553	1,511,553
Net Increase (Decrease) in Cash and Cash Equivalents	37,598	-	1,111,935	1,149,533
Balances - Beginning of the Year	7,843,803	203,193	7,876,833	15,923,829
Balances - End of the Year	\$ 7,881,401	\$ 203,193	\$ 8,988,768	\$ 17,073,362
Reconciliation Of Operating Income (Loss) To Net Cash Provided (Used) By Operating Activities:				
Operating Income (Loss)	\$ 674,759	\$ -	\$ (826,868)	\$ (152,109)
Adjustments To Reconcile Operating Income to Net Cash Provided by Operating Activities:				
Depreciation Expense	1,144,459	-	352,183	1,496,642
Change in Assets and Liabilities:				
Receivables	(224,895)	-	(379,032)	(603,927)
Inventories	(67,862)	-	(35,835)	(103,697)
Accounts and Other Payables	(100,932)	-	539	(100,393)
Accrued Expenses	15,780	-	135,451	151,231
Net Cash Provided By Operating Activities	\$ 1,441,309	\$ -	\$ (753,562)	\$ 687,747
Noncash Investing & Capital Financing Activities:				
Lease Purchases	\$ -	\$ -	\$ 155,242	\$ 155,242
Total Noncash Investing & Capital Financing Activities:	\$ -	\$ -	\$ 155,242	\$ 155,242

Combining Balance Sheet
 Agency Funds
 December 31, 2005

	Cemetery Districts	Drainage, Diking & Flood Cntr Districts	Park & Recreation Districts	Watershed Mngmt Project Joint Board	Rural Library	Northwest Regional Council
Assets						
Current Assets						
Cash & Equivalents	\$ 516,477	\$ 115,126	\$ 44,844	\$ 1,137,140	\$ 248,893	\$ 1,483,994
Deposits With Fiscal Agent	-	-	-	-	-	-
Investments At Cost	1,318,860	376,674	732,580	-	4,736,976	169,433
Accounts Receivable (Net)	-	-	-	-	-	-
Total Assets	\$ 1,835,337	\$ 491,800	\$ 777,424	\$ 1,137,140	\$ 4,985,869	\$ 1,653,427
Liabilities						
Current Liabilities						
Warrants Payable	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Accounts Payable	26,661	20,909	4,877	-	323,774	369,663
Matured Long-Term Debt	-	-	-	-	-	-
Other Accrued Liabilities	-	-	-	-	-	270
Revenue Collected in Advance	-	-	-	-	-	-
Custodial Accounts	1,808,676	470,891	772,547	1,137,140	4,662,095	1,283,494
Total Liabilities	\$ 1,835,337	\$ 491,800	\$ 777,424	\$ 1,137,140	\$ 4,985,869	\$ 1,653,427

Council of Government	Hospital Districts	Port	P. U. D. District	Whatcom Transit	School Districts	Bertrand Watershed	Fire Districts
\$ 74,714	\$ 322	\$ 74,383	\$ 38,479	\$ -	\$ 7,227,241	\$ 34,622	\$ 1,837,723
-	-	-	-	-	60,000	-	-
376,269	2,505	-	2,506,823	27,525,366	33,873,514	-	9,823,719
-	-	-	-	-	-	-	-
<u>\$ 450,983</u>	<u>\$ 2,827</u>	<u>\$ 74,383</u>	<u>\$ 2,545,302</u>	<u>\$ 27,525,366</u>	<u>\$ 41,160,755</u>	<u>\$ 34,622</u>	<u>\$ 11,661,442</u>
\$ -	\$ -	\$ -	\$ -	\$ -	\$ 6,238,995	\$ -	\$ -
48,283	-	-	58,706	-	-	-	355,343
-	-	-	-	-	60,000	-	-
-	-	-	196	-	23,271	-	611
-	-	-	-	-	-	-	-
402,700	2,827	74,383	2,486,400	27,525,366	34,838,489	34,622	11,305,488
<u>\$ 450,983</u>	<u>\$ 2,827</u>	<u>\$ 74,383</u>	<u>\$ 2,545,302</u>	<u>\$ 27,525,366</u>	<u>\$ 41,160,755</u>	<u>\$ 34,622</u>	<u>\$ 11,661,442</u>

continued on next page

	Water Districts	Treasurer's Suspense	Inmate Trust Fund	Claims Fund	Salary Fund	Total
Assets						
Current Assets						
Cash & Equivalents	\$ 685,014	\$ 5,403,365	\$ 68,401	\$ 2,508,720	\$ 1,680	\$ 21,501,138
Deposits With Fiscal Agent	-	-	-	-	-	60,000
Investments At Cost	9,673,106	-	-	-	-	91,115,825
Accounts Receivable (Net)	-	(11,862)	-	-	-	(11,862)
Total Assets	\$ 10,358,120	\$ 5,391,503	\$ 68,401	\$ 2,508,720	\$ 1,680	\$ 112,665,101
Liabilities						
Current Liabilities						
Warrants Payable	\$ -	\$ -	\$ -	\$ 2,508,720	\$ -	\$ 8,747,715
Accounts Payable	340,504	-	-	-	-	1,548,720
Matured Long-Term Debt	-	-	-	-	-	60,000
Other Accrued Liabilities	-	-	68,401	-	-	92,749
Revenue Collected in Advance	-	230,573	-	-	-	230,573
Custodial Accounts	10,017,616	5,160,930	-	-	1,680	101,985,344
Total Liabilities	\$ 10,358,120	\$ 5,391,503	\$ 68,401	\$ 2,508,720	\$ 1,680	\$ 112,665,101

Combining Statement of Changes in Assets and Liabilities
 Agency Funds
 Cemetery Districts
 For the Year Ended December 31, 2005



	Balance January 1	Additions	Deletions	Balance December 31
Assets				
Cash & Equivalents	\$ 447,548	\$ 1,239,515	\$ 1,170,586	\$ 516,477
Investments At Cost	1,268,750	112,148	62,038	1,318,860
Total Assets	\$ 1,716,298	\$ 1,351,663	\$ 1,232,624	\$ 1,835,337
Liabilities				
Accounts Payable	\$ 8,554	\$ 350,229	\$ 332,122	\$ 26,661
Other Accrued Liabilities	-	255,957	255,957	-
Custodial Accounts	1,707,744	100,932	-	1,808,676
Total Liabilities	\$ 1,716,298	\$ 707,118	\$ 588,079	\$ 1,835,337

Combining Statement of Changes in Assets and Liabilities
 Agency Funds
 Drainage, Diking & Flood Control Districts
 For the Year Ended December 31, 2005



	Balance January 1	Additions	Deletions	Balance December 31
Assets				
Cash & Equivalents	\$ 106,416	\$ 304,185	\$ 295,475	\$ 115,126
Investments At Cost	428,350	11,030	62,706	376,674
Total Assets	\$ 534,766	\$ 315,215	\$ 358,181	\$ 491,800
Liabilities				
Accounts Payable	\$ 4,029	\$ 191,886	\$ 175,006	\$ 20,909
Custodial Accounts	530,737	-	59,846	470,891
Total Liabilities	\$ 534,766	\$ 191,886	\$ 234,852	\$ 491,800

Combining Statement of Changes in Assets and Liabilities
 Agency Funds
 Park & Recreation Districts
 For the Year Ended December 31, 2005



	Balance January 1	Additions	Deletions	Balance December 31
Assets				
Current Assets				
Cash & Equivalents	\$ 45,735	\$ 293,504	\$ 294,395	\$ 44,844
Investments At Cost	713,719	19,727	866	732,580
Total Assets	\$ 759,454	\$ 313,231	\$ 295,261	\$ 777,424
Liabilities				
Current Liabilities				
Accounts Payable	\$ 92	\$ 44,665	\$ 39,880	\$ 4,877
Other Accrued Liabilities	-	5,478	5,478	-
Custodial Accounts	759,362	13,185	-	772,547
Total Liabilities	\$ 759,454	\$ 63,328	\$ 45,358	\$ 777,424

Combining Statement of Changes in Assets and Liabilities
 Agency Funds
 Watershed Mgmt Project Joint Board
 For the Year Ended December 31, 2005



	Balance January 1	Additions	Deletions	Balance December 31
Assets				
Cash & Equivalents	\$ 1,366,913	\$ 165,884	\$ 395,657	\$ 1,137,140
Total Assets	\$ 1,366,913	\$ 165,884	\$ 395,657	\$ 1,137,140
Liabilities				
Accounts Payable	\$ 3,578	\$ 256,147	\$ 259,725	\$ -
Custodial Accounts	1,363,335	-	226,195	1,137,140
Total Liabilities	\$ 1,366,913	\$ 256,147	\$ 485,920	\$ 1,137,140

Combining Statement of Changes in Assets and Liabilities
 Agency Funds
 Rural Library
 For the Year Ended December 31, 2005



	Balance January 1	Additions	Deletions	Balance December 31
Assets				
Cash & Equivalents	\$ 200,145	\$ 12,928,925	\$ 12,880,177	\$ 248,893
Investments At Cost	4,496,756	3,540,786	3,300,566	4,736,976
Total Assets	\$ 4,696,901	\$ 16,469,711	\$ 16,180,743	\$ 4,985,869
Liabilities				
Accounts Payable	\$ 170,405	\$ 2,318,759	\$ 2,165,390	\$ 323,774
Other Accrued Liabilities	-	3,570,600	3,570,600	-
Custodial Accounts	4,526,496	135,599	-	4,662,095
Total Liabilities	\$ 4,696,901	\$ 6,024,958	\$ 5,735,990	\$ 4,985,869

Combining Statement of Changes in Assets and Liabilities
 Agency Funds
 Northwest Regional Council
 For the Year Ended December 31, 2005



	Balance January 1	Additions	Deletions	Balance December 31
Assets				
Cash & Equivalents	\$ 1,447,340	\$ 18,799,651	\$ 18,762,997	\$ 1,483,994
Investments At Cost	401,015	8,604	240,186	169,433
Employee Advances	-	158	158	-
Total Assets	\$ 1,848,355	\$ 18,808,413	\$ 19,003,341	\$ 1,653,427
Liabilities				
Accounts Payable	\$ 642,671	\$ 6,802,031	\$ 7,075,039	\$ 369,663
Other Accrued Liabilities	(25)	3,487,938	3,487,643	270
Custodial Accounts	1,205,709	77,785	-	1,283,494
Total Liabilities	\$ 1,848,355	\$ 10,367,754	\$ 10,562,682	\$ 1,653,427

	Balance January 1	Additions	Deletions	Balance December 31
Assets				
Cash & Equivalents	\$ 23,620	\$ 4,665,950	\$ 4,614,856	\$ 74,714
Investments At Cost	342,864	1,466,679	1,433,274	376,269
Total Assets	\$ 366,484	\$ 6,132,629	\$ 6,048,130	\$ 450,983
Liabilities				
Accounts Payable	\$ 232	\$ 968,428	\$ 920,377	\$ 48,283
Other Accrued Liabilities	-	721,110	721,110	-
Custodial Accounts	366,252	36,448	-	402,700
Total Liabilities	\$ 366,484	\$ 1,725,986	\$ 1,641,487	\$ 450,983

Combining Statement of Changes in Assets and Liabilities
 Agency Funds
 Hospital Districts
 For the Year Ended December 31, 2005



	Balance January 1	Additions	Deletions	Balance December 31
Assets				
Cash & Equivalents	\$ 176	\$ 16,008	\$ 15,862	\$ 322
Investments At Cost	-	2,505	-	2,505
Total Assets	\$ 176	\$ 18,513	\$ 15,862	\$ 2,827
Liabilities				
Accounts Payable	\$ -	\$ 4,519	\$ 4,519	\$ -
Custodial Accounts	176	2,651	-	2,827
Total Liabilities	\$ 176	\$ 7,170	\$ 4,519	\$ 2,827

Combining Statement of Changes in Assets and Liabilities
 Agency Funds
 Port
 For the Year Ended December 31, 2005



	Balance January 1	Additions	Deletions	Balance December 31
Assets				
Current Assets				
Cash & Equivalents	\$ 77,139	\$ 5,831,562	\$ 5,834,318	\$ 74,383
Total Assets	\$ 77,139	\$ 5,831,562	\$ 5,834,318	\$ 74,383
Liabilities				
Current Liabilities				
Warrants Payable	\$ 25	\$ -	\$ 25	\$ -
Custodial Accounts	77,114	-	2,731	74,383
Total Liabilities	\$ 77,139	\$ -	\$ 2,756	\$ 74,383

	Balance January 1	Additions	Deletions	Balance December 31
Assets				
Current Assets				
Cash & Equivalents	\$ 138,037	\$ 31,755,105	\$ 31,854,663	\$ 38,479
Investments At Cost	2,677,107	12,805,904	12,976,188	2,506,823
Total Assets	\$ 2,815,144	\$ 44,561,009	\$ 44,830,851	\$ 2,545,302
Liabilities				
Current Liabilities				
Accounts Payable	\$ 159,343	\$ 2,381,784	\$ 2,482,421	\$ 58,706
Other Accrued Liabilities	-	1,295,430	1,295,234	196
Custodial Accounts	2,655,801	-	169,401	2,486,400
Total Liabilities	\$ 2,815,144	\$ 3,677,214	\$ 3,947,056	\$ 2,545,302

Combining Statement of Changes in Assets and Liabilities
 Agency Funds
 Whatcom Transit
 For the Year Ended December 31, 2005



	Balance January 1	Additions	Deletions	Balance December 31
Assets				
Cash & Equivalents	\$ -	\$ 49,104,046	\$ 49,104,046	\$ -
Investments At Cost	22,352,723	28,039,965	22,867,322	27,525,366
Total Assets	\$ 22,352,723	\$ 77,144,011	\$ 71,971,368	\$ 27,525,366
Liabilities				
Custodial Accounts	\$ 22,352,723	\$ 5,172,643	\$ -	\$ 27,525,366
Total Liabilities	\$ 22,352,723	\$ 5,172,643	\$ -	\$ 27,525,366

	Balance January 1	Additions	Deletions	Balance December 31
Assets				
Current Assets				
Cash & Equivalents	\$ 5,071,495	\$ 286,435,540	\$ 284,279,794	\$ 7,227,241
Deposits With Fiscal Agent	35,000	19,573,724	19,548,724	60,000
Investments At Cost	37,414,633	55,897,049	59,438,168	33,873,514
Total Assets	\$ 42,521,128	\$ 361,906,313	\$ 363,266,686	\$ 41,160,755
Liabilities				
Current Liabilities				
Warrants Payable	\$ 4,191,140	\$ 109,327,975	\$ 107,280,120	\$ 6,238,995
Matured Long-Term Debt	-	13,330,705	13,270,705	60,000
Matured Interest Payable	35,000	6,460,100	6,495,100	-
Other Accrued Liabilities	23,271	-	-	23,271
Custodial Accounts	38,271,717	-	3,433,228	34,838,489
Total Liabilities	\$ 42,521,128	\$ 129,118,780	\$ 130,479,153	\$ 41,160,755

	Balance January 1	Additions	Deletions	Balance December 31
Assets				
Current Assets				
Cash & Equivalents	\$ 28,108	\$ 202,960	\$ 196,446	\$ 34,622
Total Assets	\$ 28,108	\$ 202,960	\$ 196,446	\$ 34,622
Liabilities				
Current Liabilities				
Accounts Payable	\$ 27,776	\$ 107,067	\$ 134,843	\$ -
Custodial Accounts	332	34,290	-	34,622
Total Liabilities	\$ 28,108	\$ 141,357	\$ 134,843	\$ 34,622

Combining Statement of Changes in Assets and Liabilities
 Agency Funds
 Fire Districts
 For the Year Ended December 31, 2005



	Balance January 1	Additions	Deletions	Balance December 31
Assets				
Current Assets				
Cash & Equivalents	\$ 891,851	\$ 30,908,900	\$ 29,963,028	\$ 1,837,723
Investments At Cost	9,288,223	6,172,058	5,636,562	9,823,719
Total Assets	\$ 10,180,074	\$ 37,080,958	\$ 35,599,590	\$ 11,661,442
Liabilities				
Current Liabilities				
Accounts Payable	\$ 189,640	\$ 7,470,647	\$ 7,304,944	\$ 355,343
Other Accrued Liabilities	295	4,132,606	4,132,290	611
Custodial Accounts	9,990,139	1,315,349	-	11,305,488
Total Liabilities	\$ 10,180,074	\$ 12,918,602	\$ 11,437,234	\$ 11,661,442

	Balance January 1	Additions	Deletions	Balance December 31
Assets				
Current Assets				
Cash & Equivalents	\$ 709,136	\$ 25,662,056	\$ 25,686,178	\$ 685,014
Investments At Cost	8,752,389	3,432,954	2,512,237	9,673,106
Total Assets	\$ 9,461,525	\$ 29,095,010	\$ 28,198,415	\$ 10,358,120
Liabilities				
Current Liabilities				
Accounts Payable	\$ 186,325	\$ 7,903,806	\$ 7,749,627	\$ 340,504
Other Accrued Liabilities	(560)	1,879,591	1,879,031	-
Custodial Accounts	9,275,760	741,856	-	10,017,616
Total Liabilities	\$ 9,461,525	\$ 10,525,253	\$ 9,628,658	\$ 10,358,120

Combining Statement of Changes in Assets and Liabilities
 Agency Funds
 Treasurer's Suspense
 For the Year Ended December 31, 2005



	Balance January 1	Additions	Deletions	Balance December 31
Assets				
Cash & Equivalents	\$ 5,422,310	\$ 120,510,658	\$ 120,529,603	\$ 5,403,365
Accounts Receivable (Net)	4,904	4,028,649	4,045,415	(11,862)
Total Assets	\$ 5,427,214	\$ 124,539,307	\$ 124,575,018	\$ 5,391,503
Liabilities				
Revenue Collected in Advance	\$ 218,876	\$ 258,721	\$ 247,024	\$ 230,573
Custodial Accounts	5,208,338	-	47,408	5,160,930
Total Liabilities	\$ 5,427,214	\$ 258,721	\$ 294,432	\$ 5,391,503

Combining Statement of Changes in Assets and Liabilities
 Agency Funds
 Inmate Trust Fund
 For the Year Ended December 31, 2005



	Balance January 1	Additions	Deletions	Balance December 31
Assets				
Cash & Equivalents	\$ 41,727	\$ 420,825	\$ 394,151	\$ 68,401
Total Assets	\$ 41,727	\$ 420,825	\$ 394,151	\$ 68,401
Liabilities				
Accounts Payable	\$ (245,593)	\$ 784,904	\$ 539,311	\$ -
Other Accrued Liabilities	287,320	52,003	270,922	68,401
Total Liabilities	\$ 41,727	\$ 836,907	\$ 810,233	\$ 68,401

Combining Statement of Changes in Assets and Liabilities
 Agency Funds
 Claims Fund
 For the Year Ended December 31, 2005



	Balance January 1	Additions	Deletions	Balance December 31
Assets				
Cash & Equivalents	\$ 1,617,482	\$ 294,546,013	\$ 293,654,775	\$ 2,508,720
Total Assets	<u>\$ 1,617,482</u>	<u>\$ 294,546,013</u>	<u>\$ 293,654,775</u>	<u>\$ 2,508,720</u>
Liabilities				
Warrants Payable	\$ 1,617,482	\$ 84,902,040	\$ 84,010,802	\$ 2,508,720
Total Liabilities	<u>\$ 1,617,482</u>	<u>\$ 84,902,040</u>	<u>\$ 84,010,802</u>	<u>\$ 2,508,720</u>

Combining Statement of Changes in Assets and Liabilities
 Agency Funds
 Salary Fund
 For the Year Ended December 31, 2005



	Balance January 1	Additions	Deletions	Balance December 31
Assets				
Cash & Equivalents	\$ 1,680	\$ -	\$ -	\$ 1,680
Total Assets	<u>\$ 1,680</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 1,680</u>
Liabilities				
Custodial Accounts	\$ 1,680	\$ -	\$ -	\$ 1,680
Total Liabilities	<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, 2005



	Balance January 1	Additions	Deletions	Balance December 31
Assets				
Current Assets				
Cash & Equivalents	\$ 17,636,858	\$ 883,791,287	\$ 879,927,007	\$ 21,501,138
Deposits With Fiscal Agent	35,000	19,573,724	19,548,724	60,000
Investments At Cost	88,136,529	111,509,409	108,530,113	91,115,825
Accounts Receivable (Net)	4,904	4,028,649	4,045,415	(11,862)
Total Assets	\$ 105,813,291	\$ 1,018,903,069	\$ 1,012,051,259	\$ 112,665,101
Liabilities				
Current Liabilities				
Warrants Payable	\$ 5,808,647	\$ 194,230,015	\$ 191,290,947	\$ 8,747,715
Accounts Payable	1,147,052	29,580,353	29,178,685	1,548,720
Matured Long-Term Debt	-	13,330,705	13,270,705	60,000
Matured Interest Payable	35,000	6,460,100	6,495,100	-
Other Accrued Liabilities	310,301	15,400,713	15,618,265	92,749
Revenue Collected in Advance	218,876	258,721	247,024	230,573
Custodial Accounts	98,293,415	7,630,738	3,938,809	101,985,344
Total Liabilities	\$ 105,813,291	\$ 266,891,345	\$ 260,039,535	\$ 112,665,101

Schedule of Expenditures - Budget and Actual
 General Fund by Department
 Year Ended December 31, 2005



	Budgeted Amounts		Actual Amounts (Budgetary Basis)	Variance with Final Budget Positive/ (Negative)
	Original	Final		
Expenditures				
Assessor	\$ 2,054,428	\$ 2,113,019	\$ 2,103,148	\$ 9,871
Auditor	1,030,042	1,046,768	1,000,309	46,459
County Council	814,012	894,463	830,698	63,765
County Executive	436,446	460,357	460,304	53
Planning & Development Services	4,891,532	5,947,731	5,128,248	819,483
Treasurer	1,178,235	1,301,427	1,184,708	116,719
Sheriff	9,645,221	10,642,911	10,542,779	100,132
Jail	7,838,239	8,295,247	8,277,799	17,448
District Court	1,481,532	1,498,574	1,447,234	51,340
District Court Probation	1,299,482	1,326,884	1,252,206	74,678
Hearing Examiner	149,071	153,473	142,228	11,245
Juvenile	3,599,239	3,736,756	3,567,204	169,552
Prosecuting Attorney	4,025,594	4,214,564	4,148,979	65,585
Public Defender	2,488,327	2,658,860	2,658,547	313
Superior Court	3,709,678	3,994,861	4,130,630	(135,769)
Cooperative Extension	317,278	319,158	298,593	20,565
Non-Departmental	8,545,673	8,604,556	6,088,265	2,516,291
Park	3,239,811	3,403,903	3,376,789	27,114
Public Health	9,773,286	10,001,881	9,389,689	612,192
Total expenditures	\$ 66,517,126	\$ 70,615,393	\$ 66,028,357	\$ 4,587,036



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
1996	\$11,770,828	\$14,133,452	\$1,907,928	\$10,703,423	\$950,057	\$6,702,229	\$2,663,466	\$0
1997	\$12,306,262	\$15,058,747	\$2,762,472	\$10,809,665	\$1,489,765	\$7,130,541	\$2,731,892	\$0
1998	\$14,227,461	\$17,003,381	\$2,366,215	\$10,990,385	\$1,183,325	\$7,730,267	\$2,911,750	\$0
1999	\$15,047,278	\$18,509,529	\$2,834,910	\$11,444,117	\$1,235,673	\$8,028,398	\$3,020,587	\$0
2000	\$15,410,234	\$19,267,342	\$4,975,846	\$13,154,686	\$1,126,322	\$8,219,522	\$3,371,446	\$0
2001	\$16,713,972	\$21,470,121	\$4,757,938	\$13,528,035	\$1,167,559	\$9,078,653	\$3,417,835	\$0
2002	\$16,863,877	\$22,879,744	\$6,544,045	\$14,126,042	\$1,322,618	\$9,194,004	\$3,363,082	\$0
2003	\$18,270,858	\$23,597,879	\$5,866,598	\$14,371,656	\$1,424,252	\$9,180,782	\$3,639,514	\$0
2004	\$19,443,137	\$25,866,906	\$4,167,394	\$14,761,101	\$1,758,741	\$9,151,500	\$3,623,601	\$0
2005	\$21,788,506	\$29,133,971	\$4,690,061	\$15,373,215	\$2,112,155	\$9,758,671	\$3,822,326	\$0

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

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

Other Financing Uses	Capital Outlays	Debt Service	Total
\$4,536,564	\$6,915,944	\$2,727,494	\$63,011,385
\$4,870,189	\$13,672,005	\$2,561,469	\$73,393,007
\$3,911,873	\$13,599,996	\$2,756,559	\$76,681,212
\$6,159,294	\$6,508,375	\$2,878,067	\$75,666,228
\$6,144,861	\$7,944,968	\$2,649,662	\$82,264,889
\$8,601,682	\$8,617,635	\$2,237,975	\$89,591,405
\$9,234,220	\$7,800,595	\$2,799,292	\$94,127,519
\$8,016,157	\$5,715,028	\$2,101,416	\$92,184,140
\$3,913,828	\$10,215,134	\$1,997,497	\$94,898,839
\$7,651,960	\$12,327,199	\$2,036,992	\$108,695,056

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



Year	Taxes	Licenses & Permits	Inter-Governmental	Charges for Service	Fines & Forfeits	Misc.	Intra-Governmental	Other Financing Sources	Total
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
2004	\$55,452,648	\$2,390,146	\$21,763,095	\$10,163,856	\$2,124,567	\$3,388,809	\$0	\$5,267,075	\$100,550,196
2005	\$61,728,366	\$2,734,130	\$25,326,753	\$11,344,374	\$2,242,373	\$4,874,670	\$0	\$8,195,838	\$116,446,504

(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	Outstanding Delinquent Taxes
1996	\$25,292,251	\$24,547,885	97.06%	\$707,630	\$25,255,515	\$1,196,371
1997	\$27,178,522	\$26,465,092	97.38%	\$655,200	\$27,120,292	\$1,322,065
1998	\$27,864,587	\$27,068,437	97.14%	\$754,999	\$27,823,436	\$1,430,947
1999	\$28,585,345	\$27,646,933	96.72%	\$858,703	\$28,505,636	\$1,492,835
2000	\$29,404,946	\$28,702,921	97.61%	\$780,380	\$29,483,301	\$1,552,527
2001	\$30,421,642	\$29,470,724	96.87%	\$887,132	\$30,357,857	\$1,618,296
2002	\$31,670,833	\$30,534,478	96.41%	\$902,820	\$31,437,298	\$1,855,668
2003	\$32,226,826	\$31,132,304	96.60%	\$1,181,451	\$32,313,755	\$1,718,582
2004	\$37,107,231	\$36,191,377	97.53%	\$1,093,092	\$37,284,469	\$1,704,919
2005	\$39,257,124	\$38,338,843	97.66%	\$1,145,083	\$39,483,926	\$1,421,553

(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
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
2004	2005	\$13,528,513,540	\$484,414,565	\$518,848,465	\$14,531,776,570
2005	2006	\$15,734,157,180	\$504,068,985	\$502,523,649	\$16,740,749,814

(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
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
2004	1.511	2.381	0.000	3.892	4.173	1.261	0.383	2.895	3.157
2005	1.430	2.289	0.000	3.718	3.931	1.229	0.383	2.567	3.219

(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
Rural Library	Hospital District	Park & Rec District	Water District	Cemetary District	Total Agencies		
0.479	0.431	0.091	0.983	0.081	13.608	17.287	
0.494	0.391	0.109	0.961	0.083	13.637	17.395	
0.500	0.391	0.109	0.861	0.085	13.727	17.449	
0.500	0.474	0.106	0.787	0.085	13.964	17.729	
0.500	0.419	0.105	0.743	0.084	13.971	17.777	
0.500	0.458	0.105	0.887	0.084	14.097	17.815	
0.500	0.450	0.098	0.625	0.086	13.676	17.347	
0.497	0.501	0.099	0.725	0.084	13.800	17.422	
0.495	0.443	0.097	0.650	0.083	13.637	17.529	
0.486	0.180	0.094	0.447	0.085	12.621	16.339	

Ten Largest Taxpayers
 December 31, 2005 for 2006 Taxes
 Table 6



Taxpayer	Type of Business	2005 Assessed Valuation	Percentage of Total Assessed Valuation
BP West Coast Products LLC	Refinery	\$595,562,720	3.558%
Tosco Corporation	Refinery	\$267,910,935	1.600%
Puget Sound Energy/ Electric	Electric Utility	\$164,496,583	0.983%
Alumet Corp 61%, ET AL	Aluminum Production	\$84,993,205	0.508%
Sumas Cogeneration CO LP	Cogeneration Plant	\$63,525,805	0.379%
Tenaska Washington Partners LP	Cogeneration Plant	\$58,750,000	0.351%
Bellis Fair Partners	Regional Shopping Mall	\$32,856,940	0.196%
Pan Pacific Development Corp	Property Development	\$20,891,450	0.125%
Nationsbanc Mortgage Corp	Liquid Propane Storage	\$19,643,725	0.117%
IKO Pacific, Inc	Wood Products	\$19,572,835	0.117%
			7.934%
County Total 2005 Assessed Value:		\$16,740,749,814	

Special Assessment Billings & Collections (1)
 Last Ten Fiscal Years
 Table 7

Fiscal Year	Assessment Roll Billings	Assessments Collected (2)
1996	Not Available	\$509,660
1997	Not Available	\$187,254
1998	Not Available	\$332,307
1999	Not Available	\$148,590
2000	Not Available	\$150,434
2001	\$176,505	\$490,624
2002	\$134,855	\$159,846
2003	\$94,870	\$45,660
2004	\$94,178	\$77,806
2005	\$70,856	\$152,306

(1) Special Assessment includes: CRID #9 and LRID #10.
 (2) Includes cancellations, supplements, and adjustments.

Total Taxable Property Value:	<u>\$ 16,740,749,814</u>	
		Remaining Debt Capacity
2.5 % general purposes limit is allocated between:	<u>\$ 418,518,745</u>	
<i>Up to 1.5% debt without a vote</i>	<u>\$ 251,111,247</u>	
Less: outstanding debt	<u>\$ 21,063,476</u>	
Less: excess of debt with a vote	<u>\$ -</u>	
Add: available assets	<u>\$ 69,264</u>	
Equals: remaining debt capacity without a vote		<u>\$ 230,117,035</u>
<i>Up to 2.5% debt with a vote</i>	<u>\$ 418,518,745</u>	
Less: outstanding debt	<u>\$ 21,063,476</u>	
Add: available assets	<u>\$ 69,264</u>	
Equals: remaining debt capacity with a vote		<u>\$ 397,524,533</u>

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

Fiscal Year	Population (1)	Assessed Value (2)	Gross Bonded Debt (3)	Debt Service Money Available (4)	Net Bonded Debt	Ratio of Net Bonded Debt to Assessed Value	Net Bonded Debt Per Capita
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
2004	177,300	\$14,531,776,570	\$12,805,000	\$75,317	\$12,729,683	0.088%	71.80
2005	180,800	\$16,740,749,814	\$11,495,000	\$69,264	\$11,425,736	0.068%	63.20

(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
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%
2004	\$1,366,817	\$630,680	\$1,997,497	\$94,898,839	2.10%
2005	\$1,454,054	\$582,938	\$2,036,992	\$108,695,056	1.87%

(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, 2005
 Table 11



Jurisdiction	Gross Debt Outstanding	Percentage Applicable to Whatcom County	Amount Applicable to Whatcom County
Whatcom County	\$11,495,000	100%	\$11,495,000
Total Direct Bonded Debt	\$11,495,000		\$11,495,000
Fire Districts	\$6,211,132	100%	\$6,211,132
Water Districts	\$1,723,525	100%	\$1,723,525
School Districts	\$131,560,685	100%	\$131,560,685
Park Districts	\$925,000	100%	\$925,000
Total Overlapping Bonded Debt	\$140,420,342		\$140,420,342
Total Direct & Overlapping Bonded Debt	\$151,915,342		\$151,915,342

Demographic Statistics
 Last Ten Fiscal Years
 Table 12



Fiscal Year	Population (1)	Per Capita Income (2)	Public School Enrollment (3)	Unemployment Rate (4)
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	\$25,450	26,053	6.8%
2002	172,200	\$25,902	26,274	6.3%
2003	174,500	\$26,617	26,637	6.1%
2004	177,300	Not Available	26,915	5.8%
2005	180,800	Not Available	26,605	5.0%

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

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

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

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

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

Year	Total New Construction Value (1)	Total Property Value (2)	Total Bank Deposits (3)
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
2004	\$674,087,413	\$14,531,776,570	\$2,342,000,000
2005	\$599,848,225	\$16,740,749,814	\$2,517,000,000

(1) Source: Whatcom County Assessor's Office

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

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

	1996	1997	1998	1999	2000	2001	2002	2003	2004	2005
Miles of Road (1):										
Unimproved	1.63	1.63	1.63	1.63	1.63	1.63	1.63	1.63	1.63	1.59
Graded & Drained	0.96	0.96	0.96	0.96	0.96	0.96	0.96	0.96	0.96	0.96
Gravel	58.84	58.07	57.17	56.58	56.35	56.05	52.06	48.50	41.79	38.99
Oiled	692.72	686.44	676.57	667.01	666.72	664.01	662.2	665.38	666.03	667.17
Asphalt	178.67	186.16	196.70	203.96	205.57	209.35	215.08	220.28	226.23	230.75
Concrete	<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>	<u>15.31</u>	<u>15.31</u>
Total Roads	950.42	948.86	948.63	948.66	949.63	950.23	950.16	952.06	951.95	954.77
Fire Protection (2):										
No. of Districts	17	17	17	17	17	18	18	18	18	17
No. of Paid Firemen	23	30	34	49	54	51	50	51	55	54
No. of Volunteer Firemen	604	609	621	631	645	591	609	599	584	566
Leisure Facilities (3):										
Parks- Number	9	9	9	9	9	9	9	10	11	11
Parks- Acres	2,211.28	2,211.28	3,650.28	3,652.58	3,652.58	3,672.58	3,893.87	4,077.77	6,615.69	6,636.69
ORV Park Acres	0	0	0	0	0	0	0	0	0	0
Senior Centers	8*	8*	8*	8*	8*	8*	8*	8*	8*	8*
General Elections (4):										
Number of Registered Voters	95,665	85,538	90,258	90,987	98,352	97,828	91,956	94,753	106,094	102,118
Number of Voters	65,565	50,593	57,090	53,038	74,668	44,163	55,066	45,786	91,497	63,716
Percent of Registered Voters Voting	68.5%	59.2%	63.3%	58.3%	75.9%	45.1%	59.9%	48.3%	86.2%	62.4%
Public Schools/ Education (5):										
Number of Schools:										
Elementary	32	33	34	35	34	36	35	35	36	35
Middle	9	9	10	10	11	11	11	11	12	11
High	8	8	9	10	12	10	10	10	11	10
Alternative or Special Education	5	5	7	8	10	10	12	16	12	10
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